

Measurement Contract

Construction Procurement Guidelines

October 2019

Overview

Measurement contracts are sometimes called re-measurement or measure and value contracts. Measurement contracts are commonly used for civil engineering projects where the scope of work is reasonably well-defined but cannot be quantified accurately until the work is completed, eg roading projects involving major excavation works.

Measurement contracts should describe the works in sufficient detail to enable the contractor to determine its programme and develop rates for carrying out different types of work. Tenderers' rates are usually based on drawings and an approximate schedule of quantities provided by the client. The initial contract sum is arrived at by multiplying the tendered rates against the approximate schedule of quantities, and is then adjusted as the actual quantities of work are measured upon completion.

Measurement contracts can enable an earlier start on site, before completion of design. They also provide flexibility for changes to be made to the works with relative ease. One of the other advantages is that the client can obtain a like-for-like comparison of rates from the market to obtain competitive prices. However, there will inevitably be some financial risk for the client, as the full cost of the project cannot be known until work is completed and re-measured.