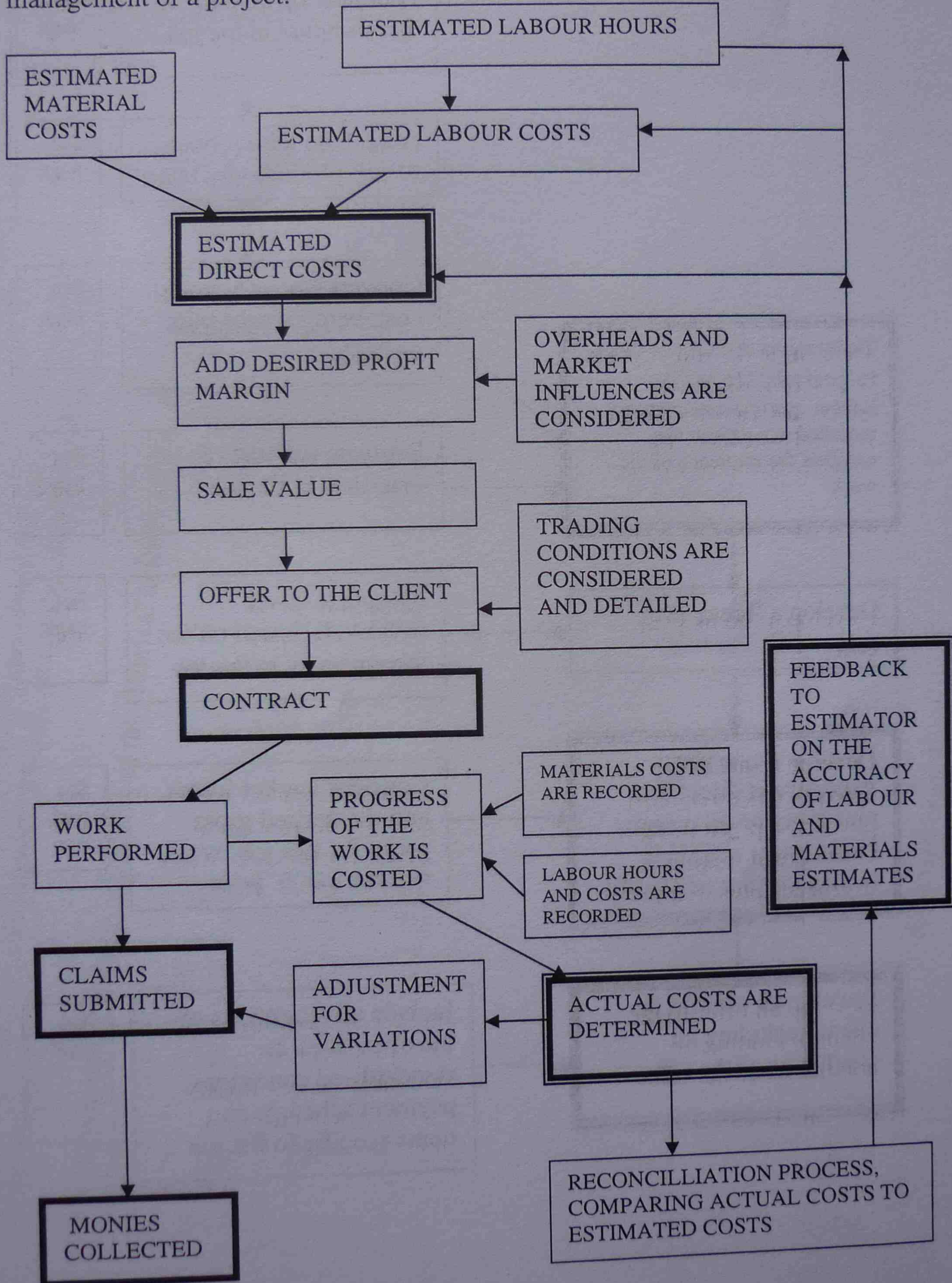
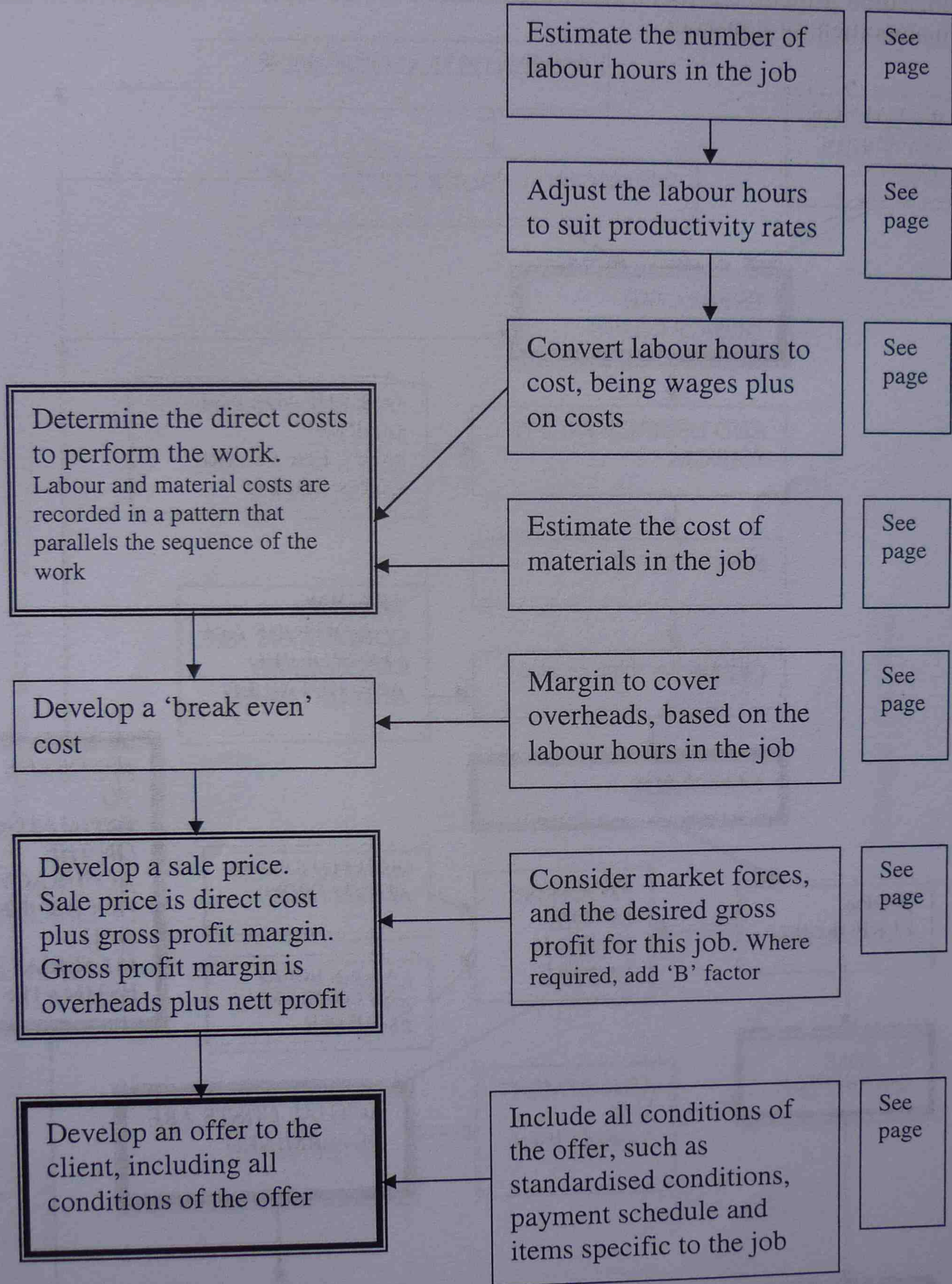


MANAGING AN INSTALLATION PROJECT

The following flowchart shows the procedure for correct financial management of an individual project. Correct estimating methods are an essential component in the ongoing management of a project.



PROCESS FOR DEVELOPING A QUOTATION FOR INSTALLATION WORK



SECTION 1

PROCESSES FOR DEVELOPING A QUOTATION FOR INSTALLATION OR SERVICE WORK

The following pages show the processes involved in the development of a quotation for either installation work or service work.

The process for the development of a quotation for installation work includes the production of an estimate of direct costs, and the ensuing process of developing the estimate into the quote to be offered to the client.

ESTIMATED COST + PROFIT MARGIN = PRICE OFFERED TO THE CLIENT

Some terms to understand are

Estimate – a forecast of the expected labour and material components and the associated costs to the contractor to perform a specific project.

Quote – the price offered to the client, for which the contractor is willing to carry out the works. This must include all appropriate conditions of trading, as it forms the basis of the contract upon which payment will depend.

* 'Estimating' is the process of making a forecast, or educated 'guesstimate' of the amount of labour in a project and the cost of materials and labour, and is a part of the process required in developing a price to be offered to the client.

A quotation for service work, or 'do and charge' work must include provision for all trading costs, such as overheads and nett profit, within the hourly charge out rate. It must also include trading terms.

An important function in all successful contracting operations is to perform a reconciliation of the estimated values of labour and material against the actual values, determined at the conclusion of the work. This process provides essential feedback to the estimator/manager on the accuracy of the estimate, and the productivity of various individuals within the labour force.

POOR PAPERWORK

- = MORE MISTAKES
- = NO PROFIT OR A LOSS !!!
- = LOTS OF STRESS
- = POOR BUSINESS
- = EVEN LESS LEISURE TIME

ASK YOURSELF – “If I am not willing and committed to running my business correctly and as efficiently as possible, should I be in business at all?”

HOW EFFECTIVE IS YOUR ESTIMATING METHOD?

Can the take off sheet be used as :

1. An accurate estimate of the cost of all job materials, broken down into each stage of the job?
2. A total of the expected labour hours, broken down into each stage of the job?
3. A total of the cost of labour for the job?
4. A method of planning labour and materials requirements for the job, as each stage of the job approaches? Is the estimate arranged in a sequence that parallels the expected progress of the works? Will the take off sheet allow you the luxury of not needing to remember or re-engineer the job on a continuing basis?
5. A materials list, to facilitate the purchasing of items for the works, as they are required for each stage?
6. A job instruction sheet, for site personnel. (With materials details shown, but costs and labour hours/costs blanked out from the photocopy).
7. An easily compared reference to the job cost record, for the purposes of the job cost reconciliation?
8. A technical reference, for similar jobs priced at a later date?
9. A reference detailing the clients name for the job, and the client contact person (by name) and phone number, etc.?
10. A method to allow you to determine a minimum profit margin, based on the number of labour hours in the job?

- Difficult access

When estimating, an estimator determines labour hours at what is an 'average' or 'benchmark' level of productivity. Where productivity may be influenced by site conditions, the total of estimated labour hours must be adjusted to suit the expected outcome.

$$\text{Adjusted hours} = \frac{\text{estimated hours for standard productivity}}{\text{adjustment factor(s)}}$$

Example 1

Where site conditions will cause a reduction in productivity to 90% of normal, and the project has an estimated labour content of 500 hours, the total labour hours must be adjusted to reflect the expected actual outcome.

$$\text{Expected hours} = \frac{100}{90} \times 500 \text{ hours} = 556 \text{ hours}$$

$$\text{or} = \frac{500}{0.9} = 556 \text{ hours}$$

Example 2

Where more than one productivity influence is anticipated, such as work occurring with large crews on multi storey sites, in hot weather.

If the productivity value adjustments are :

- Crew size – 0.9
- Multi storey – 0.85
- High temperature – 0.8

The adjustment factor is $0.9 \times 0.85 \times 0.8 = 0.612$

Therefore, if the project had 2000 hours of estimated labour, the expected, or adjusted estimate, is :

$$\frac{2000 \text{ hours}}{\text{Adjustment of } 0.612} = 3268 \text{ hours}$$

The above adjustment factors are hypothetical, and should not be used in actual conditions.

To obtain correctly determined adjustment factors for most conditions, reference may be made to the NECA Labour Unit Manual.

'Gang Rate'

An alternative method for smaller contracting operations is to use a 'gang rate' adjustment factor. This involves determining an average productivity for the employees, based against a 'bench mark' employee.

Example – a contracting operation has a workforce of six employees, who are graded against the bench mark employee.

Employee	Description	Grading
Bob	Skilled tradesperson used as bench mark	100
John	First year apprentice 10 month experience	60
Bill	Fourth year apprentice	90
Jack	Leading hand highly motivated	120
Ken	Poor work ethic, tradesperson	60
Bruce	Trades assistant, good work ethic	<u>80</u>
		510

$$\text{Average} = \frac{510}{6} = 85$$

∴ the labour adjustment factor on 'gang rate' for this group of workers is 0.85.

Example – where the labour for a project is estimated at 1000 hours, and a contracting operation has a gang rate of 0.8, the expected hours to complete the project will be :

$$\frac{\text{Labour hours}}{\text{Adjustment}}$$

$$= \frac{1000}{0.8} = 1250 \text{ hours}$$

Always remember that the purpose of estimating is to forecast the cost of performing the work. This must be the cost to the existing structure of the contracting operation. Estimating at rates relevant to other operations leads to inaccuracy and incorrect pricing.

A large company does not have the same labour productivity as a small company, particularly where the owner/operators are not involved in the day to day installation work.

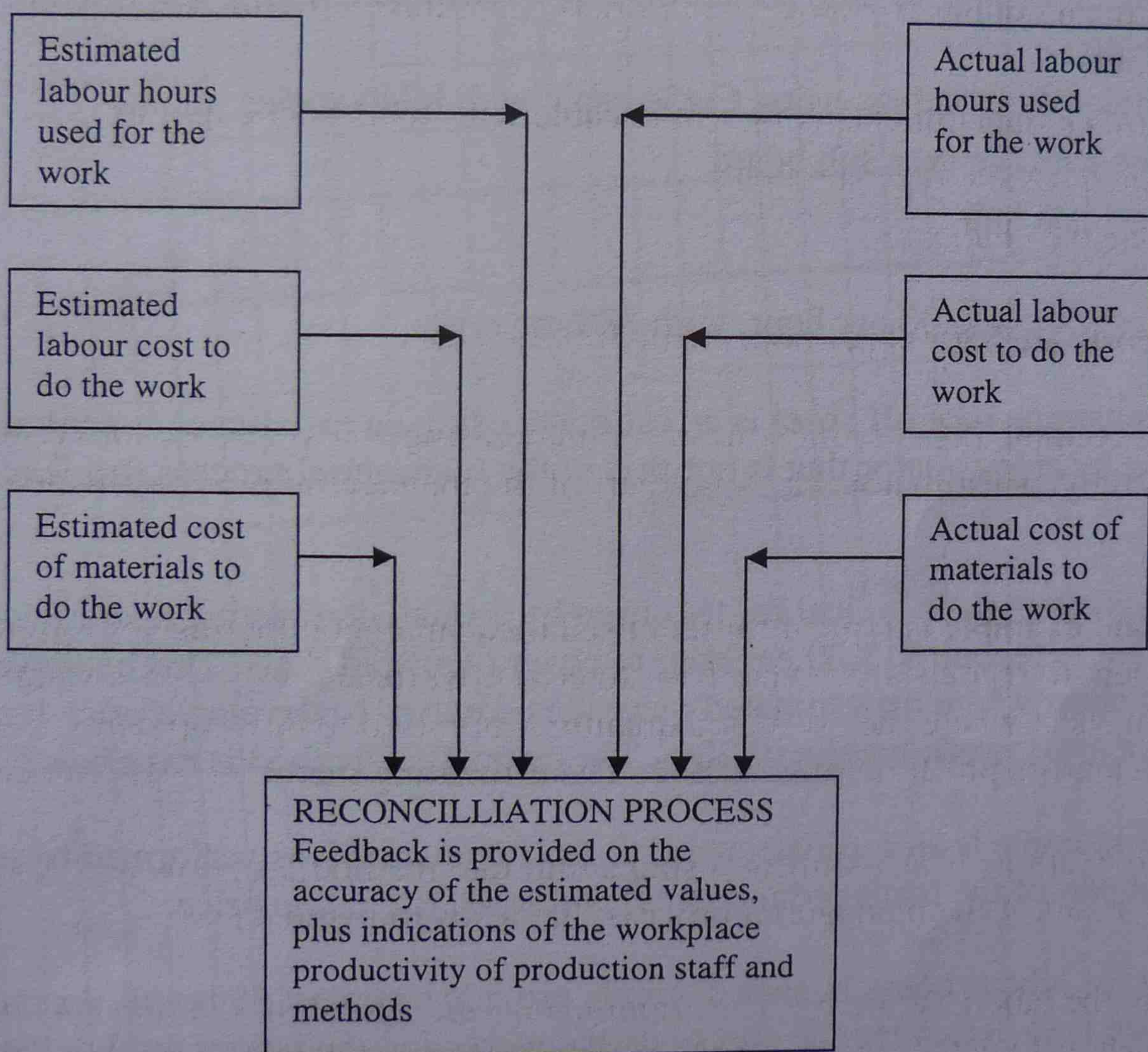
Therefore, if a large company was to attempt to estimate at the productivity rates of a smaller company, each estimate would result in under estimating the labour costs.

Larger companies remain competitive by operating with a relatively low hourly overhead burden, achieved by spreading the overheads across a much larger number of productive hours.

The estimate must provide for the process of comparing estimated to actual labour and material costs

The estimate must be detailed in the time sequence that the job is expected to follow, so that as labour and material costs are incurred during the works, they can be compared to the estimated labour and material costs as an ongoing reconciliation process.

This allows for monitoring the profitability of long term jobs, and provides essential feedback on the accuracy of the estimate.



TAKE OFF SHEET

JOB NAME . .Dodgipay Accountancy Services – Office fitout.....DATE ..20/2/2009.....

JOB DESCRIPTION....Wire in 20 2x36watt troffers on two switchgroups, 15 double socket outlets, 15 data points. Package type switchboard and data hub...All outlets on three channel skirting trunking

SHEET1... of2... COSTED BY ...I N Fallible..... CHECKED BY ...D Unno.....

DETAILS	Qty	Materials		Per	Material			Labour in		
		unit	price		extension	hours	hours			
Rough in lights 2 switch groups 1 emerg.										
1.5mm ² twin & earth	130m	110	00	100	1	4	3	1	6	
3 pin sockets with base ACME 413	21	8	20	@	1	7	3			
Cable ties	200	7	00	100		1	4			
switch mounting bracket ACME S14	1	2	50	@			3			
Fit off skirting trunking										
ACME S 3x150 3 channel skirting										
15 metres in 2.4m lengths	7	56	00	@	3	9	2	1	2	
knock in masonry fixings	100	32	00	100		3	2			
internal corners ACME ENC	4	12	00	@		4	8			
joiners ACME ENJ	5	6	00	@		3	0			
end caps ACME ENC	2	6	00	@		1	2			
socket outlet kits ACME SO2	15	12	00	@	1	8	0			
data outlet kits ACME DA 1	15	12	00	@	1	8	0			
Rough in socket outlets 3 circuits									7	
2.5mm ² twin & earth	70m	180	00	100	1	2	6			
Rough in data outlets									6	
Cat 5e 4 pr cable	220m	60	00	100	1	3	2			
Fit off lights										
ACME 2x36 PRDTR	20	72	00	@	1	4	4	0	8	
ACME EMR emerg kit	1	140	50	@		1	4	1		
Plasto light switch LS2	1	7	60	@			8			
Fit off socket outlets										
Plasto 210 outlets	15	12	30	@		1	8	5	3	
Fit off data outlets										
Plasto DRJ45 8	15	11	40	@		1	7	1	4	
TOTALS Front sheet					3	4	1	0	5	6

Total labour hours = ..63.. Total material costs = .\$ 3855.....

Total labour costs =63.....hours @ \$30.00 + 38%.. =\$2608.....

Add 'B ' factor (if required) Total costs = ..\$6463.....

DETAILS	Qty	Material unit price			Per	Material extension				Labour unit		Qty	Labour extension		
Rough in socket outlets 3 circuits 2.5mm ² twin & earth	70m	1	80	00	100	1	2	6		8	.6	70		6	
Rough in data outlets Cat 5e 4 pr cable	220m		60	00	100	1	3	2		2	.7	220		6	
Fit off lights ACME 2x36 PRDTR	20		72	00	@	1	4	4	0		.3	20		6	
ACME EMR emerg kit	1	1	40	50	@		1	4	1	1		1		1	
Plasto light switch LS2	1		7	60	@				8		.2	1			.2
Fit off socket outlets Plasto 210 outlets	15		12	30	@		1	8	5		.2			3	
Fit off data outlets Plasto DRJ45 8	15		11	40	@		1	7	1		.2			3	
Fit off switch board Plasto PAK 15P	1		42	80	@			4	3	2	.5			2	.5
Plasto Comb RCDCB 20	3		38	60	@		1	1	6		.1	3			.3
Plasto Comb RCDCB 15	1		38	60	@			3	9		.1	1			.1
Fit off data hub Plasto D25 LP	1	2	46	80	@		2	4	7	4		1		4	
TOTALS rear sheet						2	6	4	8				3	2	.1

JOB QUOTATION TAKE OFF SHEET

JOB NAME . .Dodgipay Accountancy Services – Office fitout.....DATE ..20/2/2009.....

JOB DESCRIPTION....Wire in 20 2x36watt troffers on two switchgroups, 15 double socket outlets, 15 data points. Package type switchboard and data hub...All outlets on three channel skirting trunking

SHEET1... of2... COSTED BY ...I N Fallible..... CHECKED BY ...D Unno.....

DETAILS	Qty	Materials		Per	Material extension			Labour in hours		
		unit price								
Rough in lights 2 switch groups 1 emerg.										
1.5mm ² twin & earth	130m	110	00	100	1	4	3	1	6	
3 pin sockets with base ACME 413	21	8	20	@	1	7	3			
Cable ties	200	7	00	100		1	4			
switch mounting bracket ACME S14	1	2	50	@			3			
Fit off skirting trunking										
ACME S 3x150 3 channel skirting										
15 metres in 2.4m lengths	7	56	00	@	3	9	2	1	2	
knock in masonry fixings	100	32	00	100		3	2			
internal corners ACME ENC	4	12	00	@		4	8			
joiners ACME ENJ	5	6	00	@		3	0			
end caps ACME ENC	2	6	00	@		1	2			
socket outlet kits ACME SO2	15	12	00	@	1	8	0			
data outlet kits ACME DA 1	15	12	00	@	1	8	0			
Rough in socket outlets 3 circuits									7	
2.5mm ² twin & earth	70m	180	00	100	1	2	6			
Rough in data outlets									6	
Cat 5e 4 pr cable	220m	60	00	100	1	3	2			
TOTALS Front sheet					1	4	6	5	4	1

TOTAL HOURS63..... + ADJUSTMENTS = ...64..... @ \$.41.4.....p/hr = \$.2650.....

PLUS MATERIAL COSTS = \$..3855..... PLUS B FACTOR (if required)

JOB DIRECT COST = \$...6505..... + MARGIN ..20.....% = SALE PRICE \$...8132.....

BREAK EVEN = DIRECT COST = \$.6505....+ OVERHEADS 64hr@ \$.15.00.....p/hr = \$7465...

NETT PROFIT = SALE – BREAK EVEN = \$.8132..... - \$.7465..... = \$.667.....

Calculating 'on costs'

On costs should be calculated as a percentage that can be added to the wage rate for any employee engaged under the local employment agreement.

Each of the on cost components is calculated as a percentage of the wage, and then added to supply a fixed percentage that will allow for all the 'on costs'.

Note that although the employee gets paid 52 weeks a year, income for the yearly salary is produced over less than that period. Those times for holidays, sick leave, etc. are not income earning periods.

As an example, the number of working weeks for most electrical workers is

Annual holidays	= 4.0 weeks
Paid public holidays – 9 days	= 1.8 weeks
Paid sick/family leave – say, 10 days ...	= 2.0 weeks
Total non income earning weeks	= 7.8 weeks

Therefore incoming earning weeks = $52 - 7.8 = 44.2$ weeks

Calculation of on costs must be based on the number of income producing weeks, rather than 52 weeks per year.

The following calculations are provided as an example of determining the on cost percentage required for a hypothetical employee.

1. Workers Compensation Insurance

This is usually based on a percentage of the wages paid to an employee. It varies in levy, depending on the competitive rates at which the insurance companies are prepared to operate.

Assuming that suitable cover is obtained for 8% of wages paid.

Therefore the on cost component for workers compensation insurance will be 8%, to be gained over the 44.2 productive weeks.

$$\text{Workers compensation on cost} = 8\% \times \frac{52 \text{ weeks to be paid}}{44.2 \text{ productive weeks}}$$

$$= 9.41\% \text{ of wages paid}$$

DETERMINING AN HOURLY COST OF LABOUR

The first step in arriving at a direct cost figure for labour is to establish the actual dollar figure paid as wages per week to a particular employee.

Calculating wage costs

The following example uses hypothetical values of employment conditions for determining the wage cost for a specific individual.

The calculations are based on a 38 hour working week

(a)	Base electricians wage rate \$32.00 per hour	\$1216.00 per week
(b)	Licence allowance	\$ 30.00 per week
(c)	Tool allowance	\$ 25.00 per week
(d)	Special (skill) allowance \$2.31 per hour	\$ 87.78 per week
(e)	Construction allowance	\$ 64.00 per week
(f)	Travelling time allowance ..80 minutes pay per day, on a 38 hour week	
	$= \frac{5 \times 80}{60}$ hours per week @ \$32.00	\$ 213.33 per week

Therefore, the normal weekly wage for this employee will be the sum of these items :

$$= \$1636.11 \text{ per week}$$

Dividing the weekly wage by the number of working hours per week, the wage component is

$$\frac{\$1636.11}{38 \text{ hrs}} = \$43.06 \text{ per hour}$$

However, the actual cost is a lot more than \$43.06 per hour, because there remains the 'on cost' component to be added to this figure.

The on cost margin, expressed as a percentage of the employees wage rate, will apply to all employees in the one operation that are employed under the same award.

5. Public Holidays

For this hypothetical employment agreement there are nine paid public holidays, and a paid union picnic day, each year. This is yet another cost that must be carried by the 44.2 working weeks.

Converting this to an on cost percentage, and using the five day working week, 10 paid holidays = 2.0 weeks, which represents an on cost percentage of

$$\frac{2}{52} \times \frac{52}{44.2} \times 100 = 4.52\%$$

Public Holiday on cost = 4.52%

6. Sick Leave

For this hypothetical employment agreement employees have eight days paid sick leave and two family/community days each year. Using the same methods as for public holidays (as above), an on cost component can be derived.

$$10 \text{ days} = 2.0 \text{ weeks} = \frac{2.0}{52 \text{ wks}} \times \frac{52}{44.2} \times 100 = 4.52\%$$

7 Superannuation

This cost is currently set at 9% of wages paid. therefore the on cost component is

$$\frac{9\% \times 52}{44.2} = 10.6\%$$

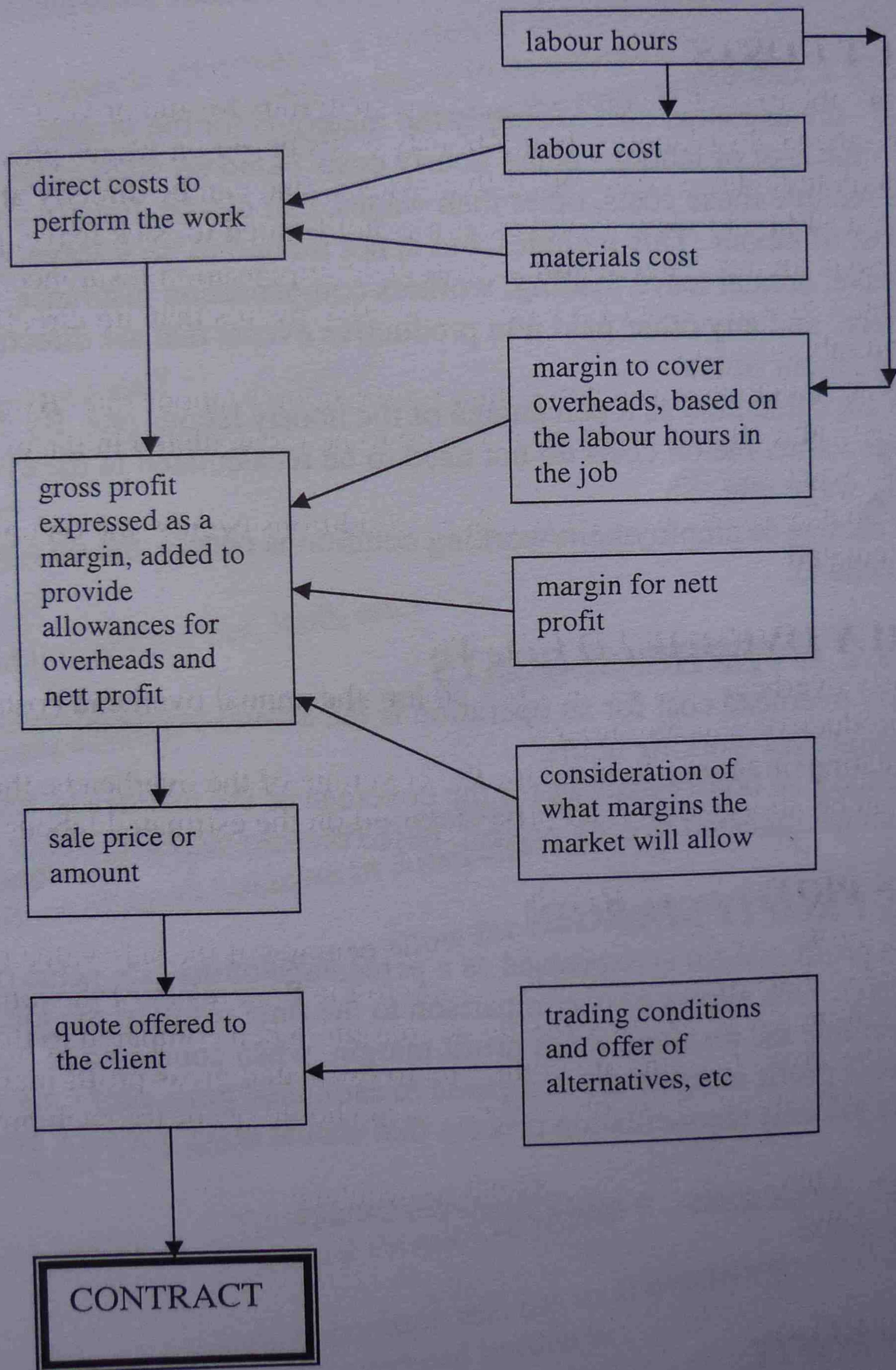
TOTAL OF ON COST MARGINS

Adding the various on cost percentage margins will give a total on cost margin

Workers Comp	=	9.41%
Long Service	=	1.8%
Annual Leave	=	9.0%
Leave Loading	=	1.58%
Public Holidays	=	4.52%
Sick Leave	=	4.52%
Superannuation		10.6%
TOTAL	=	41.43%

Determining a minimum sale value for a quotation

The value of a quotation must include all direct costs, and a gross profit margin.



OVERHEADS

The overheads are those operating costs of a business that cannot be directly attributed to a specific job, but must be covered by all jobs, over the current financial year.

In order to ensure that the overheads are covered, a portion of the overheads must be covered by each job. The simplest way to achieve this is to determine a set amount, in dollars per productive working hour that is required to cover the total overheads.

Overheads include items such as:

- phone/fax costs
- wages for supervisory staff
- wages for administrative staff
- rent of premises
- accountancy costs
- advertising
- insurance (public liability, fire, theft, etc.)

Note that workers compensation insurance is not an overhead. It is a component of the 'on cost' part of labour costs.

Research has demonstrated that poor management of overheads is a common contributor to failure of small business in Australia.

In order to determine the amount of cost to allow for overheads, on an hourly basis, determine :

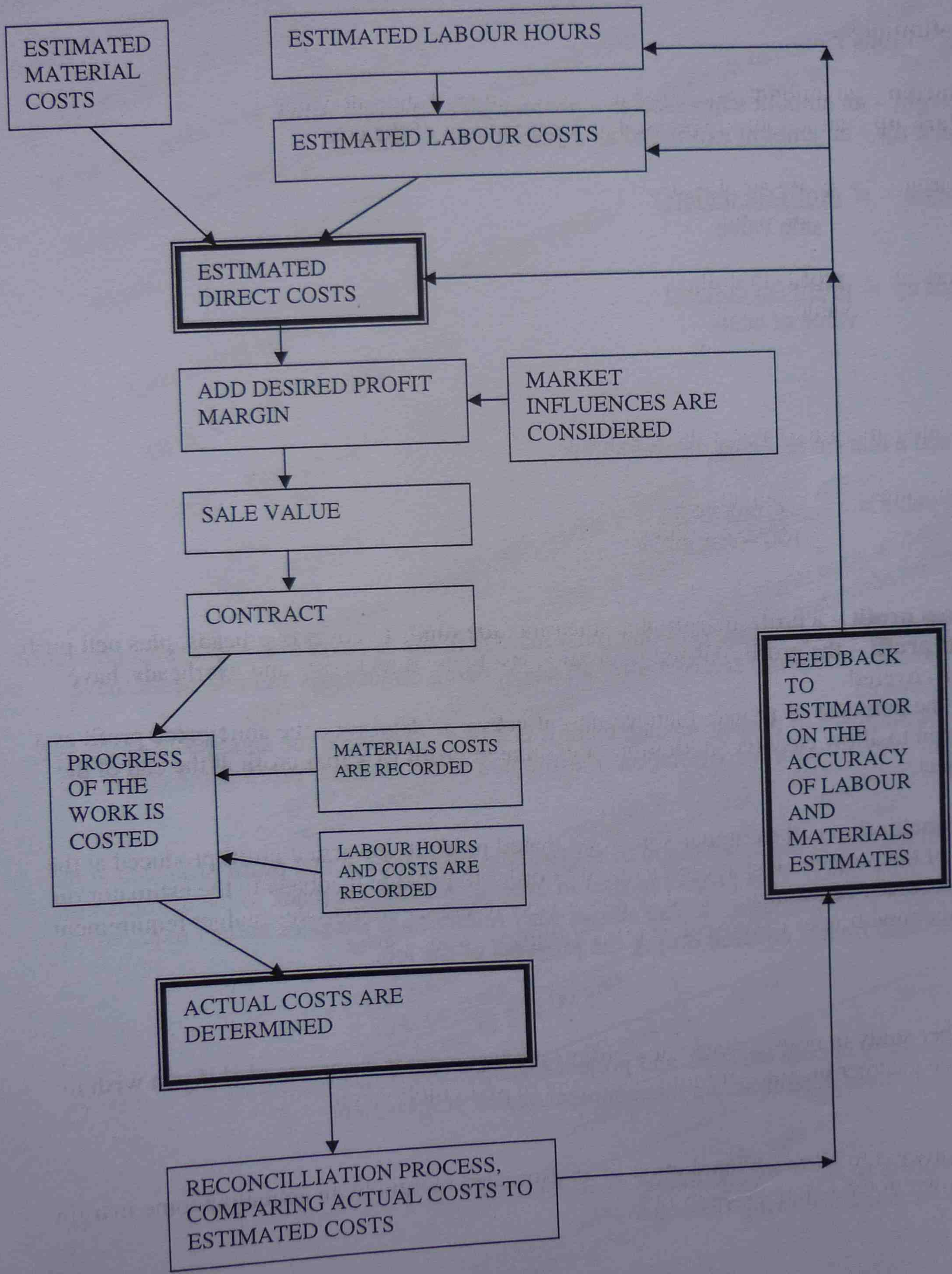
- (a) the total annual overhead costs
- (b) The total number of productive hours

$$\text{Hourly overhead burden} = \frac{\text{Total Overhead Costs}}{\text{Annual Productive Hours}}$$

Example – for a small contracting operation that has total overheads of \$23,000, and 1150 productive hours per year, the overhead burden is :

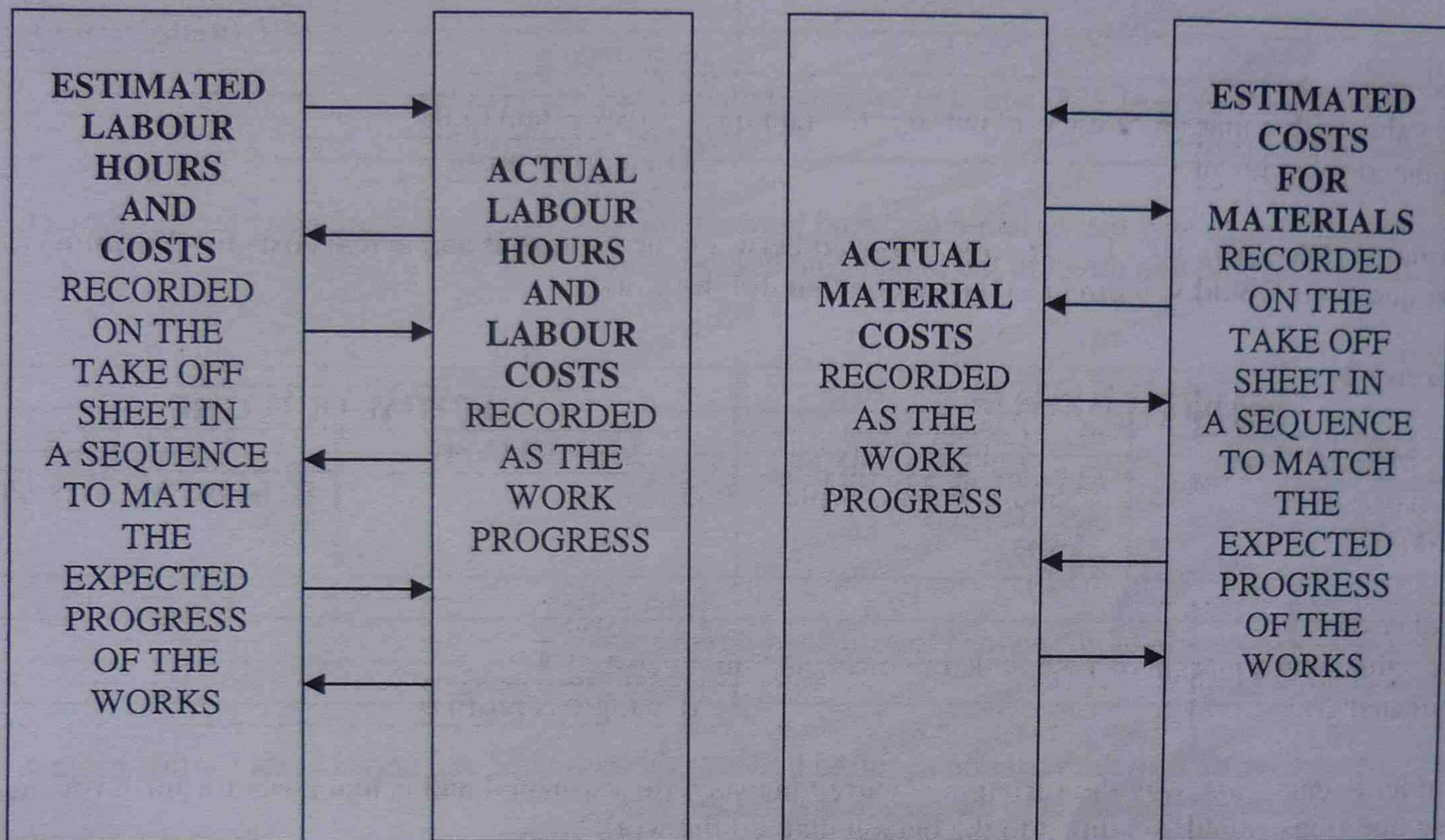
$$\frac{\$23,000}{1150} = \$20 \text{ per productive hour}$$

FLOW CHART SHOWING THE PROCESS THAT LEADS TO RECONCILLIATION BETWEEN ESTIMATED COSTS AND ACTUAL COSTS FOR A PROJECT.



The Reconciliation Process

Where the gross profit outcome of a project is not the same as the estimated value, the estimator should compare the estimated materials and labour values to the actual values, using the take off sheet and costs records.



The reconciliation process allows the estimator to identify the areas of inaccuracy in the estimating process.

Questions

1. Where the final materials costs exceed the estimated values, what are the likely causes?
2. Where the labour hours and costs exceed the estimated values, what are the likely causes?
3. Where the labour hours come in close to the estimated value, but the labour cost is less than the estimated value, what are the likely causes?

Standard conditions of tender

There is a wide range of variables or “what if” conditions that can have a serious impact on the costs to perform contract works. These include, but are not limited to :

- asbestos or other hazardous materials on site
- possible changes to GST or other taxes
- changes to wage rates/labour cost
- changes to employment conditions/labour cost
- non compliance of existing installation wiring, switchboards etc.
- industrial action
- changes to costs related to supply authority requirements

Considerations such as those above, and many others, apply to most contract jobs, and can be addressed by developing a “standard condition of tender” that applies to all quotes issued by the contracting operation. This greatly reduces the time and effort required in developing quotations.

The importance of a well detailed contract cannot be over emphasised.

A fully detailed contract is the first line of defense against non payment by a client.

Unfortunately, there are a significant number of clients that will attempt to avoid payment for work, often by fabricating a dispute as the reason for non payment. In other cases, the client may have insufficient funds to pay all contractors on site, resulting in those with a strong case being paid in preference to others.

Other customers (such as large building contractors) may simply try to keep the sub contractors money for as long as possible, using it as trading capital or investment funds.

Consider this anecdotal story

Kenny, an electrical contractor, observed that his mate Smithy seemed to be in serious financial trouble. Smithy was a great salesman, who had gone into business selling cleaning chemicals to the contract cleaning industry. Unfortunately, Smithy had sold large amounts of stock to cleaning contractors that could not or would not pay their debts, leaving Smithy unable to pay his suppliers.

When Kenny said to Smithy “I guess you mustn’t sleep at night with all these problems” Smithy replied “what problems”? I owe them money and can’t pay it – they are the ones with the problems!

Smithy said – “That’s Murphy’s Golden Rule – whoever has the gold, rules”.

the person that owes the money is in charge of the situation.

TYPICAL CLAUSES FROM SPECIFICATIONS, AND THE POTENTIAL IMPACT ON PAYMENT.

Below are some typical clauses that appear in specifications associated with electrical contracting work, and their potential impact.

Note that where the client makes a deduction from the contractors' claim, the deduction(s) often occur from the final claim, after the works have been completed, and the contractor has minimal bargaining power.

TYPICAL CLAUSE FROM A SPECIFICATION OR CONTRACT	IMPACT ON TRADING FOR THE ELECTRICAL CONTRACTOR
1 All work is to be carried out in a neat and orderly manner, to the satisfaction of the architect or his appointed representative. Any work deemed to be of a sub standard nature shall be repaired or replaced to the satisfaction of the architect at no cost to the client	If the customer intends to use a condition of dispute to avoid or prolong payment, this contract condition provides an opportunity. A mechanism for appointing an independent arbitrator is essential, to force resolution of the dispute, and payment.
2 It shall be the contractors responsibility to ensure the works comply with all relevant standards and authority requirements. No claim for additional costs through authority requirements will be allowed.	What if there is an increase or new fees for supply authority work, such as mains connection, inspection fees, etc. What if there is an increase in GST or other taxes and fees.
3 All work shall be carried out by qualified tradespersons, under the employ of the contractor	This excludes the use of apprentice or trades assistant labour resources. It also excludes the use of sub contractors
4 The contractor shall maintain competent tradespersons on site at all times during the progress of the works	This means that tradespersons must be on site, regardless of availability of useful work. The contractor becomes liable for unexpected costs incurred by the client that may have been avoided if the contractor was on site
5 The bid submitted shall be a fixed price not subject to variation without the written authorisation of the architect or his representative	The contractor is unable to claim costs where the project goes on for an unexpected length of time
6 The contractor shall be liable for the repair of any damage to any surfaces for the duration of the project	The client is in a position to deduct money from the contractors' payment for any damage, without proof of the source of the damage
7 This contract shall include all items included in the specification and plans, and all other items deemed obvious, but not necessarily detailed	The contractor is placed in a position of being required to pay for items that have occurred through omissions in the design, etc.
8 The contractor shall provide for all site storage and amenities required in the performance of the works	The client can deduct money for the use of toilets, car parking, lunch rooms, and for the provision of a first aid person or equipment, temporary power supply, scaffolding, hoists etc.
9 The contractor shall co-ordinate with the works of other trades, and will be liable for costs incurred through delays to the works	The contractor will need to be in constant contact with all other trades, relieving the client of the responsibility to co-ordinate and run the job, and become responsible for delays caused by other trades or other circumstances
10 All materials and installation practices shall be in conformity with appropriate standards and regulations, and this specification	Where the specification calls for an item that is not available or impractical, and the contractor provides a similar item without written consent of the client, the contract is incomplete, resulting in a possibility of non payment.

SECTION 1

FORMS OF CONTRACT

The purpose of a contract is to formalise the agreement between two or more parties that involves the provision of a service for payment.

For electrical contracting, as with most other contracting trades, the agreement usually involves the creation of a functioning new installation, or the repair of an existing installation.

Contracts may be verbal, involving a spoken agreement between the parties where each party describes the component of the contract that they require, and the agreement to provide the component required by the other party.

In electrical contracting work the agreement involves an understanding of the service required, and the amount to be paid for the service. Where all parties state agreement, a legally binding contract can be formed.

However, because there is no fixed record of the details of the agreement, enforcement of the agreement is rarely practical should one or more parties fail to fulfill the required obligations.

From the electrical contractors perspective, some problems that may arise due to the use of a verbal contract are –

- The client misunderstands or forgets the value of money required.
- The person that makes the agreement with the electrical contractor is not authorised to do so, and payment cannot be obtained from the person in charge of finances. This is a common risk in multi domestic situations when work is required in the communal areas, and also occurs in large commercial and industrial sites.
- The client cannot see value for the service supplied, and disputes the sum required. In many electrical jobs most of the work is concealed in order to produce a neat job, leaving the client with little physical evidence to justify the cost.
- The client rejects the hourly rate as too high. Many clients are unaware of the effects of overheads and on costs on the minimum hourly return required by the contractor.
- The client has no intention to pay, and intends to obtain the contractors work without payment.
- Without the availability of an impartial witness disputes in verbal contracts cannot be resolved through legal channels.
- Once the job is finished, the contractor is wholly reliant on the goodwill of the client to secure payment for the work.

In short, for the purposes of professional trading, verbal contracts should not be used.

Written contracts cover a wide spectrum of size and complexity. For small jobs a simple single sheet contract remains viable and cost effective. For jobs of increasing size the time frame introduces complexities such as multiple progress claims, variations to contracted work, changes in costs, liquidated damages and other penalties, etc. and requires a more complex form of written contract.

Since the purpose of a written contract is to protect each party against failure of the other party to perform the required function, the contract must be suitable for use as a legal document in the event of dispute. It must include at least the following parts –

- The names of all parties to the contract
- The signatures of all parties to the contract
- The date on which the contract is formed
- Details of the service to be provided
- Value of monies to be paid
- All conditions associated with the offers of all parties (refer to Section 6 Part 1)

In addition to the basic components listed above, contracts may also contain items such as –

- Time frames for completion of the works
- Fixed or cost variation adjustable price
- Provision for variation to the contracted work
- Use of sub contractors
- Retention monies
- Public liability insurance
- Provisional sums
- Site requirements
- OHS requirements
- Working hours
- Details of documents forming part of the contracted works (drawings and specifications, etc.)
- Defects liability
- Liquidated damages
- Method of progress claims
- Payment schedules
- Method for dispute resolution
- Liability for damage to areas outside the work.