

L/E  
(cc.) 3.

FINAL ACCOUNT  
SCHEDULE D

SCHEDULE D

SUMMARY OF AGREED PROLONGATION COST

Assessment of claim from Hien Lee Engineering Company Limited for reimbursement of prolongation costs resulting from extensions of the time due to variation works

1. Relevant details on which assessment is based

(a) Commencement and Completion Times

Contract commencement date	:	27/9/2007
Contract date for completion	:	27/5/2009
Extended date for completion	:	10/7/2009
Certified date of completion	:	21/9/2009
Time of completion (EOT)	:	609 day
Total extension	:	44 day
Delay	:	73 day
Rate of Liquidated Damages	:	\$100,000/day

(b) Extension of Time

Hien Lee's claim is based on total EOT of 44 days granted of which 4 days is due to inclement weather and the remaining 40 days are under Clause 27.1(2)(c) for AI requiring variation and entitling Hien Lee for direct loss &/or expense.

(c) Contract Sum Analysis

Original Contract Sum		\$184,794,373.18
Less Prime Cost and Provisional Sums		\$107,049,150.00
Less Preliminaries		\$20,780,985.30
Total builder's work in original contract sum excluding Preliminaries		\$56,964,237.88

2. Assessment of compensation

(a) Reimbursement for additional time-related overhead costs in Preliminaries

\$593,027.91

- (i) Additional preliminaries are the costs incurred in running the site during the extended contract period including site staff, watchmen, plant, equipment, cleaning, water, lighting, power, site office, shed, telephone, scaffolding etc.
- (ii) For assessment purposes we have used the running cost associated with the time-related preliminaries contained within the tender allowance. (see Schedule D1)
- (iii) The extended preliminaries for 40 days is
- $$= \frac{\text{Value of priced time-related preliminaries (see Schedule D1)}}{\text{Time allowed in original contract}} \times \text{EOT}$$
- $$= \frac{\$9,028,850.00}{609 \text{ day}} \times 40 \text{ day} = \$593,027.91$$

(b) Reimbursement for additional head office overhead

\$0.00

- (i) Hien Lee claimed a head office overhead contribution of 7.5% for year 2007 to 2009 with substantiation in the form of audited accounts.
- (ii) For assessment purpose, this 7.5% is applied to the value of builders work from the tender less the head office overheads already recovered through variations carried out after the original completion date:
- Head Office Overheads contribution
- $$= \frac{\$77,745,223.18}{107.50\%} \times 7.50\% \times \frac{40 \text{ day}}{609 \text{ day}} = \$356,261.76$$
- Head Office Overheads recovered through variations
- $$= \$7,832,346.02 \times 7.50\% = \$587,425.95$$
- As the Head Office Overheads contribution during the extended Contract Period is less than that recovered through variations, no additional head office overhead is considered.

(c) Interest on cash collateral bond

\$213.70

- (i) Hien Lee submitted the bank deposit advice showing the profit for year 2007-2009 is 0.03% and the loss of profit is based on the Contract Sum of \$6,500,000.00 x 0.03% x 40 days + 365 days = \$213.70.

(d) Interest on Delayed Recovery of Retention Molety

\$120.97

- (i) Hien Lee's claim is based on 0.03% of the Contract Sum for 40 days.
- (ii) We have used the bank deposit advice provided by Hien Lee of 0.03% applicable at the time of prolongation and the second half retention being held for working out the interest on delayed recovery of retention moiety.
- (iii) Second half retention in the Payment Certificate No. 24 = \$3,680,000.00
- (iv) Interest at 0.03% per annum for 40 days is
- $$= \$3,680,000.00 \times 0.03\% \times 40 \text{ days} + 365 \text{ days} = \$120.97$$

(e) Interest on financial charge

\$19.51

- (i) Hien Lee submitted the bank deposit advice showing the profit for year 2007-2009 is 0.03% and the loss of profit is based on the total sum of financing of (\$593,027.91+\$213.7+\$120.97) x 0.03% x 40 days + 365 days = \$19.51.

Assessed Total Prolongation Cost:

\$593,382.09

# Sample of Prolongation Assessment

FINAL ACCOUNT  
SCHEDULE D1

## SCHEDULE D1

### SUMMARY OF ASSESSMENT FOR PROLONGATION COSTS

#### SUMMARY OF AGREED PROLONGATION COST

#### SUMMARY OF PRICED TIME-RATED PRELIMINARIES

B.Q. Ref.	Description	B.Q. Amount HK\$	Initial Cost HK\$	Work-related Preliminaries HK\$	Time-related Preliminaries HK\$	Removal Cost HK\$
8.05	Sample floor	50,000.00	-	50,000.00	-	-
10.03	Progress Photographs	40,000.00	-	-	40,000.00	-
15.01	Regulations	510,000.00	-	510,000.00	-	-
15.07	Industrial training and pneumoconiosis levies	1,279,161.59	-	1,279,161.59	-	-
16.06	Maintenance of existing trees and shrubs	40,000.00	-	-	40,000.00	-
17.0	Insurance and Surety	3,417,211.21	1,280,000.00	2,137,211.21	-	-
18.04	Contractor's management team	5,281,500.00	-	-	5,281,500.00	-
18.07	Watching	377,500.00	-	-	377,500.00	-
18.10	Fire protection	50,000.00	-	50,000.00	-	-
18.11	Clearing away rubbish during the progress of the works	1,817,812.50	-	1,817,812.50	-	-
18.14	Setting out	1,475,000.00	442,500.00	1,032,500.00	-	-
19.01	Plant, tools, etc. and scaffolding	4,387,800.00	1,316,340.00	-	2,193,900.00	877,560.00
19.02	Hoarding, screen, etc.	121,000.00	18,150.00	-	96,800.00	6,050.00
19.03	Contractor's storage sheds, workshops and offices	275,000.00	68,750.00	-	165,000.00	41,250.00
19.05	Temporary latrines	99,000.00	24,750.00	-	59,400.00	14,850.00
19.07	Temporary supports	300,000.00	-	300,000.00	-	-
19.10	Lighting and power	1,033,000.00	154,950.00	-	774,750.00	103,300.00
19.14	Other temporary works	227,000.00	-	227,000.00	-	-
	Total	20,780,985.30	3,305,440.00	7,403,685.30	9,028,850.00	1,043,010.00