

## **GHANA FIRST COMPANY LTD 60% QUANTUM SUM**

The term 'QUANTUM SUM' as stated in clause 39 I of the contract document refers to the **final amount** due to be paid to the contractor after completion of the entire project.

1. The contractor is awarded a contract which contains the contract sum at the beginning when the contract was entered into between Ghana First Company Limited and each contractor.
2. The Contract sum is the cost of constructing the structure of a particular type of facility on a standard land size as required by Ghana First Company Limited and provided by the MMDAs
3. The contractor may visit the site and find the ground conditions more adverse than could have been reasonably anticipated before the issuance of the award letter. Such scenarios may occur because mere visual inspection of the construction site may not reveal the real difficulties to be encountered during the actual construction of the project until the contractor goes to the site. Therefore all works under such circumstances are considered as variations to the contract and as such incidental expenses would be borne by Ghana First Company Limited provided they are certified to be genuine.
4. External works to be done by the contractor at the time of the issuance of the Bill of quantities was computed based on the standard land size requested by Ghana First Company Limited for the project and Provided by the MMDAs
5. The contractor may visit the construction site and could find the size of the land to be possibly bigger or smaller in size than envisaged or anticipated.
6. All such circumstances eventually lead to variations in the work to be done by the contractor and this would eventually either increase or decrease the contract sum.
7. **The Quantum Sum therefore is the Final Sum realized at the end of the project after variations and additional works have been either added or deducted from the contract sum.**
8. It must also be noted that Clause 39 I of the contract becomes operational only when the project is fully completed.
9. The project is a **Turn Key project** and if one carefully reads Clause 5 iv of the contract it would become clear that payment can only be made 3 months after the completion of the project.
10. It is during this period of waiting when the processing of payment is being done, that Ghana First Company Limited reserves the right to pay 60% of the quantum sum.