

Estimation & Costing (DI04006021)

Lecture 24: Provisions: Contingencies Establishment

Contingencies

Definition

Incidental expenses of a miscellaneous character which cannot be classified under any distinct item of work but are likely to occur during execution.

- Generally, a provision of **3% to 5%** of the estimated cost is made.
- Used for minor unexpected items (e.g., pumping out rainwater from trenches, minor design adjustments).
- Does not require a supplementary estimate unless the expense exceeds the allotted percentage.

Work Charged Establishment

- Refers to the temporary establishment employed for the specific execution and supervision of a project.
- Includes staff like **supervisors, watchmen, clerks, mates**, etc., whose salaries are charged directly to the specific work.
- Usually, **1.5% to 2%** of the estimated cost is provided.
- Their employment ends when the work is completed.

