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GENERAL PROCEDURES MANUAL

The contract administration portion of our work will soon commence in terms of a building contract to be signed between yourself and the successful tenderer. Work should commence upon approval of the building plans or when so decided by the contracting parties. Whilst many people have reservations regarding the building of a new house it can be most rewarding. We hope that our involvement, with many years of experience in the building industry, will serve to reassure you and provide you with someone to turn to when you feel out of your depth.

It is important to note that the JBCC 2000 Building Contract is the only contract that we recommend, and it is entered into between yourself as client, and the contractor. We as architects will serve to administer the process and act as “Principal agent” on your behalf, and resolve the inevitable queries that may occur on site.

We have come to work with many contractors over several years. During this time we have learnt which of them have positive and which have negative attributes. Through a sifting process we select the better builders to be on our tender list and lose the others in order to assist you with finding a contractor who is likely to give you a good value for money service. From time to time we meet new contractors who requested us to give them a chance to tender: If their tender price is the lowest we will have to decide in conjunction with yourself whether we will enter into the contract with them or not.

The most important attributes, of a good contractor, is a stable business, honesty, competitive pricing, amicability, reliability, good building practise, good site supervision etc. Whilst most of the Contractors we tend to work with, have many of these attributes, one can be assured that during a building contract some issues or queries will arise which need resolution.

Our standard type of contract is the fixed price, lump sum JBCC contract, which means that the contractor will undertake to build the project for a certain tender price, and that everything is fixed that was included in his tender documentation, all in accordance with the plan and specification duly signed by both parties.

It is important to note that the Contractor does not know what could be encountered under ground and this means that he will have made a certain allowance for standard strip foundation footings only. Once the foundations are dug and inspected by an engineer he will issue a site instruction, if necessary, for extra steel or other requirements. The contractor must price and approve this with the client, prior to proceeding with the work as an extra. Should the engineer deem it necessary to obtain a geotechnical laboratory report, then he will refer it to an expert laboratory. The owner will be responsible for such costs.

Any extra work at the instance of the client that the contractor undertakes, and for which he wants extra money, has to be costed and entered into a site instruction book for approval and signature by the client prior to his proceeding with the said work. Should the client delay this approval it may have an impact on the program.

It is also important to understand that any PC Amounts (Provisional Cost amounts) are subject to change by the client. These amounts can be varied and is fully at the discretion of the client. The Provisional Cost amounts are merely budget prices that were included in the tender document by the client and Architect. The Provisional cost amounts are credits to the client with which he can purchase certain items and remain within the budget or choose to exceed it. The contractor automatically makes a mark-up on all Pc items in his tender because he has to protect them, insure them and pay people to install them on site. Where the owner however exceeds these Pc amounts the contractor must receive a mark-up on these so-called extra over amounts and in terms of our specification he is allowed to apply for a 5% mark-up on the extra over amount spent.

The Architect makes a relatively conservative allowance in order not to appreciate the tenders unnecessarily. It is the Client's responsibility to scrutinize the allocated Provisional Cost amounts and adjust them up or down if so required. Be that as it may, the client will be credited with these amounts and he is responsible to shop around and choose the items timelously with the contractor. Should the client purchase the items for below the Provisional allowance it is a saving, and if he overspends on the Pc Amount it is an extra cost for his account.

Client subcontractors (ie kitchen specialists) could cause delays on site which the owner will be responsible for unless he uses the main contractors subcontractors. The owner must liase with the Contractor to determine lead time periods in the program for such items that the client will arrange or purchase himself. The Architect will ask the contractor to issue a program of works for this purpose.

We will assist the client in entering into a proper building contract. The contractor will determine the contract period, but will be open for negotiation. Exclusions to the fixed price contract, will be for any extra works to the contract e.g. more than standard foundations or extra requirements requested by the client, or his Engineer or Architect, however small they may be. All these extras are to be logged in the site instruction book or recorded in writing. Any such variations will also have a time implication which could extend the contract period.

The Architects fees being quoted upfront are based on a typical contract period and valid for 1 year after which more or less 12% escalation will apply. It must be noted that should the contact period be extended for whatever reason, the Architect will be entitled to extra fees for his attendance up to the completion of the works. If the extension is due to default of the contractor the fees are still payable by the client but can be deducted from the contractor's money i.t.o. the penalty clause. Should the owner be responsible, due to extras for foundations or other extras to the contract, the fee will be invoiced i.t.o. the ruling architect's fee at the time. Site meetings will be arranged and co-ordinated by the Architects office to take place through the course of the business day. Meetings that overrun office hours will be charged extra on an overtime basis.

Whilst the intention is paramount to have a good harmonious working relationship between the client and contractor, a difference of opinion may well arise. In such instance the Architect will act in a mediatory capacity to avoid conflict. The Architect, whilst acting as an agent of the owner, has to be fair and reasonable and has to determine which of the parties may be unreasonable at the time.

It is important to note that no shoddy workmanship will be allowed on the part of the contractor but in terms of the labour force in the employ of contractors in the building industry it is likely that workmanship will not be on a European standard either.

In many cases work on site will not be performed correctly in the first instance and although this is the cause of numerous frustrations to the client and Architect, one must realize that such items must be fixed by the contractor, at his own expense, it is thus not the client's responsibility. Should the contractor not be able to rectify the problem he will have to inform the client and Architect and suggest a suitable alternative. Any mistakes on site will be the responsibility of the Contractor and although the Architect will do his best to identify mistakes, the Architect will not be liable for any mistakes that the contractor has made.

Due to practical reasons all fittings and fixtures are not specified by the Architect and in such cases the Contractor will make a suitable allowance for such product from his preferred supplier. Should the client and Architect wish to upgrade such an item the Contractor will supply the client with a credit.

The Architect will arrange meetings on site every 2 to 3 weeks or as demanded by the progress on site. We will keep minutes of the events that needs attention at the time. The Architect will also visit the site unannounced at any other time at his discretion to monitor the progress on site and answer any queries by the contractor. Should it be necessary, the contractor will call the Architect at anytime to clarify issues and the Architect will make himself available to meet on site if necessary. Site meetings will be arranged by the Architect to start and take place on Tuesdays, Wednesdays or Thursdays between 9:00am and 3pm.

The contractor must complete the works to a high standard of workmanship, to the reasonable satisfaction of the architect. The Contractors foreman will do a snag list of each room and desnag the same prior to calling out the Architect for his practical completion list and handover of the project to the owner for occupation. The contractor must supply the Architect with an occupation certificate from council as well as electrical certificates, waterproofing warrantees etc.

The Architect will determine whether the project is ready for handover, with the provision that only a limited amount of snag items may remain on the practical completion list. The Architect will then release 50% of the retention money being held at that time on practical completion, to the Contractor, together with a payment certificate.

It is the owner's responsibility to scrutinize the final account and to meet with the contractor to do a final reconciliation of credits and extras and to advise the Architect of such amounts which must be added to or subtracted from the said certificate. The Architect will assist in clarifying responsibility of costs if the owner and Contractor does not agree. The owner will then take occupation and compile a further list of faulty items that might crop-up over the three (3) month retention period and copy those to the

Architect who will issue it to the Contractor to remedy. The Architects involvement with the final account will be charged separately on a time basis.

It must be noted that a number of snags may occur during the 90 day retention period, which is what this period is intended for. If fairly big problems occur like electricity that trips or water or plumbing problems arise the contractor must attend to these problems as a matter of urgency.

Smaller problems will be listed and sent through to the Architect for inclusion into his final completion list, which must be rectified by the contractor by the end of the three (3) month retention period in terms of the signed contract. After the successful completion of the snags the Architect will release the balance of the retention monies to the Contractor, and issue a final completion certificate.

The owner or client should budget that the following costs will arise for his account:

- 1) Architects fee.
- 2) Engineer's fee.
- 3) Council submission fee: +- R7-00/m².
- 4) Council Circulation fee (Runner)
- 5) NHBC fee: +- 1, 3% of the Building and Land costs.
- 6) Home owners scrutiny fee (if required).
- 7) Water connection fee.
- 8) Electrical connection fee.
- 9) Extra foundation costs (should it arise).
- 10) Insurance after completion and handover.
- 11) Geotech laboratory costs (if deemed necessary by engineer).

Signed

1. _____ 2. _____ 3. _____
ARCHITECT OWNER CONTRACTOR