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# The Procedure For The Formation Of Strictly Agreed Prices In Construction

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ABSTRACT

Without the rules and regulations of pricing and coordination, it will be difficult to establish optimal prices. In connection with the transition to free-market prices in a market economy in the construction industry, a number of difficulties arise in the formation of prices in comparison with other sectors of the economy.

**Keywords:**

investment, capital investment, construction, price, Capital, Financing, Project.

## Introduction

The successful development of construction works in the Republic is closely connected with the wide involvement of investments in economic sectors. In the conditions of market relations, the state does not interfere with the production – economic and financial activities of the subjects of the construction market and the process of formation of the price of the construction product, but indirectly regulates the rules for the formation of prices in the context of the control system.

Thus, through the system of state regulation of prices, conditions and limits are regulated not by the amount of prices, but by the levels of estimate costs that are taken into account when forming prices for a construction product. The system of price formation, which is practiced in construction, is based on the concept of market price formation. The structural structure of capital

construction, taking into account its constituent components, gives a more complete answer to the theory of functional systems. The subject of the formation of Strictly agreed prices is the services and works for the implementation of the construction of separate parts(stages)of the object crop, subcontractor works in the reconstruction, capital repair of buildings and structures.

In this way, strict agreed prices can also be formed for the delivery, installation and adjustment of equipment intended for the design, execution of Engineering search works, as well as for the implementation of the functions of the customer – builder, construction supervision, calculation of the cumulative estimate of construction and transfer to other executors. At the first stage of the formation of Strictly agreed prices, the determination of the initial price of the contract is carried out.

## Analysis Of Thematic Literature

A number of scientific research works have been carried out by scientists of the Commonwealth of Independent States on the problems of formation of an excuse in the construction economy and construction, determination of current prices for construction in the conditions of a market economy.

On the problems of the economy of construction and the formation of an excuse in construction, Stepanov P.S., Juravleva M.A., Kovalenko R.M., Smirnov E.B., Tarasevich E.I., Esaul A.N., Maksimov S.N., Lukmanova I.G., Korostelev SP., Goremikin V.A., Grabovoy P.G., Kuzminskiy A.G., Dorojkin V.R., Xilko E.V., Lenintsev N.N., Mironova N.N., Panibratov Y.P., Reznichenko B.C., Shutkov S.A. studied in the scientific work of such scientists as.

The national system of price formation, scientific and theoretical-methodological basis in capital construction in Uzbekistan has not been sufficiently studied so far. However, since the years of independence to this day a number of scientific researches are carried out by scientists working in the field.

In the book "Ценообразования в строительстве", the resource method of price formation in construction is widely revealed. In addition, the procedure for the preparation of Estimate documents and the principles for setting prices for resources in construction are described [1].

In the training manual titled "Selection trade in construction and its organization", the methodological basis and organizational issues of the organization of selection trade between the customer and contracting organizations on the organization of the construction of objects are studied [2].

M.N.Isakov's textbook "Capital construction economy" the general principles and procedures for the formation of a price in construction are presented [3].

I.X.Davletov's book "construction economics" explores the economic potential of capital construction continents and construction enterprises in Uzbekistan, the main and circulating funds and ways of their effective use [4].

Also, various issues of the science of construction economics M.Q.Ziyaev, R.I.Gimush, B.A.Letshenko, B.D.Kalmetov, V.A.Gazimav, E.X.Mahmudov, A.Soyunav, S.I.Niyazov, M.E.Mirzanov, S.O.Widely studied by Rashidov and others [5].

## Analysis And Results

The initial price of the contract for the performance of a competitive sale is determined only for the types that are planned to be assigned to the individual contractor (executor) for the performance of works and expenses. The initial price specified in the contract is calculated at the current prices, which are valid for the period of conducting conversations and announcing trades, with the inclusion of all the correct and additional costs and regulations provided for in the cumulative estimate account. Then it is changed by the contractor in accordance with the projected change in construction for the planned period of execution of works.

The initial materials for the formation of the initial assessment of the contract include:

- Documents of estimates and estimates, compiled at the base and current levels, according to the types of works and services that are intended to give the attachment on the object of capital construction to perform only to a separate contractor (executor). Conversations in which the current level of prices is determined it is recommended to calculate the duration of the execution of the ECI trade;

- Table-plan for financing costs on an investment project (object of capital construction), compiled by the customer. Financing of the construction of the object table-plan the project of the construction organization and the attachment of the investment project is drawn up on the basis of the calendar plan of execution of works for the period of implementation of the planned part for its construction (capital repair).

If necessary, the calculation of the initial cost of the contract for the implementation of the construction is carried out according to the following rules in accordance with the 1 application form. It reflects the results of local

estimates, estimates for the performance of individual types of work, which are planned to be assigned to the specific contractor (executor) to perform.

The formula for calculating the initial price of the contract:

$$N_{val} = S_{jor} * I_{jor} / I_{isx} * I_{def},$$

such:

$N_{val}$  – initial value of the contract;

$S_{jor}$  – the estimated cost of work at the current price level at the time of issue of project–estimate documents;

$I_{jor}$  – the index of recalculation of the estimate value at the time of the announcement of trades on the conduct of surveys;

$I_{isx}$  – project-index of recalculation of the estimate value at the time of issue of Estimate documents;

$I_{def}$  – deflation index for the planned duration of termination of work by the contractor.

A strictly agreed price between the general contractor and the subcontractor is also formalized by an act of agreement of the agreed price and is an integral part of the subcontract.

At the same time, it is recommended to specify in the application to the contract the volume and quality characteristics of the work and costs to be assigned to the contractor, as well as the coefficient of the decrease in the initial price of the contract.

The coefficient of reduction of the initial cost of the contract is determined by the formula: [6].

$$K_{bp} = N_{qk} / N_{val},$$

bunda:

$K_{bp}$  – the coefficient of reduction of the initial price of the contract;

$N_{sa}$  – strictly agreed price;

$N_{val}$  – initial value of the contract.

Taking into account the realities of the market, it is recommended to determine the initial cost of the contract for the period of construction (performance of works) not exceeding two years on the objects that have already started again. In the case of passing this term, it is recommended to distinguish in the structure of the project and estimate the individual stages (complexes) of the work

performed, in which the account of the initial value of the contract is carried out.

The deflationary index, established in the formation of the initial price of the contract for individual stages (complexes), is not allowed to change during the entire period of execution of the contract and is reflected in the settlement account of the contract price for subsequent application in the accounts between the customer and the contractor.

At the same time, the discussion of the price agreed with the contractor on the amount of work that must be completed in the following years is carried out. At the specified time for the planned work to be carried out in the Bunda, the country's crop is taken into account data on the forecast of socio-economic development of the region.

In the following years, it is recommended to carry out in the following order the calculation of the Strictly agreed price on the volume of work planned to be completed:

- The value of the work performed under the contract, at the current price level, and the estimated fair value of the costs are determined;

- The balance of the cost of works and expenses at the current price level, which is planned to be completed at the next stage, will be determined;

- Using the forecast data of the slowdown or the social economic development of the region, the estimate value determined for the estimated period of completion of work under the concluded contract is determined taking into account the effect of the estimated change in the estimate value of inflation projected for the period of completion of the construction of the object (works). Then this value is determined in the order established by the following rules during the formalization of an additional agreement to the contract.

The consumer properties of the facility do not lead to the emanation, the contractor is provided with the actions of the organization, all the results of reducing the cost of construction, make up its profitable part (the economy of the contractor). In the case of an unreasonable increase in the cost of construction over a strictly agreed price, the

contractor will compensate for the difference from his account.

For work performed at a strictly agreed price, it is recommended to specify the conditions for the implementation of the accounting by the contracting parties during the conclusion of the contract according to the following schemes:

- For the object (up to 6 months of construction);
- Stages and stages of acceptance by the customer and works for complexes;
- Every misdemeanor for months of work done;
- On a percentage of the month's performance.

For works to be performed by the contractor, the terms of payment determined as a result of the conduct of trades and conversations must be stated in the contract of construction contractor.

For unforeseen works and expenses, the specified means are not depleted in the acts of acceptance of the work performed in reserve and are paid by the customer in accordance with the agreed norm in the formation of the contract price.

The cost of the stages of work that are completed and received by the customer and which must be paid to the contractor under the terms of the contract is determined in accordance with the estimate documents, taking into account the falling coefficient of the initial price of the contract, which is reflected in the contract of construction contractor.

In the case of intermediate accounting books, when the contractor leaves the agreed calendar plan of works (schedule), the deflator index for the period for which these works must be completed according to the calendar plan is applied and this must be reflected in the contract.

## Conclusion

The lower the material and labor resources required for production by the subjects of production in construction, that is, the cheaper they buy at a price, and the more they achieve without excessive expenditure in the process of production, the less the unit of

output produced will cost the less productive entrepreneurship. Thanks to this, the profit will be increased. Narh is an economic category expresses how much the value of the commodity in the process of production on the basis of free competition in the conditions of the market economy falls, how much the commodity falls on the consumer in the consumer market. The cost will depend on the cost of the material resources needed for the types of products being produced and the cost of the costs being spent, on the value of the costs incurred for the production of the goods to the subject engaged in the production of the goods.

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