

Contract Close-Out & Final Account Services

The Contracts Group offers comprehensive Contract Close-out and Final Account Support Services, including:

- Formulation of final account strategy with client
- Valuation of Variations (VO)
- Quantity Measurement
- Rate Build-up / Pricing Research
- Attend VO meetings
- Support on Dispute Resolution
- Advise on completeness of documentation and submission for contract close-out



It is common in the construction industry that one of the main outstanding issues which prevents the final account settlement of a project is disputes on valuations of variations, others include disputes on extensions of time and claims for loss and / or expense. These disputes can quite often escalate to litigation, adjudication or arbitration.

Project QS' engaged by the Employer usually rely on Contractors to submit VO valuations and details for their assessment. In many instances, the Contractors' QS' are not able to prepare and submit proper valuations and details in a timely manner for a variety of reasons such as the ongoing nature of the variations. Even if VO details have been properly submitted by the Contractor QS', Project QS' may be too busy to assess these at the time they are submitted and reluctant to agree the valuations during the construction stage. Most contracts contain a period of Final Measurement and Valuation which commences from the completion of the Works. Although it is not correct contractually, Project QS' usually regard this period as the time for dealing with the valuation of variations. Therefore, during the construction stage, it is normal that the Project QS' recommend only on-account payments for VO works carried out. The on-account payments by Project QS' are generally on the low side to minimize their risk of overpayment. As a result, Contractors

are denied of a portion of cashflow to which they are entitled during the construction stage.

Services to Employer Clients

Our Contract Close-out and Final Account Services are also available to property developers and end-user clients whose main business is not property development. Before the Employer signs off a final account, we will review and advise:

- Whether assessments for EOT, Loss and Expenses, Liquidated Damages are proper and reasonable.
- Whether documentation and submissions under the contract, e.g. warranties, guarantees, as-built drawings, etc. are fully complied with.
- Whether valuation of variations, re-measurement, prime cost adjustments, etc. are properly incorporated.

Services to Contractor / Subcontractor Clients

The Contracts Group specialises in dispute management and claims preparation and negotiation, as well as resolution of disputes and expert witness services for both quantum and

programming in litigations, arbitrations and mediations. For contractor and sub-contractor clients, our dispute knowledge and experience enables us to advise and assist them to develop a well-considered final account strategy that maximises their interests / returns.



We can provide additional staff to supplement the client's own team or deploy our staff to deal with the VO valuations in relation to building, civil engineering and building services works, thus relieving the client's pressure and resources during peak periods and / or allowing them to deal with other urgent matters. We work to ensure that valuations are submitted in a timely manner and fair assessments and payments to Contractors are observed.

Our experienced team provides quality valuations, complete with quantities and pricing back up details. These valuation details not only facilitate VO and final account settlement, but also serve as supporting documents in case a dispute eventually arises and leads to litigation, mediation or arbitration.



THE CONTRACTS GROUP LTD.
Commercial, Contractual & Management Consultants
to the Construction Industry



Certificate No: Q1098