Your route through Price Rise 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

Some rises were not notified in time, but the job is still running. A recent rise may still be notified in time, and every rise from now on can be notified as it happens.

With a price clause, the rise is worked out by that clause's method: from its base date, for what it covers, against the prices or indices it names. Run exactly as written, a figure is hard to refuse. One that departs from it, yours or theirs, is easy to challenge.

The job is still running and your subcontract has a price clause. Where the clause pays through your monthly payments, the adjustment goes into your next application. Your main contractor must then pay it, or give notice of why not.

You still have what you priced, the letters that show when each price moved, and the invoices for what you then paid. Together, those three almost prove a rise on their own.

Under the JCT options, the adjustment generally stops rising for work done after the completion date, as extended. If the delay pushed your work past that date, the extensions of time granted to you matter to the rise too. We take the date from the extensions granted, or from your own position.

Your figure was refused for how it was worked out, not for whether the rise is owed. A percentage on the account is easy to refuse. That does not mean the rise is lost.

Your subcontract selects a JCT fluctuations option. Option A covers only contributions, levies and taxes. Option B covers labour, materials and taxes against a list of basic prices, and Option C adjusts by a formula using published indices. Your subcontract particulars say which one applies.

If your clause makes notice a condition of payment, a rise notified late or not at all may not be paid, however well it is proved. Whether a late or missing notice bars a rise is a question for your solicitor.

Part of the rise may come from your main contractor's delay pushing your work into dearer months. That part goes with the delay claim, as loss and expense or, under NEC, a compensation event. We do not analyse delay: the period comes from your own position, your main contractor's letters and programmes, or a programming expert.

What to do now

In order: the first ones cannot wait.

1. **Notify every rise not yet notified, now** (today)

   Why: If your clause makes notice a condition of payment, each day a recent rise goes unnotified puts it at risk. Rises still to come can each be protected by a notice as they land.

   How: Write to the person your subcontract names for notices. For each rise, name the item, the date the new price took effect and the new price, and attach the supplier's letter. Keep proof of when it was sent. If you want it right first time, send us the clause and the letters and we write it for you to send.

2. **Gather what your clause's method needs**

   Why: Each clause runs on fixed inputs. With them in one place, the rise can be worked out period by period and checked by anyone.

   How: Note the base date and what the clause covers. For a list of basic prices, find the list and set each invoice against it. For a formula using published indices, note the indices named and save their published values for the base date and each month since. Send them to us, and we run the method and check any assessment against it.

3. **Search for anything that could count as a notice**

   Why: A notice may have gone in a form nobody recognised at the time, and each rise is tested on its own. One letter found can bring a rise back into the claim.

   How: Search your sent emails and letters for anything to your main contractor about prices. Look for a letter enclosing a supplier's increase, an application line with its build-up, or meeting minutes that record a rise. Note each one's date and who it went to.

4. **Write down the delay, and find the papers that show it**

   Why: Only the purchases the delay pushed later can be recovered this way, so the delay period sets the figure.

   How: Note when your work was programmed to run, when it actually ran and what held it up. Keep your main contractor's revised programmes, and any letters or minutes that moved your dates. Check your subcontract for any notice it needs for delay or its cost, and send any that is due.

5. **Split the rise by cause before you claim any of it**

   Why: One figure for the whole rise is the easiest claim to refuse. Split by cause, the part that is yours stops dragging down the parts that are not.

   How: List each rise from your tender prices, the supplier increase notices and the invoices, with the date it took effect. Mark each one as market movement, work your main contractor changed, or work its delay pushed later. Keep a total for each, and count nothing twice.

6. **Keep every price letter, invoice and notice exactly as it arrived**

   Why: A rise is proved by three things: what you priced, when the price moved and what you then paid. An original email keeps its date; a retyped note or a screenshot may not.

   How: Make one folder for the rise. Save the tender quotes, every supplier increase letter, the invoices and every notice or reply in it as the original emails and files. Do not edit or rename the attachments.

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 signed subcontract.** A complete PDF with all schedules and amendments, the fluctuations option or price adjustment clause and its annexes included.
  Where to find it: The commercial folder or the order email.
- **The base date and tender pricing.** Your priced tender or quotation and the supplier quotes behind it, exactly as priced at the base date, not a re-priced or updated version.
  Where to find it: Your estimating files, or wherever the tender documents are kept.
- **The cost and purchase records.** Supplier price increase notices, orders, invoices and payroll for the affected periods, as native exports where they exist.
  Where to find it: Your accounts system, the purchase ledger and your buyer's inbox.
- **The applications and the account.** The payment applications and the account, showing where price rises have been claimed or paid so far, and the instruction for any changed work a rise sits inside.
  Where to find it: Your quantity surveyor's working files, and the formal correspondence file for the instructions.
- **The notices and the delay position.** Any notices the clause required, as dated PDFs, and where the work ran late, the delay position as you or your planner hold it.
  Where to find it: The formal correspondence file, and your planner if the periods are disputed.

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. Fixed fee agreed in writing after we see the evidence. Each later stage has its own fixed fee agreed first. 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 Price Rise 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 which costs have risen and what has happened so far

One call on the job, the materials or labour that went up and when, and what your main contractor has said. The first conversation is free and commits you to nothing.

Step 02 We check the fit and the scope, and confirm the fixed fee in writing

From the call and a first look at the subcontract and the rise, we set out what we will do, the fixed fee and the timetable. Nothing else starts until you have agreed it in writing.

What you get: A written scope, fixed fee and timetable

Step 03 You decide whether to go ahead

You can go ahead as proposed, change the scope or stop there. Whatever you choose is confirmed in writing.

Step 04 You send us the paperwork

Everything in the list below, in one go. Send what you have now, and tell us what is missing rather than waiting for it.

Step 05 We read your signed subcontract and every time limit in it

We take the price terms: any fluctuations option or price adjustment clause, its base date, what it covers, its method and its notice rules. We also take the rules for valuing changed work and for claiming delay, with every time limit, onto one dated list.

What you get: One dated list of the routes, rules and time limits in your subcontract, each tied to its clause

- **If a time limit is close:** it goes in your diary that day, and whatever it needs is written first.

Step 06 We sort every rise by the route that could recover it

Each rise is split by cause, using the tender prices, the supplier increase notices and the invoices. Each part then goes to the route that could pay it.

What you get: Each rise split by cause, with the route that could recover each part, or a plain note that none can

- **If your subcontract selects a JCT fluctuations option:** the rise runs on that option's own method. Option A covers contributions, levies and taxes, Option B labour, materials and taxes against the list of basic prices, and Option C a formula using published indices.
- **If your main contractor's delay pushed your work into dearer months:** the rise goes with the delay claim, as loss and expense or a compensation event. The delay period comes from your own position or your programming expert. We do not analyse delay.

Step 07 We rate the evidence behind each part

Each part is rated for its notice and its cost evidence: the tender price, the increase notice, the invoice and the index value.

What you get: An evidence rating for each part, with the gaps and how each one closes

- **If the evidence is strong:** the part goes forward to be valued.
- **If the clause needed a notice that cannot be found:** we search your letters, applications and minutes for anything that meets it, rise by rise. Whether a late or missing notice bars a rise is a question for your solicitor.

Step 08 We work out each part period by period

Under a clause, we apply its method from the base date to each period's records. Outside a clause, we set the invoiced price against the price you would have paid at the tender or programmed date.

What you get: The figures for each part, period by period, traced to invoices and index values

- **Where work ran past the completion date under a JCT option:** the adjustment generally stops rising after the completion date, as extended. We take that date from the extensions granted or your own position.

Step 09 We check the notices and the account so nothing counts twice

Each part is set against the notices given and against what is already claimed or paid. A rise claimed under the clause is not claimed again as delay or as a variation.

What you get: The claim reconciled with your account, with nothing counted twice

Step 10 We report our position and recommend a route

You get a short written report: each part, its route, its evidence rating and its value. It recommends how to press the claim, and weighs the cost of pursuing it against what it could recover.

What you get: A short written report of our position, with a recommended route

Step 11 You approve the claim, or change or narrow it

You can approve it as it stands, narrow it to the strongest parts, or stop. Nothing goes to your main contractor without your approval.

Step 12 You send the claim in your name, with its workings open

The claim goes to your main contractor with every figure traced to its source. The invoices, increase notices and index values go with it.

What you get: The claim and its covering letter, ready to go in your name

- **Where the clause pays through interim payments:** the adjustment goes into your next application, so your main contractor must pay it or give notice of why not.

Step 13 We read the response and set the next step

We read your main contractor's reply against the claim, part by part. Then we tell you in writing what it means and what comes next.

What you get: A written note of what the reply means and the next step

Step 14 We negotiate and record any settlement in writing

We take your main contractor's quantity surveyor through the figures, give ground where they are right and hold the rest. Any agreement is recorded in writing and in the account.

What you get: Any agreement recorded in writing, with the figures checked

Step 15 You decide whether to settle, adjudicate or stop

You weigh the best offer on the table against adjudication, a fast independent decision, and what it would cost. The choice is yours.

Step 16 We prepare the money side of the adjudication

Under the Housing Grants, Construction and Regeneration Act 1996, the referral follows the notice of adjudication within 7 days. The decision is due 28 days after referral, unless extended by agreement. We prepare the money side for whoever runs it.

What you get: The money side of the adjudication, every figure traced, ready for whoever runs it for you

Step 17 We close out the claim and hand over the lessons

You receive a written assessment of the available recovery routes and calculations supported by invoices and price indices, with double counting removed. We record agreed, decided and outstanding sums and check payments against that record.

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.

Where does your claim for the price rise stand today?

- My costs have gone up, and I have not claimed the rise yet
- **I claimed it, and they refused it or have not answered**
- They assessed my claim and allowed less than I asked for
- The rise is a small part of a wider dispute over variations or delay

What reason did your main contractor give for refusing the rise?

- It is a fixed price, so the rise is mine
- I did not give notice of the rises in time
- **My figure was a percentage, or not worked out the clause's way**
- No reason given, or no answer at all
- Several of these, or I am not sure

Does a notice under your price clause, or a date to dispute a final account, fall this week?

- Yes, a notice under my price clause is due
- Yes, a final account statement becomes binding unless I dispute it
- **No**
- Not sure

Are you thinking of stopping work, or leaving the job, because of the rise?

- **No**
- Yes, I am thinking about it
- I have stopped, or told them I will

Do you have a signed copy of your subcontract?

- **Yes**
- No, it was never signed, or the terms are disputed
- Not sure

Does your subcontract have a clause that adjusts the price when costs rise?

- **Yes, a JCT fluctuations option**
- Yes, NEC Option X1
- Yes, a clause of its own, or an amended one
- No, it is a fixed price
- Not sure

Did you give your main contractor written notice of each rise at the time?

- Yes, for each rise, soon after it happened
- **For some rises, or some went late**
- No, or not until the final account
- Not sure

Did your main contractor change any of the work that got dearer?

- Yes, some of it
- **No**
- Not sure

Did your main contractor's delay push any of your work into later, dearer months?

- **Yes, some of it**
- No
- Not sure

Do you still have your tender prices, and the supplier quotes behind them, as you priced them?

- **Yes**
- Some of them
- No, they were not kept
- Not sure

Do you have the suppliers' increase notices, and the invoices for what you then paid?

- **Yes, both**
- The invoices, but not every increase notice
- Very few of either
- Not sure

Is the job still running, or is it at final account?

- **Still running, and I apply for payment each month**
- Finished, and we are agreeing the final account

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.