Your route through Letter of Intent Claim

A sample report, built from invented answers, to show what yours will look like.

> This report is based only on your answers, before we have seen any of your papers. It is not legal advice, and you should not rely on any date or time limit in it: check every date against your subcontract. Legal questions go to your solicitor.

Where you stand

You are still working past the letter's limits, so the sum riding on the legal answer grows every week. Stopping that growth comes before valuing the work.

Your main contractor's own conduct cuts against its claim that the cap is all you are owed. It kept instructing work after the letter's limits were passed, and those instructions, with any payments above the cap, are on the record.

Your costs are not yet tied to the work that has no agreed rate, and that work is valued from what it cost. Splitting them by area and date is where your own effort pays most.

With a sum this size, adjudication may be worth weighing if negotiation fails. It is only open under a construction contract, so that is checked first: a decision made without that power will not be enforced. With no contract at all, the route is negotiation or the courts.

The work ran past your letter of intent. Whether you have a right to be paid for that work, and on what basis, is a question for your solicitor. What it is worth is a matter of evidence, and that can be proved now, whatever the legal answer.

The work has passed both the cap and the expiry. The claim then splits into parts: the work inside the letter, beyond the cap and after the expiry. Each part is valued and argued on its own, because each may be paid on a different footing.

You stopped invoicing at the cap or the agreed figure. The value of the work beyond it is then on nobody's record but yours, and the balance builds up out of sight.

Your main contractor says its own figure, the cap or a price it says was agreed, is all you are owed. Left unchallenged, that figure becomes the price of everything you built, so the work needs a proven value of its own.

Part of the work has no agreed or quoted rate. Work with no agreed price is usually valued at a reasonable sum, known as quantum meruit. That is built from what the work actually cost, with a fair allowance for overheads and profit, and checked against what similar work is worth.

What to do now

In order: the first ones cannot wait.

1. **Stop the gap growing, starting today** (today)

   Why: Each written request, and each new instruction confirmed in writing, puts your main contractor's choices on the record from today.

   How: Write to your main contractor today. Ask for the letter to be extended, with a cap that covers the work ahead, or for the subcontract to be signed. Confirm each new instruction in writing before you start it. From this week, keep a separate record of the work done and its labour, plant and material costs.

2. **Put the full value in your next application**

   Why: A monthly application, measured and with its build-up attached, puts the growing value in front of your main contractor. It draws a reply, or a silence, that may be relied on later.

   How: Apply for the full measured value of the work done to date, with the build-up attached and anything beyond the cap on its own line. Send it on the date the letter sets, or monthly if it sets none, and keep the sent email and any reply.

3. **List every instruction and payment after the cap or the expiry**

   Why: They show what was asked for, and paid for, once the letter's limits were passed. A dated list stops any of them being missed.

   How: Note each instruction, revised drawing and payment after the cap was reached or the letter expired, with its date. Add every email or minute about raising the cap, extending the letter or signing the subcontract. Keep each as the original email, so its date shows.

4. **Close the gaps in your site records now**

   Why: With no agreed rates for part of the work, the measure of what was built is the claim's foundation. Records made at the time count for much more than ones made later.

   How: For each part of the work without a record, look for anything dated at the time. That means emails, photos on your team's phones, delivery tickets, the site diary and the drawings you built from. Ask your site team now, before they move on or forget.

5. **Tie your costs to the work, by area and date**

   Why: Payroll and invoices show that money was spent, not what it was spent on. A share of the job's total cost can be argued down; costs tied to areas and dates are much harder to dismiss.

   How: Export payroll, plant hire and material invoices for the job. Match them to the areas and dates in your site diary and allocation sheets, starting with the work in dispute. Label anything you rebuild now as rebuilt.

6. **Keep every letter, email and record exactly as it arrived**

   Why: This claim turns on where the paper stopped, and when. An original email keeps its date and time; a copy, a printout or a screenshot may not.

   How: Make one folder for this job. Save the letter, any unsigned subcontract, your quote and every email about the cap, the expiry and the subcontract as the original emails. Do not edit or rename the attachments, and keep site photos with their original dates.

What to gather

Everything the work is built from. Copies are fine: send what you have and we will tell you what is missing.

- **The site records. You said you do not have this yet.** Diaries, photos, the drawings built from, delivery tickets and signed sheets, as they are kept.
  Where to find it: The site office files and the team's phones.
- **The paper that exists.** The letter of intent, any unsigned subcontract, your quote, the instructions and orders, however incomplete, as dated PDFs. Add the emails about the cap, the expiry and the subcontract, forwarded as the original messages.
  Where to find it: The commercial folder and the negotiation thread with your main contractor.
- **The cost records.** Payroll, plant hire, material invoices and any sub-subcontract costs for the work, as native exports.
  Where to find it: Your accounts system and purchase ledger.
- **The payment history.** Every application, invoice, payment, notice and credit on the job, in a native spreadsheet where possible.
  Where to find it: Your accounts package and your QS's working files.
- **Anything your main contractor has put forward.** Its valuation, assessment or reply on the account, as issued, in native form where you have it.
  Where to find it: Attached to the email or letter it came with.

Why Quantsurv

You can do a good deal of this yourself, and the steps above show how. If you would rather have it done for you, or want the notices checked before you act, this is the work we do.

- **Specialists in exactly this.** We work only for subcontractors, on the claims and disputes that cost them money. Behind it: 10 years on the commercial side of construction, and £100m+ of construction projects worked on.
- **A fixed fee, agreed first.** We never bill by the hour. Each stage has a fixed fee agreed in writing after we see the records, before that stage starts. If the work runs over, the cost is ours, not yours.
- **Fast where it matters.** The timetable is agreed in writing at scoping and then kept. A fixed fee also gives us every reason to finish quickly.

How Letter of Intent Claim would run for you

The whole service, step by step. Where your answers decide a route, it is shown under the step it belongs to.

Step 01 You tell us what has happened

The first conversation is free. You tell us what was agreed, what was built, where the paper stopped and what has been paid.

What you get: A straight answer on whether this service fits, with any deadline this week protected first

- **If you are still working beyond the cap or the expiry:** we stop the gap growing first. You ask in writing that day for a higher cap or the signed subcontract, and confirm each new instruction in writing.

Step 02 You send us the paperwork

You send everything in the list below in one go, however incomplete it feels. Gaps in the records are dealt with at scoping, not by waiting.

Step 03 We confirm the stages, fees and timetable in writing

We read what you sent for what the claim is and how strong it looks. Then we confirm in writing the stages, the fixed fee for each and the timetable.

What you get: A written scope, the stages with a fixed fee for each, and the timetable

- **If the right to be paid turns on a legal question:** your solicitor advises on it alongside us. We value the work on each reading, so the figure is ready whichever way the advice goes.

Step 04 You decide whether to go ahead

You read the written stages, fees and timetable, then decide.

Step 05 We read the paper trail and fix its dates and limits

We read the letter, any unsigned subcontract, your quote, the instructions and the emails about them. We note what each covers, the cap, the expiry, the price basis and any time limit.

What you get: A dated chronology of the paper, with the cap, the expiry and any time limit marked

- **If the terms are disputed or were never signed:** we set out each reading side by side, for your solicitor to advise on. The valuation is built to work on each reading.

Step 06 You walk us through how the job ran past the paper

You take one call with us on what was agreed, what was built and where the writing stopped.

Step 07 We sort the claim and rate the evidence

We split the claim into parts: the work inside the letter, beyond the cap and after expiry, and the extras on changed drawings. We rate each part strong, repairable or weak on its evidence, and name the gap.

What you get: The evidence rating schedule, one line per part of the claim, with each gap named

- **If a part has gaps that can be closed:** we name the record that would close each gap, such as a supplier's delivery ticket or a signed statement. You gather it while we value the rest.

Step 08 We measure and value the work

We measure the work from the site records. We price it at agreed or quoted rates where they reach, and from your costs where they do not. We check it on a second basis and reconcile it against every payment.

What you get: The valuation, with every figure traced to the measure, a rate build-up or a payment

- **Where no agreed or quoted rate reaches the work:** we build the rate from your actual costs, with an allowance for overheads and profit, and check it against what similar work is worth.

Step 09 We report our position and recommend a route

You get a written report: each part of the claim, its evidence, its value and the balance after payments. We recommend how to pursue it, and a floor, the lowest figure worth taking.

What you get: A written report of the claim part by part, with the route we recommend and a floor

- **Where adjudication may be open to you:** your solicitor first confirms that the letter is a construction contract. If the adjudicator had no power to decide the dispute, the decision would not be enforced.

Step 10 You approve the claim, or change or narrow it

You read the report and approve the claim as it stands, or tell us what to change. Everything goes in your name, so nothing is sent until you approve it.

Step 11 We put the valuation to your main contractor

The valuation goes to your main contractor in your name, with the full build-up and a date for its reply.

What you get: The claim letter and valuation, sent in your name with the full build-up

- **Where the letter has a payment cycle still running:** the balance also goes into your next application for payment, on its date, so it is part of that cycle.

Step 12 We read the reply and answer it point by point

We read your main contractor's reply as soon as it arrives. Each point it makes gets an answer, backed by the record that proves it.

What you get: A point-by-point answer to the reply, each point backed by the record that proves it

- **If it rejects the valuation:** we answer each reason with the document that answers it. If it relies on the cap, we set out what it instructed and paid after the cap was reached.

Step 13 We negotiate the difference

We run the negotiation from the report, the evidence and your floor. Every offer comes to you with our view of it before you answer.

What you get: Our written view on every offer, before you answer it

Step 14 You make the settlement calls

Everything goes in your name. Whether to settle, hold out or escalate is always your decision.

Step 15 We prepare the money side of the adjudication where a route exists

We prepare the money side: the valuation, the evidence and the schedules. You or your solicitor run the adjudication itself, and your solicitor advises on the legal questions. The Housing Grants, Construction and Regeneration Act 1996 sets the clock. The referral follows the notice within 7 days, and the decision is due 28 days after the referral, unless extended by agreement.

What you get: The money side of your adjudication, kept ready through to the adjudicator's decision

Step 16 We close out with the Handover Pack

You receive an evidenced valuation using agreed rates or a supported alternative, followed by a claim and responses to your main contractor’s objections. The final record sets out the written settlement, decision or issues that remain unresolved.

Your path through the questions

The questions you answered, in order, as the page drew them. Your answers are in yellow, with the line running through them.

Which of these is closest to your job?

- **I worked on a letter of intent, and the work ran past its cap or expiry**
- There was no letter: the work ran on a quote, an order or emails
- A subcontract was signed later, and it covers the earlier work
- I have not passed the letter's cap or expiry yet
- I am not sure what the work was done under

Which of the letter's limits has the work passed?

- The cap
- The expiry date
- **Both the cap and the expiry**
- Not sure

Does an application date, a notice you must answer or another deadline fall this week?

- Yes
- **No**
- Not sure

Has anyone started an adjudication about this work?

- **No**
- Yes, we started it
- Yes, my main contractor started it

Are you still working on this job?

- **Yes, I am still working on it**
- No, my work on the job is finished

Have you applied or invoiced for the full value of the work done?

- Yes, I apply for its full value every month
- **I invoiced up to the cap or the agreed figure, then stopped**
- No, not yet

What does your main contractor say when you ask to be paid for this work?

It says the cap, or a price it says was agreed, is all I am owed

It says the extra work was covered by the letter or my price

It accepts the work but has put forward its own lower valuation

It has given no reason, or has not replied

Several of these, or I am not sure

After the cap or the expiry was passed, did your main contractor keep instructing work or paying?

It kept instructing work and kept paying

It kept instructing work, but stopped paying

No new instructions: we carried on with the work in hand

Not sure

Is there an agreed or quoted price for the work you built?

Yes, agreed or quoted rates cover most of it

Only part: much of what was built was never priced

No, nothing was priced

Not sure

Do you have the paper trail: the letter or order, your quote, and the emails about them?

Yes, most of it

Some of it is missing

Not sure

Do you have site records of what was built, such as diaries, photos and delivery tickets?

Yes, for most of the work

For some of it

Very few

Not sure

Can you show what the work cost, such as payroll, plant hire and material invoices?

Yes, split by area or by week

Yes, but only as totals for the whole job

Very little

Not sure

Roughly how much is at stake?

Under £5,000

£5,000 to £25,000

£25,000 to £100,000

Over £100,000

Not sure

Your report

Next step

> **The first conversation is free and commits you to nothing.** Reply to the email this report came with, or email contact@quantsurv.com, and we will already have your answers.