



Civil Engineering Measurement Claims in Hong Kong

John B Molloy

Managing Director

Construction Expert Services Limited

CONSTRUCTION EXPERT SERVICES LIMITED



Introduction

- The difference between Building and Civil Engineering Bills of Quantities.
- The proliferation of claims relating to Civil Engineering Bills of Quantities.
- The reasons why – history – and development of Standard Methods of Measurement

CONSTRUCTION EXPERT SERVICES LIMITED



Standard Methods of Measurement

- Purpose

CONSTRUCTION EXPERT SERVICES LIMITED



Civil Engineering Standard Methods of Measurement in Hong Kong

CESMM3 - This document drafted by the Institute of Civil Engineers is used for KCRC and MTRC projects.

HKGSMM – This document drafted by the Government of Hong Kong is used for all Government civil engineering projects

CONSTRUCTION EXPERT SERVICES LIMITED



CESMM3 and HKGSMM compared

The CESMM3 and HKGSMM share the same purpose and in many ways are very similar.

The main and crucial area of difference between the two SMMs relates to the works that the tendering contractor is deemed to allow for in respect of each item in the Bills of Quantities.

CONSTRUCTION EXPERT SERVICES LIMITED



CESMM3 Section 5 paragraph 5.11 provides:

“Descriptions shall identify the work covered by the respective items, but the exact nature and extent of the works is to be ascertained from the Drawings, Specification and Conditions of Contract as the case may be, read in conjunction with the Work Classification.

CONSTRUCTION EXPERT SERVICES LIMITED



HKGSMM Part IV paragraph 2 however provides:

“In these Bills of Quantities, the sub-headings and item descriptions identify the work covered by the respective items but the nature and extent of the work to be performed is to be ascertained by reference to the Drawings, Specification and Conditions of Contract, as the case may be (so far all the same as the CESMM3 – but then) in conjunction with the matters listed against the relevant marginal heading ‘item coverage’ in Part V of the Method of Measurement. The rates inserted in the Bills of Quantities shall be deemed to be the full inclusive value of the work covered by the respective items, including but not limited to the following, unless expressly stated otherwise..”

CONSTRUCTION EXPERT SERVICES LIMITED



Martin Barnes in the **CESMM3 Handbook** raises exactly this point on page 20 when he states:

“Paragraph 3.2 deals with the question of style in item descriptions. Its point is that the bill, where it is dealing with Permanent Works, should identify the physical measurable things and not attempt to list all the stages of activity which the Contractor will have to go through to produce them. There are good reasons for this apart from brevity. However careful the bill compiler might be in listing the necessary tasks there will always be at least one more he could have added.”

CONSTRUCTION EXPERT SERVICES LIMITED



Bills of Quantities

The objects of the Bill of Quantities are:

- (a) to provide such information on the quantities of work as to enable the tenders to be prepared efficiently and accurately.
- (b) when a contract has been entered into, to provide for use of the priced Bill of Quantities in the valuation of the work executed.”

CONSTRUCTION EXPERT SERVICES LIMITED



Criticisms of Bills of Quantities

“For the several reasons which I have endeavoured to make plain in this article, employers and their professional advisers in countries other than the U.K. would do well to ponder carefully before yielding to the blandishments of those putting forward contracts for construction projects which use Bills of Quantities, certainly if their incorporation is effected in the terms of the current standard forms in the U.K.”

Mr Ian Duncan Wallace in **Construction Contracts: Principles and Policies in Tort and Contract**

CONSTRUCTION EXPERT SERVICES LIMITED



There are two ways in which BQ claims may be avoided.

- The first is simple in the extreme – ensure that the Bills of Quantities are measured in accordance with the standard method applicable, and measure the items as accurately as can be done at tender stage on the information available.
- Unfortunately this simply solution does not appear to be the solution of choice. Instead, and as a second means of avoiding civil engineering measurement disputes, employers and engineers include provisions in their contracts to prevent such claims.

CONSTRUCTION EXPERT SERVICES LIMITED



Mr Martin Barnes In the **CESMM3 Handbook**

“An employer’s interest is best served by a contractor who is able to base an accurate estimate on a reliable plan for constructing a clearly defined project, and who is able to carry out the work with a continuing incentive to build efficiently and economically despite the assaults of those unforeseen circumstances which characterize civil engineering works. Confidence in being paid fully, promptly and fairly will lead to the prosperity of efficient contractors and to the demise of those whose success depends more on the vigour with which they pursue doubtful claims.”

CONSTRUCTION EXPERT SERVICES LIMITED



THE END

CONSTRUCTION EXPERT SERVICES LIMITED