

7th December 2020

ARM JOINT COMMITTEE

ADVICE NOTE ON ARM 4 SUPPLEMENT 1, ISSUE 1 – PROFIT REQUIRED BY A
CONTRACTOR

A Reserved Sum stated in the Pricing Document is included for the evaluation of tenders.

The amounts tendered against the items for '*profit required by a Contractor*' on each Reserved Sum for Works by Specialist Works Contractors and each Contract Sum for Novated Work included in the Bill of Quantities, in accordance with the requirements of paragraph 3.1 on page 10 of ARM 4 Supplement 1 Issue 1, Section B Preliminaries, shall be adjusted pro-rata the amounts for the respective Specialists' work included in the Initial Contract Sum.

The amount included against each item of profit included to comply with the above ARM requirement will be adjusted pro-rata the accepted tender amount to take account of the cost of 'any additional, substituted and omitted work arising as a result of a Compensation Event' in accordance with the requirements of the applicable Public Works Conditions of Contract.

For further information, see Guidance Note 2.3.3 - Specialists and the Public Works Contracts, Section 1.6.2 (4)