

116. The schedule of rates should be prepared on the basis of rates prevailing in the locality, and as it is used for the important purpose of preparing estimates and is also used as a guide in settling rates in contract agreements, necessary analysis of the rates for each description of work and the varying conditions thereof should be given as far as practicable.

In working out the rates for the tenders to be accepted for works in the division, during the twelve months preceding the date on which their preparation is due to begin, any tendency of the rates and prices to rise or fall should be taken into account. When rates and prices are changing rapidly the Superintending Engineer should issue orders at any time, that a certain percentage should be added to or deducted from all the rates or from certain specified rates or from rates for certain specified classes of items, e.g., for materials or for labour. In the data accompanying the schedule of rates for works, the contractor's profit should not be added as a separate item.