



SECOND SEMESTER EXAMINATION 2018/2019 SESSION

COURSE CODE: QTS 523 COURSE TITLE: PROFESSIONAL PRACTICE AND ETHICS II

TIME ALLOWED: 2 Hours — 3 Hours

CREDIT LOAD: 3 Units

INSTRUCTION: ANSWER QUESTION 1 ANY TWO (2) QUESTIONS

**Question 1**

Your Professional Practicing Firm of Consultant Quantity Surveyors, *Messrs Lisafi Quantities Associates*, was commissioned by the Niger State Government (NGSG) to provide professional Quantity Surveying services for 15Nos. prototype Duplex Housing Project for its Commissioners. The estimated total cost (ETC) was ₦310,000,000.00 per block.

- a) Based on the 1996 Federal Government approved Scale of Fees for Construction Industry (see extract on Page 4), calculate the professional fees for *Messrs Lisafi Quantities Associates* for stages I, II and III of the project if the total construction sum (TCS) is ₦350,000,000.00, the cost of substructure as ₦20,000,000.00, and *Messrs Lisafi Quantities Associates* are entitled to claim for 20% of the maximum allowable reimbursable expenses. **15 marks**
- b) With respect to the Scope of Services for the Quantity Surveyor under the 1996 approved scale of fees for professionals in the Nigerian construction industry, explain:  
(i) Normal Services; (ii) Additional Services; (iii) Partial Services. **5 marks**

**Question 2**

During the progress of works on the NGSG project highlighted in Question 1 above, Financial Statements were presented on monthly basis. Now that one of the block was completed six months ago

- a) Distinguish between Financial Statements and Final Account **5 marks**
- b) Prepare the final account for the completed project using the following additional particulars **15 marks**

**Project: Construction of Duplex Housing for Commissioners by NGSG**

Contractor: *Messrs ABC Engineering Construction Ltd.*

Commencement date: 14 January 2018

Original completion date: 9 August 2018

Final Completion date: 4 January 2019

Original contract sum: ₦310,000,000.00

Contingency sum: ₦10,000,000.00

VAT (5%): ₦15,500,000.00

PC Sums in the BoQ:

LAN Installations	₦16,000,000.00
Lift Installations	₦14,000,000.00
HVAC installations	₦12,500,000.00

Final Subcontract sum:

₦21,000,000.00
₦19,000,000.00
₦14,500,000.00

Suppose that the LAN Installations was executed by the main contractor and that the main contractors profit and attendance on subcontracts are 5% and 2.5% respectively.

Provisional sums (PSs) in the BoQ:Actual expenditure on PSs

Additional foundations	₦3,300,000.00	₦6,000,000.00
Entrance canopy	₦3,200,000.00	₦5,500,000.00
Steel burglar proof	₦1,500,000.00	₦3,500,000.00
External works	₦35,000,000.00	₦42,000,000.00

Re-measurement of provisional quantities

	<u>Bills of Quantities</u>	<u>Re-measurement</u>
1. Substructure	₦30,000,000.00	₦38,000,000.00
2. Staircase balustrading	₦1,600,000.00	₦3,296,518.00

Fluctuations: ₦5,100,000.00; Approved loss and expense claim: ₦6,000,000.00

**Question 3**

- a) Prepare interim valuation no.9 for the project with the following data:

Project: Proposed Office Development for *Messrs Algebraic Ventures Ltd.*

Contract sum: ₦2,150,000,000.00

Completion Period: 60 weeks

Commencement date: October 2, 2017

Completion date: November 30, 2018

Retention: 10%

Retention limit: 4% of Contract sum

Period of interim valuation: Monthly

Advance payment made to the main contractor: ₦322,500,000.00

Recovery of advance payment: Nine equal instalments beginning from 2<sup>nd</sup> valuation

Total value of preliminaries in the contract: ₦135,000,000.00

VAT: 5%

Date on site: June 30, 2018

**MEASURED WORK**

Element	Value of work executed
Substructure	₦310,500,000.00

Frame	74,500,000.00
Upper Floor	84,500,000.00
Staircases	16,500,000.00
Roof	72,000,000.00
Internal and External Walls	52,500,000.00
Doors and Windows	2,800,000.00
Fittings and fixtures	2,500,000.00
Wall finishes	22,500,000.00
Floor finishes	2,500,000.00
Ceiling finishes	4,500,000.00
External works	35,800,000.00

**Values of works executed by Nominated subcontractors:**

1. Local Area Networking	₦33,500,000.00
2. HVAC System	₦36,500,000.00
3. Lift Installations	₦24,000,000.00

**Value of Nominated Suppliers work:**

1. Aluminium Doors and windows	₦22,750,000.00
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The Supplier of aluminium doors and windows has completed his work and the Architect has so certified.

Profit on nominated subcontractors and suppliers works:	5%
Attendance on nominated subcontractors:	2.5%
Architect Instructions (net addition)	₦23,750,000.00
Fluctuations (assessed by traditional method)	₦ 3,500,000.00 (net addition)
Approved loss and expenses Claims	₦ 2,750,000.00
Statutory fees paid by the Contractor	₦ 2,000,000.00
Amount previously certified (Valuation Nr.8)	₦785,000,000.00

**Materials on site:**

Cement 1200 bags @ ₦2,600.00
Steel reinforcement bars 10ton @ ₦225,000.00
Coarse Aggregate 125m3 @ ₦6,000.00
Sharp Sand 130m3 @ ₦3,000.00
Ceramic Tiles 1200m2 @ ₦4,000.00/m2

**10marks**

- c) Outline three (3) methods of valuing preliminaries under a construction contract

**3 marks**

- d) List three (3) items each that are subject to retention and four (4) items that are not subject to retention during valuation of works under a construction contract

**7 marks**

#### Question 4

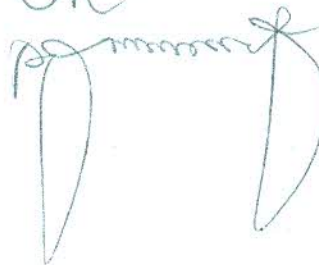
- a) The importance of ethical consideration in the discharge of professional services cannot be overemphasized. Outline five (5) of the ethical principles published by the International Ethical Standards Coalition. 5 marks
- b) Briefly discuss five (5) common examples of misconduct prevalent in the construction industry 10 marks
- c) Outline and describe various categories and types of *Certificates* used in the course of executing building contracts. 5 marks

The Scale of fees for Quantity Surveyors where the Architect, Mechanical, Electrical or Structural Engineer is the Prime Consultant is as follows:

Cost of Project	Fees payable as a percentage of cost of project
Up to 5 million	2.75%
Next 10 million or part thereof	2.50%
Next 15 million or part thereof	2.30%
Next 45 million or part thereof	2.00%
Next 75 million or part thereof	1.75%
Next 150 million or part thereof	1.40%
Next 200 million or part thereof	1.00%
Balance over 500 million	0.80%

The Scale of fees for Repetitive Works is as follows:

Number of repetitions	Fees payable as a percentage of cost of project
Initial Project	100%
1 - 10 Repetitions	30%
11 - 20 Repetitions	20%
21 - 50 Repetitions	15%
51 - 100 Repetitions	12.50%
101 - 250 Repetitions	10%

OK  
 3/10/2019