

Appendix B – PSC Error and Omission Damage Assessment Example

The following example is intended for illustrative purposes only. Any determination(s) as to whether Errors and/or Omissions exist and any Assessment(s) related thereto shall be made in accordance with the Error and Omission Policy. Such determination(s) shall in no way be governed by the example contained in this Appendix.

The value of errors and 30% of the value of omissions are summed. The portion of the sum that exceeds 3% of the total value of the original construction bids is charged to the PSC.

Example:

Total value of original construction bids	\$1,000,000
Cost of changes due to errors	\$30,000
Cost of changes due to omissions	\$40,000
3% of the value of the original construction bids	\$30,000
Sum of errors and 30% of omissions	
Errors	\$30,000
Omissions (30% of \$40,000)	<u>\$12,000</u>
Total	\$42,000
Total charged to the PSC	\$12,000
(sum of errors and 30% of omissions less \$30,000)	