QUANTUM MERUIT IN CONSTRUCTION CONTRACTS

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Quantum meruit claims can arise in both contract and restitution. It is a claim for the reasonable sum for the work done. In the case of Renard Construction (ME) Pty Ltd v Minister for Public Works [1992] 26 NSWLR 234, Meagher JA held that the contractor was entitled to recover a quantum meruit that should be quantified on reasonable remuneration basis, not value of the work basis for work performed. In addition, the contract price did not represent a ceiling to the contractor’s remedy. Similarly, in the case of Murdock v Kennedy [1952] 69 WN (NSW) 191, Street CJ. held that the contract was not conclusive evidence, though it may be strong evidence. By referring to these cases, the courts do not seem to be uniformed in devising formula to for quantifying the reasonable amount for quantum meruit. Hence, this study intends to identify the methods of assessment used to calculate quantum meruit claim. The analysis was carried out by referring to quantum meruit cases in Malaysia construction contract. From the study, there are four methods of assessment used based on the value of work basis which are value of work done plus unfixed material, the cost of labours, materials and others plus percentage profit, the value of work done plus unfixed material less remedial cost and LAD and the balance of progress claim. While, the method of assessment used based on the reasonable remuneration basis is the average of remuneration multiply with duration of work performed. This study also found that quantification of quantum meruit based on reasonable remuneration basis only involves the pre-contract stage as the scope of assessment.
ABSTRAK