

## Sample of Simple Prolongation Assessment

Main Contractor → Q.S

V/E  
CC-1  
GOOD SAMPLE

KIL 11045 HONG KONG

Preliminary Assessment of Loss & Expense of 98 days EOT

### 1 Site Preliminaries (exclude insurance & bond)

Running cost of site preliminaries as abstracted  
from Bills of Quantities (Less Insurance & Surety Bond): \$ 5,978,300.00

Contract period : 450 days

\$ 5,978,300.00 / 450 days = \$ 13,285.11 say \$ 13,290.00 /day

### 2 Interest of Retention Money

Total Retention Money for Main Contractor \$ 19,639,000.00

Judgment Debt Rate at April 97 = 11.50%

Rate agreed and used in assessment = prime rate + 2% = 10.75%

\$ 19,639,000.00 ×  $\frac{10.75\%}{365}$  = \$ 5,784.09 say \$ 5,790.00 /day

### 3 Office Overhead

Contract sum:	\$514,800,000.00
Less: PC sum:	\$122,020,000.00
Less: Contingency:	\$ 25,000,000.00
	<u>\$367,780,000.00</u>

Based on experience on previous assessment 1-3% is a reasonable range.

Assuming 1.5% office overhead for this project:

\$ 367,780,000.00 ×  $\frac{1.50\%}{450}$  = \$ 12,259.33 say \$ 12,260.00 /day  
Total \$ 31,340.00 /day

### 4 Total assessed loss & expense for 98 days EOT

98 × \$ 31,340.00 = \$ 3,071,320.00

### 5 Insurance cost as per Broker's Indication

i. CAR (from 28/7/97 to 12/9/97)	\$ 144,733.24
ii. Employees' Compensation	\$ 116,062.12 \$ 260,795.36

### 6 Bond (to be absorbed)

	\$ -
	<u>\$ 3,332,115.36</u>
say	<u>\$ 3,300,000.00</u>

Premium for  
extending the policy.