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FINANCIAL BID TEMPLATES

INTERPRETATIVE NOTES

Contracts may be:

a) lump-sum contracts,
b) unit-price contracts,
c) hybrid contracts.

1. In lump-sum contracts, an all-in price covers all the works concerned by the contract. The all-in price will, if necessary, be calculated on the basis of the breakdown of the lump-sum price. In the latter case, an all-in price will be given for each separate item in the itemised breakdown. The total price will be calculated by adding together the various all-in prices for all such items. Where items are accompanied by quantities, these will be firm quantities drawn up by the contracting authority. The firm quantity is the quantity for which the contractor has submitted an all-in price, which will be paid to it irrespective of the quantity actually supplied.

2. In unit-price contracts, the works are broken down into different items on the basis of a bill of quantities drawn up by the contracting authority, and the proposed unit price for each item is indicated. The amounts due under the contract will be calculated by applying the unit prices to the quantities actually supplied, in accordance with the contract.

3. In hybrid contracts, the prices will be fixed and works paid for in accordance with two or more of the methods laid down in paragraphs 1 and 2. The tender dossier for a hybrid contract will indicate how prices are to be calculated.

4. Each tender dossier must specify the exact type of contract used. The bill of quantities and price schedule (for unit-price contracts)/breakdown of the lump-sum price (for lump-sum contracts) must provide sufficient information on the quantities of works to be performed to enable bids to be prepared, and when a contract has been entered into, to provide an itemised basis for measuring the works executed. In order to attain these objectives, works should be itemised in the bill of quantities and price schedule (for unit-price contracts)/breakdown of the lump-sum price (for lump-sum contracts) in sufficient detail to distinguish between the different categories of works, or between works of the same nature carried out in different locations or any other circumstances which may give rise to variations in cost. Their layout and content should be as simple and brief as possible, while remaining consistent with these requirements.

Daily work schedule

A daily work schedule could be included for unforeseen works not covered by the bill of quantities or by the breakdown of the lump-sum price. The daywork schedule should comprise a list of the various categories of labour, materials, and construction plant for which basic daywork prices are given by the tenderer, together with a statement of the conditions under which the contractor will be paid for work executed on a daywork basis. The daywork schedule should also contain the estimated quantities for each item of daywork.

A general provision for dayworks may be made by including a provisional sum.