Estimation & Costing (DI04006021)

Lecture 27: Prime Cost and Provisional Sum

Prime Cost

Definition

Prime Cost (P.C.) is the actual net cost of materials to be supplied or specialized work to be executed by a nominated sub-contractor.

- It does not include the main contractor's profit or attendance costs.
- Used for items where the client wants to choose the exact specification later (e.g., designer tiles, expensive door fittings).
- The contractor is paid the actual cost plus an agreed percentage for profit and handling.

Provisional Sum & Quantities

- **Provisional Sum:** A sum provided in the BOQ for work that cannot be entirely foreseen or detailed at the time of tendering. It is spent only upon the instruction of the engineer/architect.
- **Provisional Quantities:** Quantities included for items whose exact quantum is uncertain (e.g., extra excavation for weak soil). They are subject to remeasurement.

Prime Cost	Provisional Sum
For specific items/materials. Client decides the supplier. Contractor gets handling fee.	For unforeseen works. Engineer directs the work. Daywork or negotiated rates apply.