

Overview

This standard is about controlling contract quantities and costs, monitoring of costs against budgets and updating budget and cash flow against variances and contingencies. It is about contributing to the preparation and issue of recommendations for interim valuations and final accounts preparation.

Control and monitor contract quantities and costs

Performance criteria

You must be able to:

1. monitor actual cost performance against budgets
2. monitor cash flow against actual income and expenditure
3. prepare re-forecasts to agreed timescales, based on actual income and expenditure performance against budgets
4. investigate variances and correct and maintain the budget within agreed timescales
5. inform your line manager about changes to budgets
6. reconcile and report actual income and expenditure performance against the budget within agreed timescales
7. provide the required information for taxation and audit purposes in compliance with your organisation's requirements
8. implement your organisation's required contract quantities and cost control systems to provide early warning of problems
9. collect quantities and cost data within agreed timescales, record them and pass them to your line manager
10. calculate the work values, quantities and cost data from estimates of work quantity and payment rates
11. prepare quantities and cost data and present it in the agreed format to your line manager to make decisions
12. identify variations and trends in quantities and cost data and quantify and cost them and recommend corrective action to your line manager
13. identify opportunities for cost savings and recommend them to your line manager
14. value work in progress, and agree the calculations with contractors
15. prepare and submit valuations, claims and final accounts for agreement with your line manager
16. record documentation, reference and store them according to your organisation's requirements and enable access for audit and reference purposes
17. verify the final cost of the works carried out under the terms and conditions of the contract and confirm this with your line manager

Knowledge and understanding

You need to know and understand:

1. the principles of quantification and costing of construction works and how cost planning assists in the financial control of projects
2. how and why it is necessary to monitor actual performance against budgets
3. how and why it is necessary to monitor cash flow against actual income and expenditure
4. how to prepare re-forecasts to agreed timescales based on actual income and expenditure performance against budget
5. how to investigate variances and correct and maintain budgets within agreed timescales
6. how to reconcile and report actual income and expenditure performance against budget to your line manager, within the agreed timescales
7. how to provide the relevant information for taxation and audit purposes
8. your organisation's contract quantities and cost control systems
9. how to calculate the work values and quantities and cost data from estimates of work quantity and payment rates
10. the importance of agreeing the initial and revised calculations with contractors
11. how to prepare and submit valuations, claims and final accounts for agreement with your line manager
12. your organisation's requirements for recording, referencing and storing documentation, so they can be accessed for audit and reference purposes
13. how to verify the final cost of the works carried out under the terms and conditions of the contract and confirm this with your line manager

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Scope/range related to performance criteria

Cash flow:

- income
- expenditure

Variances:

- overspend
- underspend

Taxation:

- VAT
- income tax

Contract quantities and cost control systems:

- contractual procedures
- operational procedures
- electronic recording

Quantities and cost data:

- materials
- plant
- sub-contractors
- dayworks
- periodic valuations
- retention sums
- forecasts of expenditure
- contract programme and progress

Valuing work in progress:

- verified information sources
- contract valuations
- variations
- adjustments and allowances made
- materials on site
- materials off site
- retention

Valuing completed contract work:

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- verified information sources
- contract valuations
- variations
- adjustments and allowances made
- retention

Variations:

- Costs
- Quantity
- Quality
- Programme
- Reimbursement for loss and expense

Claims – resulting from:

- Measurement
- Valuation of variations
- Loss and expense arising from breaches of contract

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Relevant Occupations Architects; Surveyor; Town Planners

Suite Surveying, Property Maintenance

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