

COST VALUE COMPARISON STATEMENTS

1. The purpose of a Cost Value Comparison statement is to provide the Project Management and Senior Management with a reasonably accurate statement of the commercial performance of a Contract on a monthly basis.
2. The Project QS is responsible for preparing the Cost Value Comparison statement and submitting the draft to the Area QS no later than the 20th of each month for the preceding month.
3. Upon award of the Contract, the Project QS shall review all allowances and ensure that the overall allowances plus margin equal the Contract sum.
4. The allowances review shall consider any items which were intended to be undertaken as sub-contract. If the philosophy has changed to the work being undertaken by the Company then allowances should be re-aligned/recorded accordingly.
5. The Project QS will prepare a monthly schedule of General Items allowances for the Project using the Chief Estimator's breakdown as a basis. This schedule will be used for monthly CVC statements.
6. Cost Value Comparison Statement Procedures to be undertaken or coordinated by the Project QS are:
 - 6.1 Obtain a set of cost codes from the Head Office Quantity Surveyor in charge of Cost Control for use on the Project costs and allowances. These must be to the absolute minimum necessary and requires review and consent by the Project Manager and Area QS.
 - 6.2 Ensure storekeepers are entering properly coded material records to the Cost Management system. Check that correct allocation and coding is being used.
 - 6.3 Ensure timekeepers are entering properly coded labour and internal plant records to the Cost Management system at the end of each month. Check that correct allocation and coding is being used. Check that plant breakdown time is shown separately to avoid the site being charged for that plant time.
 - 6.4 Ensure timekeepers are maintaining a record of all external plant coming on and leaving site and that signed timesheets are in place. Check that the timekeeper is notifying Plant department / cost clerks of the cost of any external hire not invoiced for the month such that a proper cost accrual is made. Check that the timekeeper is allocating and coding external plant correctly.
 - 6.5 The Project QS is to submit a sub-contract cost liability sheet to the Head Office Quantity Surveyor in charge of Cost Control by the 23rd of each month.

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- 6.6 External payment applications shall be submitted no later than the 7th day of the month for the preceding month.
- 6.7 The Project QS is to maintain a record of any sundry account (miscellaneous) invoices to third parties and to ensure these are coded to correct cost and allowances. Details of Sundry account allowances shall be provided to the data entry operator and Head Office by the 23rd of each month.
- Invoices raised to sub-contractors and suppliers for contra-charges are to be properly coded and relayed to the Head Office Quantity Surveyor -Cost Control.
- 6.8 Staff allocation sheets will normally be prepared by the timekeeper at site in conjunction with the Site Agent. Check that this has been done and that Accounts are advised by 10th of each month.
- Commercial staff will be allocated by the Area QSS.
- 6.9 Variations and new items are to be coded and included in the CVC each month.
- 6.10 Day works are to be coded and included in the CVC each month.
- 6.11 The Cost clerk's reports of materials on site are to be valued and advised to Cost Controller and Chief Store keeper by the 10th of each month for credit to cost. Ensure wastage factors are taken account of. Quantities like reinforcing steel must be physically checked on site.
- 6.12 Any adjustment of allowances for temporary works such as formwork must be detailed on under measure or over measure sheets.
- 6.13 Where necessary allowances for General Items should be incorporated on a spreadsheet and declared inline with expenditure.
- 6.14 Draft CVC Statements are to be submitted to the Head Office Quantity Surveyor-Cost Control by the 23rd of the month.

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- 6.15 The Project QS shall liaise with the Project Manager and ensure correct dates in respect of:
- a) Contract week number
 - b) Anticipated final account value
 - c) Extension of time claims
 - d) Payment details
 - e) Any revision to Cost to Completion figures
- 6.16 The Project QS is responsible for checking that all data on the CVC statement is correct.
7. The Project QS shall review the cost statement product by the Accounts Department and shall liaise with the Project Manager regarding any discrepancies.
8. The Project QS shall liaise with the Project Manager on the operating statement and provide the Project Manager with the opportunity to contribute.
9. The Project QS shall check carefully on the following each month:
- a) Codings and correctness of sub-contract liabilities.
 - b) Corrections of materials on site and their codings.
 - c) Correct codings of temporary works materials and permanent works materials.
 - d) Cost and allowances for insurance claims taken into account.
 - e) Costs included for goods in transit from overseas which may be on Letter of Credit i.e. included in cost but not in allowance.
 - f) Contra-charges to sub-contractors and suppliers taken into account.
 - g) Allowances or costs provided for permanent or temporary materials being fabricated off site, such as pre-cast elements and workshop.
10. The situation regarding belated adjustments in the tender and where they have been taken must be understood by the Project QS to enable a proper assessment of allowances.
11. The CVC must be accompanied by a commercial report giving the reasons for any negatives and a commercial overview of the project.