

N/S SUBCONTRACT AGREEMENT

Project	
Contractor	
N/S Subcontractor	
Service	
Contract Date	File Code

prepared by the JOINT BUILDING CONTRACTS COMMITTEE Inc

RECOMMENDED BY THE JBCC CONSTITUENTS

Association of Construction Project Managers
Association of South African Quantity Surveyors
Master Builders South Africa
South African Association of Consulting Engineers
South African Institute of Architects
South African Property Owners Association
Specialist Engineering Contractors Committee

JBCC SERIES 2000 EDITION 5.0 CODE 2102 © JULY 2007

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Nominated / Selected Subcontract Agreement - Edition 5.0

Preface

JBCC documents are compiled in the interests of standardisation and portray the consensus view of the Joint Building Contracts Committee of good practice and an equitable distribution of contractual risk. The documentation sets out a clear, balanced and enforceable set of procedures, rights and obligations which, when competently managed and administered, protect the employer, contractor and subcontractors alike. It should be noted that each of the documents has been formulated for use specifically as part of the Series 2000 and is most unlikely to be suitable for use with other forms of contract

The Agreement Structure

The JBCC document suite has been structured for use by both the Private and State sectors. However it has been found that the direct inclusion of State requirements as was the case in previous editions produced difficulties in accommodating the necessary differences in a single document. Therefore where the employer is a State institution the document will require an Addendum to be compiled of all the substitutions that are needed to the standard clauses as published

The N/S Agreement brings about a strong consistency in the contractual language used and the administrative procedures required. The agreement clauses are divided into sections that correspond as closely as possible to the project execution sequence. The previously separately published Preliminaries has been incorporated into this Agreement with the variables dealt with therein being replaced by Contract Data Addendums for both Contractor and N/S Subcontractor requirements

The Agreement covers both nominated and selected subcontractors and mimics the Principal Building Agreement with all common clauses retaining the same numbering. A few 'blank' clause numbers occur to maintain the common numbering system. 'No clause' is used where this occurs. A comprehensive set of legally compatible certificates and forms for use in administering the Agreement and other primary documents are available

Warning!

This Edition 5.0 results in most support documents having been revised to remain compatible. Persons entering into or preparing contracts using the JBCC Series 2000 are warned of the dangers inherent in modifying any part of it. Where it is considered essential to make changes, users are advised to ensure that such changes are drafted by qualified legal persons with extensive knowledge of the JBCC documentation and the construction industry. Experience has shown that changes drafted by others, including members of the building professions, often have results very different from those intended which may be prejudicial to either or both parties

JBCC Documentation Services

Documents Availability: Series 2000 documents are obtainable through most regional offices of JBCC constituents as listed on the cover of this document. The JBCC supplies documents exclusively to constituents and does not sell direct to users. JBCC can be contacted at jbcc@mweb.co.za in relation to these services

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1.0 DEFINITIONS AND INTERPRETATION

1.1 The definitions used in this document and the interpretation thereof are listed below. The word or phrase of a definition is highlighted in the text and shall bear the meaning assigned to it in this 1.1. Where such word or phrase is not highlighted it shall bear the meaning consistent with the context of its use. The listed defined word or phrase does not qualify as a definition where information required to be stated in the **n/s contract data** has not been provided

ADJUDICATOR: The person appointed by the **parties** to decide any dispute arising out of this **n/s agreement**

ADVANCE PAYMENT GUARANTEE: A guarantee at call obtained by the **subcontractor** from an institution approved by the **employer** on the **JBCC** Advance Payment Guarantee form in the amount as stated in the **n/s contract data**

AGENT: A party named in the **n/s contract data** and/or appointed by the **employer** to deal with specific aspects of the **n/s works**

ARBITRATOR: The person appointed by the **parties** to decide any dispute arising out of this **n/s** agreement

BUDGETARY ALLOWANCE: A sum of money included in the **n/s** contract sum for work intended for execution by the **subcontractor**, the extent of which is identified but not detailed

CALENDAR DAYS: Twenty-four (24) hour days commencing at midnight (00:00) which include working and non-working days

CERTIFICATE OF FINAL COMPLETION: A certificate issued by the principal agent to the contractor stating the date on which final completion of the works was achieved

CERTIFICATE OF INTERIM COMPLETION: A certificate issued by the **contractor** to the **subcontractor** stating the date on which **interim completion** of the **n/s works** was achieved. Such certificate shall not take precedence over the **certificates of practical, works** and **final completion**

CERTIFICATE OF PRACTICAL COMPLETION: A certificate issued by the principal agent to the contractor stating the date on which practical completion of the works was achieved

CERTIFICATE OF WORKS COMPLETION: A certificate issued by the principal agent to the contractor stating the date on which works completion of the works was achieved

CONTRACTOR: The **party** contracting with the **subcontractor** for the execution of the **n/s works** as named in the **n/s contract data**

CONTRACTOR'S INSTRUCTION: A written instruction which may include drawings and other construction information signed and issued by or under the authority of the **contractor** to the **subcontractor**

CPAP: The **JBCC** Contract Price Adjustment Provisions used for the adjustment of the **n/s contract value** as stated in the **n/s contract data**

DEFECT: Any aspect of materials and workmanship forming part of the **n/s works** that, in the opinion of the **principal agent**, is due to the failure of the **subcontractor** to comply with his obligations in terms of the **n/s agreement**

DIRECT CONTRACTOR: A party appointed directly by the **employer** to do specialist work on **site** prior to **practical completion**



EMPLOYER: The party contracting with the contractor for the execution of the works as named in the n/s contract data

FINAL COMPLETION: The stage of completion where the **works** is free of all **defects** as certified by the **principal agent**

INTEREST: The bank rate which is applicable from time to time to registered banks when borrowing money from the Central or Reserve Bank of the country named in the **n/s contract data**. The ruling bank rate on the first **calendar day** of each month shall be used in calculating the interest due for such month

INTERIM COMPLETION: The state of completion where the **n/s works** is substantially complete as certified by the **contractor**

JBCC: The Joint Building Contracts Committee Incorporated

LATENT DEFECT: A **defect** that a reasonable inspection of the **n/s works** by the **principal agent** would not have revealed before the issue of the **defects** list

LAW: The law of the country stated in the n/s contract data

MATERIALS AND GOODS: Materials and goods delivered to the subcontractor for inclusion in the n/s works whether stored on or off the site or in transit but not yet part of the n/s works

MEDIATOR: The party appointed by the **parties** to mediate any dispute arising out of this **n/s** agreement

N/S AGREEMENT: This JBCC Nominated/Selected Subcontract Agreement and other n/s contract documents that together form the contract between the parties

N/S CONSTRUCTION GUARANTEE: A guarantee at call obtained by the subcontractor from an institution approved by the contractor in terms of the JBCC N/S Construction Guarantee form as elected in the n/s contract data

N/S CONSTRUCTION PERIOD: The period commencing on the date on which the subcontractor shall commence work according to the programme and ending on the date of interim completion

N/S CONTRACT DATA: The defined listed variables applicable to this n/s agreement

N/S CONTRACT DOCUMENTS: This document, the n/s contract drawings, the n/s priced document and such other documents as are identified in the n/s contract data

N/S CONTRACT DRAWINGS: The drawings stated in the n/s contract data upon which the accepted tender or negotiated amount was based

N/S CONTRACT SUM: The tender or negotiated amount, inclusive of **tax**, as accepted by the **employer** and stated in the **n/s contract data** that is not subject to adjustment

N/S CONTRACT VALUE: A monetary value that initially is equal to the n/s contract sum that is subject to adjustment

N/S FINAL ACCOUNT: The document, prepared by the principal agent, which reflects the n/s contract value of the n/s works at final completion or termination

N/S PAYMENT GUARANTEE: A guarantee in the amount as stated in the n/s contract data obtained by the contractor from an institution approved by the subcontractor in terms of the JBCC N/S Payment Guarantee form

N/S PRICED DOCUMENT: The schedule of rates or other documents as are appropriate to this n/s agreement

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N/S PROGRAMME: A diagrammatic representation of the planned execution of units of work or events of the n/s works indicating the dates for commencement and completion thereof

N/S RECOVERY STATEMENT: The statement prepared monthly by the **contractor** in terms of the **JBCC** N/S Recovery Statement form

N/S WORKS: The portion of the works described in general terms in the n/s contract data, detailed in the n/s contract documents, ordered in contractor's instructions and including the subcontractor's temporary works. N/s works includes materials and goods and those supplied free or otherwise by the employer to the subcontractor

PARTY: The contractor and/or subcontractor

PAYMENT ADVICE STATEMENT: A document issued monthly by the **contractor** certifying the amount due and payable by the **contractor** to the **subcontractor** or vice versa in terms of the **JBCC** Payment Advice Form

PAYMENT CERTIFICATE: A document issued monthly by the **principal agent** certifying the amount due and payable by the **employer** to the **contractor** or vice versa in terms of the **JBCC** Payment Certificate form

PRACTICAL COMPLETION: The stage of completion where the **works** or a **section** thereof, as certified by the **principal agent**, is substantially complete and can effectively be used for the purposes intended

PRIME COST AMOUNT: An amount included in the **n/s contract sum** for the delivered cost of **materials and goods** obtained from a supplier as instructed by the **contractor**

PRINCIPAL AGENT: The party named in the n/s contract data and/or appointed by the employer

PRINCIPAL AGREEMENT: The **JBCC** Principal Building Agreement and other contract documents which together form the contract between the **employer** and the **contractor**

PROGRAMME: A diagrammatic representation of the planned execution of units of work or events of the **n/s works** and **works** indicating the dates for commencement and completion thereof

SECTION: A defined portion of the works for which practical completion is required on the date stated in the n/s contract data that is earlier than that required for the works as a whole

SECURITY: The form of guarantee provided by the **contractor** or **subcontractor**, as stated in the **n/s contract data**, from which a **party** may recover expense and loss in the event of default

SITE: The land or place on, over, under, in or through which the works is to be executed and as defined in the n/s contract data

SUBCONTRACTOR: The party contracting with the contractor for the execution of the n/s works as stated in the n/s contract data

TAX: Value-added tax, sales tax or any other statutory tax, duty or levy applicable by law

WORKING DAYS: Twenty-four (24) hour days commencing at midnight (00:00) which excludes Saturdays and Sundays, statutory holidays and any recognised annual building holiday period

WORKS: The works as described in the principal agreement and recited in the n/s contract data

WORKS COMPLETION: The stage of completion where the work on the **works completion** list has been completed as certified by the **principal agent**

1.2 The **parties** each choose their physical address as stated in the **n/s contract data** where notices or processes arising out of or concerning this **n/s agreement** may validly be delivered to and served on them. Either **party** may, at any time, by notice to the other change its physical address to another address provided that it is in the same country as that initially stated in the **n/s contract**

data

	with all amendments thereto at the date of submission of the subcontractor's tender unless otherwise stated		
1.4	In the interpretation of second level subclauses (e.g. 1.6.4) in this document:		
1.4.1	Where one of several subclause options is to be selected, the word 'or' links such subclauses		
1.4.2	Where consecutive subclauses apply these are linked by the word 'and'		
1.4.3	All other such subclauses are interpreted on a 'stand alone' basis - any or all apply		
1.5	In this document, unless inconsistent with the context:		
1.5.1	The word "deemed" shall be conclusive that something is fact, regardless of the objective truth		
1.5.2	The words "accept, appoint, approve, certify, decide, grant, inform, instruct, issue, notice, object, record, refuse, reduce, request, state" and their derivatives indicate an act carried out in writing		
1.5.3	The masculine gender includes the feminine and neuter genders and vice versa, the singular includes the plural and vice versa, and a person includes corporate bodies		
1.5.4	Clause numbers written as [54.1.5] means "in terms of" to such referenced clauses where [54.1.5-8] means the subclauses 5, 6, 7 and 8 inclusively and [54.1.5,8] means the subclauses 5 and 8 only		
1.5.5	The headings of clauses are for reference purposes only and shall not be taken as construing the context thereof		
1.6	Notice shall be presumed to have been duly given when:		
1.6.1	Delivered by hand - on the working day of delivery		
1.6.2	Sent by registered post - five (5) working days after posting		
1.6.3	Sent by telefax - one (1) working day after transmission		
1.6.4	Sent by e-mail - one (1) working day after transmission		
1.7	For the purposes of sentence in relation to a payment advice statement only, the parties consent to the jurisdiction of any court of the country as stated in the n/s contract data although the amount of the claim by either of the parties against the other may exceed the jurisdiction of such court		
1.8	This n/s agreement is the entire contract between the parties regarding the matters addressed in this n/s agreement. No representations, terms, conditions or warranties not contained in this n/s agreement shall be binding on the parties. No agreement or addendum varying, adding to, deleting or terminating this n/s agreement including this clause shall be effective unless reduced		

Documents and legislation referred to in this n/s agreement shall mean the current edition thereof

OBJECTIVE AND PREPARATION

to writing and signed by the parties

2.0 OFFER, ACCEPTANCE AND PERFORMANCE OBLIGATIONS

- 2.1 The objective of this **n/s agreement** is the execution of and payment for the **n/s works** for which there has been an offer by the **subcontractor** and an acceptance thereof by the **contractor**
- 2.2 In pursuance of the objective the **parties** undertake to carry out their reciprocal obligations

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- 3.1 The **contractor** shall provide a **n/s** payment guarantee where:
- 3.1.1 Required by the **subcontractor** in the accepted tender. The guarantee shall be according to the relevant **JBCC** Payment Guarantee form in the amount of ten per cent (10%) of the **n/s contract sum** and shall be provided within twenty-one (21) **calendar days** of acceptance of the tender
- 3.1.2 The **contractor** has failed to make payment to the **subcontractor** [31.9.2, 31.15, 34.10.2, 34.14] for the unpaid balance of the **n/s contract value**. Such guarantee shall be provided within seven (7) **calendar days** of a request for such guarantee from the **subcontractor**
- 3.2 The **subcontractor** shall provide:
- 3.2.1 A **n/s construction guarantee** [14.3-4] where so elected in the Form of Offer and Acceptance
- 3.2.2 An advance payment guarantee to the employer where so required in the subcontractor's accepted tender. The guarantee shall be according to the JBCC Advance Payment Guarantee form in the amount as stated in the n/s contract data
- 3.2.3 A copy of the **n/s priced document** comprising the **subcontractor**'s accepted tender
- 3.3-4 No clause
- 3.5 The **contractor** shall complete the **n/s contract data** and arrange the formal signing of this **n/s agreement** once the **n/s contract documents** have been provided and effected. Formal signatures are not required to render this **n/s agreement** binding
- The parties shall sign, in original, the number of sets of n/s contract documents required by the parties. The contractor or other party as stated in the n/s contract data shall hold a signed set of n/s contract documents to be produced as and when required by the parties. The subcontractor shall be entitled to receive one (1) set of n/s contract documents at no expense to the subcontractor
- 3.7 The **contractor** shall provide the number of copies of drawings, unpriced **n/s priced document** and documents as stated in the **n/s contract data** at no cost to the **subcontractor**. The **subcontractor** shall keep on **site** a copy of such documents required for construction as well as **contractor's instructions** to which the **employer**, **contractor**, **principal agent** and **agents** shall have access at all times
- 3.8 Information contained in the **n/s contract documents** and other documents flowing from this **n/s agreement** shall be used only for the purposes of this **n/s agreement** and shall not be published or disclosed without the prior written consent of the **employer**
- 3.9 The n/s priced document shall not be used as a specification of materials and goods or methods unless so selected in the n/s contract data.
- Where the **priced document** is not a bills of quantities the **subcontractor** shall provide a schedule of rates in the **n/s contract data** which meets with the **principal agent's** approval
- 3.11 The **principal agent** shall identify in detail any changes made to the provisions of **JBCC** standard documentation in the **n/s contract data**

4.0 DESIGN RESPONSIBILITY

4.1 The **subcontractor** shall not be responsible for the design of the **n/s works**, other than the **subcontractor's** or his subcontractor's temporary works, unless otherwise stated in the **n/s**

- 4.2 Any design responsibility undertaken by the **subcontractor** shall not devolve upon the **contractor**. All contractual or other rights the **contractor** has against the **subcontractor** arising from any design responsibility undertaken are hereby ceded to the **employer**. The rights flowing from a warranty regarding such design responsibility are hereby ceded to the **employer** [26.7] whether or not such design warranty is referred to in this **n/s agreement**
- 4.3 A **subcontractor** undertaking design shall be responsible for ensuring the timeous preparation of the design documentation for acceptance by the **principal agent** to avoid delay to the intended dates or any revision thereof for:
- 4.3.1 Stage completions in terms of the **programme**
- 4.3.2 Interim completion [23.0]
- 4.3.3 **Practical completion** [24.0]

5.0 EMPLOYER'S AGENTS

- The **employer** has appointed the **principal agent** and other **agents** in terms of the **principal agreement** as stated in the **n/s contract data**
- 5.2 The **principal agent** shall inform the **contractor** and **subcontractor** where an **agent** [5.1] is relevant to the **n/s works**. Such **agent** shall be delegated authority to issue **contract instructions** and perform such duties as may be required for specific aspects of the **n/s works**
- 5.3 No clause
- Should an **agent** be unable to act or cease to be an **agent**, the **employer** shall inform the **contractor** and **subcontractor** of the **new agent** to be appointed. The **employer** shall not appoint such **agent** against whom the **subcontractor** makes a reasonable objection in writing within five (5) **working days** of receipt of such notice
- 5.5 Should the **principal agent** or any **agents** have a legal interest or involvement in the project constituting the **works**, other than a professional interest, such shall be stated in the **n/s contract data** or immediately upon the acquisition of such interest or involvement

6.0 SUBCONTRACTOR'S SITE REPRESENTATIVE

- 6.1 The **subcontractor** shall keep a representative competent to administer and control the **n/s works** continuously on the **site** during the execution of the **n/s works**. Notice shall be given of the names of representatives by each **party** to the other
- 6.2 A contractor's instruction given to the subcontractor's representative shall be deemed to have been given to the subcontractor

7.0 COMPLIANCE WITH LAWS AND REGULATIONS

7.1 The **parties** shall comply with all **laws**, regulations and bylaws of local or other authorities having jurisdiction regarding the execution of the **n/s works**. The **parties** shall give all notices and pay all charges required by such authorities. The **principal agent** shall deal with the amounts thus paid [32.4, 33.2.1]

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- 8.1 The subcontractor shall take full responsibility for the n/s works during the n/s construction period. On the date of issue of the certificate of interim completion or the deemed achievement of interim completion responsibility for the n/s works shall pass to the contractor 8.2 The subcontractor shall make good physical loss and repair damage to the n/s works, including clearing away and removing from the site all debris resulting therefrom, which occurs after the commencement of the n/s construction period and up to the date of final completion [26.0] and resulting from: 8.2.1 Any cause arising up to the date of **practical completion** [24.0] 8.2.2 The **subcontractor** or his domestic subcontractors carrying out any operation complying with the subcontractor's obligations after the date of interim completion 8.3 The liability of the **subcontractor** [8.2] shall include: 8.3.1 The cost of making good physical loss and repairing damage 8.3.2 The replacement value of materials and goods supplied by the employer to the subcontractor The additional professional services of the employer's agents 8.3.3 The limit of the subcontractor's liability shall not exceed the amount of the contract works 8.4 insurance as stated in the n/s contract data 8.5 The subcontractor shall not be liable for the cost of making good physical loss and repairing damage to the n/s works where this results from any of the following circumstances: 8.5.1 War, whether declared or not, invasion and hostile acts of foreign enemies 8.5.2 Rebellion, insurrection, revolution, terrorism, military or usurped power or civil war Civil commotion, riot, strike, lockout or disorder by persons other than the 8.5.3 subcontractor's personnel and other employees or his subcontractors 8.5.4 Confiscation, nationalisation or requisition by any public or local authority Sonic shock waves caused by aircraft or other aerial devices and ionising radiation or 8.5.5 contamination except where attributable to the subcontractor's use of such technology 8.5.6 The use or occupation of any part of the n/s works by the employer or the contractor, their servants or agents and those for whose acts or omissions they are responsible An act or omission of the employer or the contractor, their servants or agents and those 8.5.7 for whose acts or omissions they are responsible An act or omission by direct contractors appointed in terms of the principal agreement 8.5.9 Design of the **n/s works** where the **subcontractor** is not responsible [4.0] 8.5.10 A latent defect in materials and goods specified by trade name where the subcontractor has no right of substitution. The subcontractor hereby cedes any right of action to the employer that may exist against the supplier and/or manufacturer of such materials and goods 8.6 Where the subcontractor is not liable for the costs [8.5] such making good physical loss and
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repairing damage shall be measured and valued [32.0] and added to the n/s contract value

8.7 The **subcontractor** shall forthwith notify the **contractor**, **principal agent** and insurer of any physical loss and damage to the **n/s works** that comes to his attention

9.0 INDEMNITIES

- 9.1 Subject to the 9.2 provisions the **subcontractor** indemnifies and holds the **contractor** harmless against any loss in respect of all claims, proceedings, damages, costs and expenses arising from:
- 9.1.1 Claims from other parties consequent upon death or bodily injury or illness of any person or physical loss or damage to any property, other than the **n/s works**, arising out of or due to the execution of the **n/s works** or occupation of the **site** by the **subcontractor**
- 9.1.2 Noncompliance by the **subcontractor** with any **law**, regulation or bylaw of any local or other authority arising out of or due to the execution of the **n/s works** or occupation of the **site** by the **subcontractor**
- 9.1.3 Physical loss or damage to any plant, equipment or other property belonging to the **subcontractor**
- 9.2 The **contractor** indemnifies and holds the **subcontractor** harmless against loss in respect of all claims, proceedings, damages, costs and expenses arising from:
- 9.2.1 An act or omission of the **employer** or the **contractor**, their servants or agents and those for whose acts or omissions they are responsible
- 9.2.2 An act or omission of a direct contractor or other subcontractor [22.0]
- 9.2.3 Design of the **n/s works** where the **subcontractor** is not responsible [4.0]
- 9.2.4 The occupation of any part of the n/s works by the employer or his tenants
- 9.2.5 The right of the **employer** to have the **n/s works** or any part thereof executed at the **site**
- 9.2.6 Interference with any servitude or other right that is the unavoidable result of the execution of the **n/s works** including the weakening of or interference with the support of land adjacent to the **site** unless resulting from any negligent act or omission by the **subcontractor** or his subcontractors
- 9.2.7 Physical loss or damage to an existing structure and the contents thereof in respect of which this **n/s** agreement is for alteration or addition to the existing structure
- 9.2.8 Physical loss or damage to the contents of the works where practical completion has been achieved [24.0]
- 9.2.9 The use or occupation of the **site** by the **n/s works**
- 9.2.10 No clause

10.1.2

9.211 A **defect** in materials or goods supplied by the **employer** for incorporation in the **n/s** works including any consequential damage caused by such **defect**

10.0 GENERAL INSURANCES

- The following general insurances are required to be effected in the joint names of the **employer** and **contractor** in terms of the **principal agreement**:
- 10.1.1 Contract works insurance which shall include the **contractor's** subcontractors and the full value of **materials and goods** supplied by the **employer** to the **contractor**
 - Supplementary insurance for the works in respect of civil commotion, riot and strike

- 10.2 The insured amounts, deductibles and durations of cover shall be as stated in the **n/s contract** data
- 10.3 Where this **n/s agreement** is cancelled [37.0] and the **subcontractor** is not required to make good the physical loss or repair damage to the **works**, the right to the proceeds of a contract works insurance claim shall vest in the **employer**
- Subject to 10.3 the right to any claims paid or payable in terms of the insurances [10.1] shall vest in the **party** entitled to indemnity thereunder and such **party** shall be liable for the deductible

11.0 SPECIAL INSURANCES

- 11.1 The following special insurances may be required to be effected. Such insurances shall be in the joint names of the **employer** and **contractor**:
- 11.1.1 Temporary lateral support insurance where the **employer** considers that the execution of the **works** could cause the weakening of or interference with the support of land adjacent to the **site** and the consequences thereof
- 11.1.2 Geotechnics insurance where the **employer** considers that the ground conditions of the **site** could be unsuitable to support the **works**
- 11.1.3 Such other specialised insurance as the **employer** deems necessary as stated in the **n/s** contract data

12.0 EFFECTING INSURANCES

- 12.1 The party responsible as stated in the n/s contract data [12.6] shall effect and keep in force:
- 12.1.1 General insurance [10.1] from the date of the handover of the **site** and until the **contractor's** responsibility [8.0] has ended, and
- 12.1.2 Special insurances where required [11.1] until the date of **practical completion**
- Before the commencement of the n/s construction period, the contractor shall provide to the subcontractor documentary evidence that the contract works insurance [10.1] has been effected. Likewise the subcontractor, where responsible, shall provide to the contractor documentary evidence that public liability insurance [11.1] has been effected. Where required, the relevant party shall provide evidence of renewal to the other party before the expiry of the current period of insurance
- Where the **party** responsible [12.1] fails to effect any of the required insurances or to keep them force, the other **party** may effect such insurances. Where the **contractor** effects such insurances, consequent on the **subcontractor**'s default, the **contractor** may recover expense and loss resulting therefrom [33.0]. Where the **subcontractor** effects or keeps in force such insurances, consequent on the **contractor**'s or **employer**'s default, the cost thereof shall be addressed [32.4]
- 12.4 Before effecting support insurance [11.1.1] the **employer** shall engage an engineer or technologist [5.2] to design and inspect the provision of the necessary support. The **principal agent** shall delegate to such engineer or technologist the authority to issue contract instructions in relation to the support provisions
- 12.5 No clause
- Where **practical completion** in **sections** is required [28.0] or the **works** is for alterations or renovations to an existing building(s) the effecting of contract works insurance [10.1.1] shall be the responsibility of the **employer**

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13.0 ASSIGNMENT

- 13.1 Neither **party** shall assign or cede their rights or obligations without the written consent of the other **party**, which consent shall not be withheld without good reason
- 13.2 The **contractor** shall not consent to a nominated **subcontractor** assigning or ceding his rights or obligations in terms of this **n/s agreement** without obtaining the prior approval of the **principal agent**

14.0 SECURITY

- 14.1 The **subcontractor** shall have the right to choose the **security** to be provided [14.3-4] as stated in the **n/s contract data**. The choice of **security** shall be included in the **subcontractor's** tender, failing which a variable **n/s construction guarantee** [14.3] shall be deemed to have been chosen. Such **security** shall be provided to the **contractor** within twenty-one (21) **calendar days** of acceptance of the **subcontractor's** tender
- 14.2 No clause
- 14.3 Where **security** as a variable **n/s construction guarantee** has been chosen the following shall apply:
- 14.3.1 The subcontractor shall provide the contractor with a variable n/s construction guarantee equal in value to ten per cent (10%) of the n/s contract sum
- 14.3.2 The variable **n/s construction guarantee** shall come into force, be administered and expire in terms of the **JBCC** N/S Construction Guarantee form
- 14.3.3 The contractor shall return the variable n/s construction guarantee to the subcontractor within fourteen (14) calendar days of its expiring
- 14.3.4 Where the **contractor** has a right of recovery against the **subcontractor** [33.0], the **contractor** may issue a written demand in terms of the variable **n/s construction guarantee**
- 14.4 Where **security** as a fixed **n/s construction guarantee** and payment reduction of the value certified has been chosen the following shall apply:
- 14.4.1 The subcontractor shall provide a fixed n/s construction guarantee to the contractor equal in value to five per cent (5%) of the n/s contract sum
- 14.4.2 The fixed **n/s construction guarantee** shall come into force, be administered and expire in terms of the **JBCC** Construction Guarantee form
- 14.4.3 The **contractor** shall return the fixed **n/s construction guarantee** to the **subcontractor** within fourteen (14) **calendar days** of its expiring
- The payment reduction to the value certified in a **payment certificate** shall be made [31.8, 34.8]
 - 14.4.5 Where the **contractor** has a right of recovery against the **subcontractor** [33.0], the **contractor** may issue a written demand in terms of the fixed **construction guarantee** or may recover from the payment reduction [33.4] or both
 - 14.5 Where **security** as an **advance payment guarantee** is to be provided by the **subcontractor** to the **employer**:
- 14.5.1 The guaranteed amount shall be equal in value to the cash advance requirement stated in the accepted tender, and

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Such guarantee shall come into force, be administered and expire in terms of the JBCC Advance Payment Guarantee form, and

- 14.5.3 The **employer** shall return such guarantee to the **subcontractor** within fourteen (14) calendar days of it expiring
- 14.6 Payments made by the guaranter to the **contractor** or **employer** in terms of a **n/s construction guarantee** or an **advance payment guarantee** shall not prejudice the rights of the **employer**, **contractor** or **subcontractor**
- 14.7 Should the **subcontractor** fail to provide the **security** [14.1] the **contractor**, in his sole discretion, may either:
- 14.7.1 Allow the **subcontractor** to commence the **n/s works** and withhold payment from the **subcontractor** until the amount withheld is equal in value to ten per cent (10%) of the **n/s contract sum**. Such amount shall be reduced to two per cent (2%) of the **n/s contract sum** on the achievement of **practical completion** [24.0] and to zero per cent (0%) [34.8] in the final **payment advice**, or
- 14.7.2 **Terminate** this **n/s** agreement [36.1.1]
- 14.8 A **security** held by the **contractor** [14.3-4] or **employer** [14.5] shall be for the due fulfilment of the **subcontractor**'s liability only and the **contractor** or **employer** hereby waive all common law rights to recover from or set-off against such **security**

EXECUTION

15.0 PREPARATION FOR AND EXECUTION OF THE N/S WORKS

- After acceptance of the tender or negotiated amount the **subcontractor** shall submit to the **contractor** within the period stated in the **n/s contract data**:
- The n/s priced document with all items properly priced, extended and cast. Priced items are deemed to include all costs, overheads and profit. The principal agent may instruct the subcontractor to adjust prices which are considered to be imbalanced or unreasonable and to eliminate errors or discrepancies. Such adjustments shall be effected to the approval of the principal agent and shall not change the n/s contract sum, and
- 15.1.2 Such other documents and information identified in the n/s contract data
- 15.2 The **contractor** shall:
- 15.2.1 Give access to the **site** to the **subcontractor** on the date stated in the **n/s contract data**,
- Prepare, implement and, where necessary, modify the **programme** allowing sufficient time for the **subcontractor** to achieve stage completions and **interim completion** of the **n/s** works all as agreed with the **subcontractor** to enable the **contractor**, in turn, to achieve **practical completion** [24.0], and
- 15.2.3 No clause
- 15.2.4 Make payment to the **subcontractor** [31.0, 34.0]
- 15.3 On being allowed to commence the **n/s works** in terms of the **programme** and, subject to 31.18.3, the **subcontractor** shall proceed continuously, industriously and with due skill and appropriate physical resources to bring the **n/s works** to stage completions as may be required in terms of the **programme** and to:

15.3.1 Interim completion [23.0], and

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- 15.3.3 Works completion [25.0], and
- 15.3.4 **Final completion** [26.0]
- Where completion in **sections** is required in terms of the **n/s contract data** the further provisions of 28.0 shall be applicable
- The **subcontractor** shall provide everything necessary for the proper execution of the **n/s works** and shall carry out and complete the **n/s works** in compliance with the **n/s contract documents**, using materials and workmanship of the quality and standards specified therein, provided that such quality and standards shall be to the reasonable satisfaction of the **principal agent**
- 15.6 The **contractor** in consultation with the **subcontractor** shall:
- 15.6.1 Regularly update the **subcontractor's** programme in relation to the **n/s works** together with a schedule of outstanding construction information in sufficient detail to enable the **principal agent** to assess the progress of the **n/s works** and timeously provide the information required, and
- 15.6.2 Coordinate the **subcontractor's** programme with his own, and
- 15.6.3 Continuously revise and modify the **programme** and the schedule of outstanding construction information and issue copies timeously to the **subcontractor** and **principal** agent
- 15.7 The **subcontractor** shall:
- 15.7.1 Provide all reasonable assistance to the **contractor** in the preparation of cash flow projections where required by the **employer**. The projections shall be based on the **contractor's programme** and shall be updated as and when necessary, and
- 15.7.2 Inform the **contractor** of all cash advances and the quantum of each to be provided to the **subcontractor** by the **employer**
- The **contractor** and **subcontractor** shall hold regular meetings related to the progress of the **n/s** works and at such other times as may be necessary. The **contractor** shall record and distribute the minutes of the meetings. At the request of the **principal agent** or the **contractor** meetings shall be held to deal with technical and **subcontractors'** coordination matters
- The **subcontractor** shall maintain daily records of the number and categories of persons and plant employed on the **works** and shall provide copies thereof to the **contractor** on request

16.0 SITE AND ACCESS

- 16.1 The **subcontractor** shall have reasonable access to the **site**, **works**, **n/s works** or **sections** thereof that have achieved **interim completion**, to fulfil his obligations. Any restrictions to the **site** area, including servitudes and the like, that the **subcontractor** may not occupy are defined in the **n/s contract data**. The **subcontractor** shall not extend his operations into such defined areas
- Where a geotechnic investigation has been undertaken the results thereof, where relevant, shall be provided in the **n/s contract data**
- The **subcontractor** shall be deemed to have inspected the **site** and any existing structures thereon and to be thoroughly acquainted with the conditions under which the **n/s works** is to be executed including the means of access to the **n/s works**, the condition of the roads and generally of all matters which may influence the execution of the **n/s works**

- 16.4 Where existing premises will be in use and occupied during the n/s construction period the subcontractor shall execute the n/s works with the least interference with the general routine of the occupants of the premises and minimise any nuisance from dust, noise or other causes. Specific requirements of the employer or contractor are described in detail in the n/s contract data
- Where prior work has been undertaken on the **site** the **subcontractor** shall, within a reasonable period after being appointed, but not exceeding ten per cent (10%) of the **n/s construction period** or twenty (20) **working days** whichever is the lesser, check the existing levels, lines, profiles and the like of work previously executed that may affect the **n/s works**. The **subcontractor** shall forthwith notify the **contractor** and request a **contractor's instruction** regarding any inaccuracy found in work previously executed
- 16.6 The **subcontractor**, on becoming aware of a defect in previously executed work, shall request a **contractor's instruction** in relation thereto
- The **employer** has recorded all known services in the **n/s contract documents** where applicable and annotated as to whether such services are to be terminated, diverted or continue in use either temporarily or permanently Where undocumented services are encountered the **subcontractor** shall immediately suspend all affected work in the vicinity and request the **contractor** to issue a **contractor's instruction** in regard thereto
- Trees and shrubs shall not be removed, cut back or disturbed without a **contractor's instruction**. Specific requirements of the **employer** are described in the **n/s contract data**
- Any relics, treasure or other articles of potential value found on the **site** shall remain the property of the **employer** and shall be handed over to the **principal agent** who shall be the sole arbiter of what is an article of value
- The **employer**, **principal agent**, **agents** and **contractor** shall have reasonable access to the **n/s** works, workshops and other places where work in terms of this **n/s agreement** is being prepared, executed or stored
- 16.11 The **subcontractor** shall have reasonable access to the **works** and any **section** thereof that has achieved **practical completion** to fulfil his obligations

17.0 CONTRACTOR'S INSTRUCTIONS

- 17.1 The contractor may issue contractor's instructions to the subcontractor regarding:
- 17.1.1 Alteration to design, quality or quantity of the n/s works provided that such contractor's instructions shall not substantially change the scope of the n/s works
- 17.1.2 Rectification of discrepancies, errors in description or omissions in **n/s contract documents** other than this document
- 17.1.3 Removal of any **materials and goods** from the **site** and the substitution of any other **materials and goods** therefor
- 17.1.4 Removal or re-execution of any work
- 17.1.5 Opening up of work for inspection
- 17.1.6 Provision and testing of samples of **materials and goods**, specimens of finishes and assemblies of elements of the **n/s works**
- 17.1.7 Protection of the **n/s works**
- 17.1.8 Making good physical loss and repairing damage to the **n/s works** [8.0]

Removal from the site of any party employed on the n/s works

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JB _r C _C C	Removal from the site of any person not engaged on or connected with the n/s works
17.1.11	The programme [15.6]
17.1.12	No clause
17.1.13	Notices to selected subcontractors
17.1.14	Prime cost amounts and the purchase of materials and goods included therein
17.1.15	Budgetary allowances and work executed by the subcontractor thereunder
17.1.16	Contingency and other monetary provisions included in the n/s contract sum
17.1.17	Work by the contractor's domestic subcontractors, other subcontractors and direct contractors [22.0]
17.1.18	The lists for interim completion, practical completion, works completion, final completion and defects
17.1.19	Compliance with laws, regulations and bylaws [7.0]
17.1.20	Access for previous contractors and subcontractors to remedy defective work

- 17.2 The **subcontractor** shall comply with and duly execute all **contractor's instructions** subject to 24.6
- 17.3 An oral instruction given by the **contractor** shall be of no force or effect. Neither the **subcontractor** nor the **contractor** may rely upon an oral instruction for any purpose
- 17.4 Should the **subcontractor** fail to proceed with due diligence with a **contractor**'s **instruction**, the **contractor** may notify the **subcontractor** to proceed within four (4) **working days** from receipt of such notice. Without further notice, on default by the **subcontractor**, the **contractor** may employ other parties to give effect to such **contractor**'s **instruction** in addition to any other rights which the **contractor** may have. The **contractor** may recover expense and loss [33.0] resulting from such employment
- 17.5 The **subcontractor** shall cooperate with and assist the **contractor** and **principal agent** where execution of a **contractor's instruction** could cause an adjustment to the **n/s contract value** [32.2]

18.0 SETTING OUT OF THE N/S WORKS

- The **contractor** shall point out all necessary pegs, beacons and datum levels and where necessary provide drawings to the **subcontractor** to enable the **subcontractor** to set out the **n/s works**
- 18.2 The subcontractor shall be responsible for the setting out of the n/s works within the works and shall provide everything necessary for this purpose
- The **subcontractor** shall provide all assistance and everything necessary to enable the **contractor** to check the accuracy of the setting out of the **n/s works**. Such checking shall not relieve the **subcontractor** of his responsibility for correctness thereof. The **subcontractor** shall rectify any errors in the **n/s works** that arise from incorrect setting out without adjustment to the **n/s contract value**. The **subcontractor** shall not be liable for incorrect setting out should information given [18.1] cause incorrect setting out of the **n/s works**
- 18.4 The **subcontractor** shall take all precautions to preserve such pegs, beacons, datum levels and other aids used in setting out the **n/s works** and should any be disturbed have them replaced at his own expense

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20.0 CONTRACTOR'S ATTENDANCE

- 20.1 The **contractor** shall at his own expense provide the following general attendance on the **subcontractor** executing the **n/s works**:
- 20.1.1 Access to the **site** and places where the subcontract work is to be carried out, including the reasonable use of any temporary personnel hoists erected by the **contractor**
- 20.1.2 The provision of water and lighting and of single phase electric power to a position within 50 metres of the place where the **subcontractor's** work is to be carried out other than water, fuel and power for commissioning of any installation
- 20.1.3 The provision of an area for the **subcontractor** to establish temporary office accommodation and workshops and for the storage of plant and **materials and goods**
- 20.1.4 The use of erected scaffolding belonging to the **contractor**, in common with others having the like right, while it remains erected on the **site**
- 20.1.5 The use of ablution facilities and the like, where provided
- 20.1.6 The use of the **site** telecommunication facilities, where provided, subject to payment by the **subcontractor** for usage thereof

21.0 SUBCONTRACTOR'S PLANT AND SERVICES

- 21.1 Other than where provided by the **contractor** in terms of the **principal agreement** the **subcontractor** at his own expense for the due and proper fulfilment of the **n/s works** shall provide, maintain and remove the following:
- 21.1.1 Office accommodation, temporary workshops, sheds or other structures as required [20.1.3]
- 21.1.2 Hoardings with gantries, fans, safety screens, barriers, access gates, covered gangways and the like as necessary for the enclosure of the **n/s works** and elements thereof all for the protection of the public and others
- 21.1.3 Scaffolding for internal and external use
- 21.1.4 All equipment and labour for hoisting his plant and **materials and goods**. Should the **contractor** have erected hoisting equipment the **subcontractor** shall be allowed the use of such equipment at reasonable times by arrangement with the **contractor**
- 21.2 Where the **subcontractor** has not performed in terms of this **n/s agreement** and the provisions of the **programme**, the **subcontractor** shall be liable for any cost incurred by the **contractor** in providing additional scaffolding or leaving erected scaffolding in position for a longer period
- The **subcontractor** shall regularly clear away all rubbish and excess materials related to the execution of the **n/s works** and leave the **works** and **n/s works** in a clean and satisfactory state to the reasonable satisfaction of the **contractor**

22.0 OTHER SUBCONTRACTORS

- 22.1 The **subcontractor** shall cooperate with the **contractor's** domestic subcontractors, other subcontractors and **direct contractors**. On instruction [17.1] the **subcontractor** shall permit work to be executed and installed in the **n/s works** by such other subcontractors
- Where such other subcontractors cause the **subcontractor** expense and loss for which the **subcontractor** was not required to provide in the **n/s contract sum**, such expense and loss shall be the subject of a claim for adjustment of the **n/s contract value** [32.5-6]

COMPLETION

23.0 INTERIM COMPLETION

- 23.1 The **subcontractor** shall inform the **contractor** of the anticipated date for **interim completion**. The **contractor** shall inspect the **n/s works** with the **subcontractor** on a date to be agreed. Where a specialist **agent** is appointed in relation to the **n/s works**, the **contractor** may request the assistance of such an **agent** in making the inspection. Where in the opinion of the **contractor** the **n/s works** either:
- 23.1.1 Has reached **interim completion**, the **contractor** shall forthwith issue a **certificate of interim completion**, or
- 23.1.2 Has not reached **interim completion**, the **contractor** shall forthwith issue an **interim completion** list defining the outstanding work and **defects** to be rectified to achieve **interim completion**
- 23.2 Where, in the opinion of the **subcontractor**, the work on the **interim completion** list has been completed the **subcontractor** shall inform the **contractor** who shall inspect such work within seven (7) **calendar days** of receipt thereof. If satisfied, the **contractor** shall issue a **certificate of interim completion** or otherwise issue further **interim completion** lists
- 23.3 Should the **contractor** not issue an **interim completion** list [23.1.2] within seven (7) **calendar days** of the inspection date, the **subcontractor** may notify the **contractor** and **principal agent**. Should the **contractor** not issue such list within seven (7) **calendar days** of receipt of such notice **interim completion** shall be deemed to have been achieved either:
- 23.3.1 On the date that **interim completion** was anticipated [23.2], or
- 23.3.2 On the date of expiry of the notice given by the **subcontractor** [23.1]
- 23.4 Where the **n/s works** or a portion thereof includes mechanical or electrical systems that are put to use for the convenience of the **contractor** with the permission of the **subcontractor** then any guarantee period concerning such system shall nevertheless commence only on the date of the granting of **practical completion** [24.0]

24.0 PRACTICAL COMPLETION

- 24.1 The **principal agent** at appropriate intervals shall:
- 24.1.1 Inspect the **works** to give the **contractor** interpretations and guidance on the building standards and the state of completion of the **works** which the **contractor** will be required to achieve for **practical completion**, and
- Where necessary timeously issue a contract instruction [17.1.4] consequent upon such inspection, and
- 24.1.3 Inform the **contractor** of the period required for inspection of the **works** related to the achievement of **practical completion**
- The **contractor**, on being informed by the **principal agent** [24.1.2-3], shall instruct and inform the **subcontractor** accordingly
- 24.3 Where the **principal agent** after the inspection in terms of the **principal agreement** either:

Grants practical completion, the contractor shall forthwith inform the subcontractor accordingly, or

- Does not grant **practical completion**, the **contractor** shall, on receipt of the **practical completion** list, forthwith issue an extract from such list of the incomplete work and defects related to the **n/s works** to be rectified by the **subcontractor**
- Where, in the opinion of the **subcontractor**, the **practical completion** list extract has been completed, the **subcontractor** shall inform the **contractor** who shall arrange for the **principal agent** to inspect the **works** in terms of the **principal agreement**. Where, the **principal agent**, after such inspection either:
- 24.4.1 Grants **practical completion**, the **contractor** shall forthwith inform the **subcontractor** accordingly, or
- Does not grant **practical completion**, the **contractor** shall, on receipt of the revised **practical completion** list, forthwith issue a revised extract thereof to the **subcontractor**. The **subcontractor** shall repeat the procedure [24.4]
- 24.5 The contractor shall inform the subcontractor where practical completion is deemed to have been achieved in terms of the principal agreement
- The **subcontractor** shall not be obliged to carry out any **contractor's instruction** for additional work [17.2] issued after the date of **practical completion**
- 24.7 Upon the issue of the **certificate of practical completion** the **employer** shall be entitled to possession of the **works** and the **site** subject to the **contractor's** lien or right of continuing possession of the **works**
- Where the **employer** at any time takes possession of the whole or part of the **works** by agreement with the **contractor** [24.3.1, 28.2.2] prior to the achievement of **practical completion** then **practical completion** shall be deemed to have taken place
- 24.9 Upon the achievement of **practical completion** the **subcontractor** shall hand over to the **contractor** all operating and instruction manuals, product guarantees and manufacturers' instructions as stated in the **n/s contract data**. The **subcontractor** shall provide the **principal agent** with as built drawings or information for the preparation of as built drawings as required by the **principal agent** in terms of the **n/s contract data**
- On **practical completion** of a **section** of the **works** [28.0] and where the **principal agent** instructs that tenant installation work is to be executed by others therein [22.0]:
- 24.10.1 The contractor shall allow the subcontractor reasonable access to such section, and
- 24.10.2 The **principal agent** shall inspect and record the state of completion to such **section** and include a list of **defects** pertaining thereto. Where appropriate the **contractor** shall issue an extract from such list for the attention of the **subcontractor**

25.0 WORKS COMPLETION

- The contractor shall, on receipt of the works completion list from the principal agent, issue an extract related to the n/s works to the subcontractor
- Where, in the opinion of the **subcontractor**, such extract has been completed the **subcontractor** shall notify the **contractor**, who shall arrange for the **principal agent** to inspect the **works** in terms of the **principal agreement**. Where the **principal agent** after such inspection either:
- 25.2.1 Grants **works completion**, the **contractor** shall forthwith inform the **subcontractor** accordingly, or

Does not grant works completion, the contractor shall, on receipt of the revised works completion list, forthwith issue an extract from such list to be rectified by the subcontractor. The subcontractor shall repeat the procedure [25.2]

- 25.3 The **contractor** shall inform the **subcontractor** should **works completion** be deemed to have been achieved in terms of the **principal agreement**
- 25.4 Should such extract not be completed within a period of twenty (20) **working days** of the issue thereof the **subcontractor** shall not be entitled to compensatory interest [31.10] on the value of the outstanding work so listed
- 25.5 The **defects** liability period [26.1] shall commence with the issue of the **certificate of works completion** or deemed achievement of **works completion** [25.2.1, 25.3]

26.0 FINAL COMPLETION

- 26.1 The **defects** liability period for the **n/s works** shall commence on the date of **works completion** in terms of the **principal agreement** and end at midnight (00:00) ninety (90) **calendar days** from such date
- 26.2 Where, after the inspection of the **works** at the end of the **defects** liability period in terms of the **principal agreement**, the **principal agent** either:
- 26.2.1 Grants **final completion** the **contractor** shall **forthwith** inform the **subcontractor** accordingly, or
- 26.2.2 Does not grant **final completion**, the **contractor** shall inform the **subcontractor** accordingly and on receipt of the **defects** list forthwith issue an extract from such list to be rectified by the **subcontractor**
- Where, in the opinion of the **subcontractor**, such extract has been completed, the **subcontractor** shall inform the **contractor** thereof who shall arrange for the **principal agent** to inspect in terms of the **principal agreement**. Where the **principal agent** after such inspection either:
- 26.3.1 Grants **final completion**, the **contractor** shall forthwith inform the **subcontractor** accordingly, or
- Does not grant final completion, the contractor shall, on receipt of the updated defects list, forthwith issue an extract from such list to be rectified by the subcontractor. The subcontractor shall repeat the procedure [26.3]
- Where **final completion** has been deemed to have been granted in terms of the **principal agreement** the **contractor** shall forthwith inform the **subcontractor** accordingly
- 26.5 Where the **subcontractor's defects** liability period extends beyond the **contractor's defects** liability period in terms of the **principal agreement**:
- The initial portion of the **subcontractor's defects** liability period in respect of this **n/s agreement** shall terminate on the granting of **final completion** and shall no longer be the responsibility of the **contractor**, and
- 26.5.2 The remaining portion of the **subcontractor's defects** liability period shall be subject to a direct agreement between the **employer** and the **subcontractor**
- 26.6 The granting of **final completion** [26.0] shall be conclusive evidence as to the sufficiency of the **n/s works** and that the **subcontractor's** obligations [2.0, 15.0] have been fulfilled other than for **latent defects**
- 26.7 Where the **subcontractor** is required to give a guarantee, warranty or indemnity related to the subcontract work, other than the **security**, the rights under such guarantee, warranty or indemnity

27.0 LATENT DEFECTS LIABILITY PERIOD

- 27.1 The **latent defects** liability period for the **n/s works** shall commence at the start of the **n/s construction period** and end five (5) years from the date of achievement of **final completion** [26.0]
- Where termination of this **n/s agreement** occurs before the achievement of **final completion** the **latent defects** liability period shall end either:
- 27.2.1 Five (5) years from the date of termination [36.0, 39.0], or
- 27.2.2 On the date of termination [37.0, 38.0]
- 27.3 The **subcontractor** shall make good all **defects** related to the **n/s works** that appear up to the date of **final completion** [24.0-26.0]

28.0 SECTIONAL COMPLETION

- Where **sections** are required to be completed as stated in the **n/s contract data**, terms and conditions applicable to the **n/s works** without **sections** shall apply to each **section**. The following documents, which shall include each **section**, shall be issued for the **works** as a whole:
- 28.1.1 Payment certificate notifications [31.13.2] and payment advice statements [31.5]
- 28.1.2 N/s recovery statements [33.1]
- 28.1.3 **N/s final account** [34.1]
- 28.1.4 Final payment certificate [34.5] and final payment advice statement [34.7]
- 28.1.5 Certificate of final completion [26.0] that shall incorporate the certificate of final completion of the last section
- 28.2 The **contractor** shall individually for each **section**:
- 28.2.1 Issue a certificate of interim completion [23.0]
- 28.2.2 Inform the subcontractor when practical completion has been achieved [24.0]
- 28.2.3 Inform the subcontractor when works completion has been achieved [25.0]
- 28.2.4 Inform the **subcontractor** when **final completion** has been achieved [26.0] other than in terms of 28.1.5

29.0 REVISION OF DATE FOR INTERIM COMPLETION

- 29.1 The circumstances for which the **subcontractor** is entitled to a revision of the date for **interim completion** and for which revision the **n/s contract value** shall not be adjusted [32.12] are delays to **interim completion** caused by one or more of the following:
- 29.1.1 The adverse effect of weather conditions
- 29.1.2 The inability to obtain **materials and goods** where the **subcontractor** has taken all practical steps to avoid or reduce such delay

Making good physical loss and repairing damage to the n/s works [8.0] where the subcontractor is at risk An event that neither party could prevent, civil commotion, riot, strike or lockout 29.1.4 29.1.5 Late supply of a prime cost item where the subcontractor has taken all practical steps to avoid or reduce such delay 29.2 The circumstances for which the **subcontractor** is entitled to a revision of the date for **interim** completion and for which revision the n/s contract value shall be adjusted [32.12] are delays to interim completion caused by one or more of the following: 29.2.1 Failure by the contractor to give the subcontractor access to the area of the n/s works on the date agreed in the programme 29.2.2 Making good physical loss and repairing damage to the n/s works [8.0] where the subcontractor is not at risk 29.2.3 Contractor's instructions not occasioned by the default of the subcontractor 29.2.4 Failure to issue construction information timeously [15.6] 29.2.5 Late acceptance by the principal agent of a design undertaken by a selected subcontractor where the subcontractor's obligations [4.3] have been met 29.2.6 Suspension of the n/s works or termination of the n/s agreement by the subcontractor due to default by the contractor, employer of the principal agent [38.0] 29.2.7 No clause 29.2.8 A direct contractor Opening up and testing of work and materials and goods [17.1.5-6] where such work is 29.2.9 in accordance with the n/s contract documents The execution of additional work for which the quantity included in the n/s priced 29.2.10 document is not sufficiently accurate Late or failure to supply materials and goods for which the employer is responsible 29.2.11 29.2.12 Payment default by the contractor [31.9.2] where 31.15 is not applicable, irrespective of whether the n/s works have been suspended [29.2.6] 29.2.13 The contractor or others employed by the contractor 29.3 Further circumstances for which the subcontractor is entitled to a revision of the date for interim completion are delays to interim completion by any other cause beyond the subcontractor's reasonable control that could not have reasonably been anticipated and provided for. The principal agent shall adjust the n/s contract value where such delay is due to the employer exercising his rights in terms of the principal agreement or by the default of the employer Should a circumstance as listed [29.1-3] occur which could, in the opinion of the subcontractor, cause a delay to interim completion the subcontractor shall: 29.4.1 Give the contractor reasonable and timeous notice of such circumstance, and 29.4.2 Take all reasonable steps to avoid or reduce the delay 29.4.3 Within fifteen (15) working days from the date upon which the subcontractor became aware or ought reasonably to have become aware of the potential delay notify the

contractor of his intention to submit a claim for a revision to the date for interim

completion or any previous revision thereof resulting from such delay, failing which the subcontractor's right to claim shall lapse 29.4.4 Failure of the subcontractor to give notice [29.4.3] shall not prejudice his entitlement to a revision of the date for interim completion should the circumstances causing the delay have occurred before the subcontractor commenced work on site or where the contractor ought reasonably to have been aware of the delay or has claimed a revision of the date for practical completion in terms of the Principal Building Agreement for the particular circumstance causing the delay 29.5 Once the subcontractor can quantify the delay caused by such circumstance details of the claim shall be submitted within twenty (20) working days to the contractor Where the **subcontractor** requests a revision of the date for **interim completion** the claim shall 29.6 in respect of each circumstance separately state: 29.6.1 The relevant clause or clauses [29.1-3] on which the subcontractor relies, and The particulars of the effect of the delay on critical progress towards interim completion, 29.6.2 and The extension period claimed in working days, and the calculation thereof 29.6.3 29.7 The contractor shall within twenty-five (25) working days of receipt of a claim [29.6] grant in full, reduce or refuse the working days claimed. The contractor shall: 29.7.1 Determine the revised date for interim completion in relation to the working days granted, and 29.7.2 Identify each circumstance and relevant subclause for each revision granted or amended,

30.0 DAMAGES FOR NONPERFORMANCE

Give reasons for refusing such claim

The **subcontractor** shall be liable to the **contractor** for damages where the **subcontractor** fails to meet any of the completion dates, which include **section** completion dates, set for:

Where the contractor fails to act [29,7] the claim shall be deemed to be refused

- 30.1.1 Stage completion according to the **programme**
- 30.1.2 Interim completion [23.0]

29.7.3

29.8

- 30.1.3 Practical completion [24.0]
- The **practical completion**, **works completion** or **defects** lists extracts [24.3.2, 25.1, 26.2.2] as agreed between the **contractor** and **subcontractor**
- Where the **subcontractor** is prevented from fulfilling his obligations due to default by the **contractor** or other subcontractors, other than delay [29.2.10], the **contractor** shall be liable to the **subcontractor** for damages
- 30.3 The **contractor** shall include the amount of such damages [30.1-2] in the **n/s recovery statement** [33.0]

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31.0 INTERIM PAYMENT

- The **principal agent** shall issue an interim **payment certificate** every month until the issue of the final **payment certificate**. The **payment certificate** shall be based on a valuation prepared within seven (7) **calendar days** before the date stated [31.3] and may be for a nil or negative amount
- 31.2 The **contractor** shall apply to the **principal agent** for payment to the **subcontractor** in respect of the **n/s works**. The **subcontractor** shall cooperate with and assist the **contractor** in the preparation of the payment claim information by providing to the **contractor** all relevant documents and assessments of quantified amounts of work completed and **materials and goods**. For a lump sum contract the **subcontractor** shall compile such information in a form as agreed by the **principal agent** and **contractor**
- 31.3 The **principal agent** shall issue each interim **payment certificate** to the **contractor** with a copy to the **employer** by not later than the day of the month stated in the **n/s contract data**
- 31.4 The value certified in an interim **payment certificate** shall separately include:
- A reasonable estimate of the value of the subcontract work executed taking into account the information submitted by the **subcontractor** [31.2] and making due allowance for adjustments to the **n/s contract value** [32.0], and
- 31.4.2 A reasonable estimate of the value of **materials and goods** [31.6], and
- 31.4.3 The total subcontract amounts previously certified [31.4.1-2]
- The **contractor** shall, within seven (7) **calendar days** of the date of issue of the interim **payment certificate**, draw up a **payment advice statement** to be issued forthwith to the **subcontractor**. Such **payment advice statement** shall separately include the following:
- 31.5.1 The subcontract amounts certified in the interim payment certificate [31.4]
- 31.5.2 **Security** adjustment [14.0, 31.8]
- 31.5.3 **CPAP** adjustment where elected in the **n/s contract data**
- 31.5.4 The amounts due to the **contractor** or **subcontractor** in the **n/s recovery statement** [33.1] excluding interest amounts [31.5.6]
- 31.5.5 **Tax, w**here applicable, on the net total of the amounts [31.4, 31.5.1-4]
- 31.5.6 Interest amounts included in the n/s recovery statement [33.1]
- The value of subcontract **materials and goods** [31.4.2] shall be included in the value certified only where, to the satisfaction of the **principal agent**, the subcontract **materials and goods** are:
- 31.6.1 Not prematurely delivered or offered for delivery in terms of the **programme**, and
- 31.6.2 Timeously delivered or offered for delivery where the placing of the order was in terms of the **programme**, and
- 31.6.3 Stored and protected against loss or damage, and
- 31.6.4 Covered by insurance [10.1], and
- 31.6.5 Where stored off the **site**, covered by an **advance payment guarantee** or such other **security** as may be accepted by the **employer**

31.7 Materials and goods certified [31.6] shall become the property of the employer and shall not be removed without the written authority of the principal agent

- 31.8 Where **security** as a fixed **n/s construction guarantee** and payment reduction [14.4] has been chosen the value of the **n/s works** [31.4.1] and **materials and goods** [31.4.2] that exceeds the **n/s contract sum** and any **CPAP** adjustment shall be certified in full. The value certified that does not exceed the **n/s contract sum** shall be subject to the following percentage adjustments:
- 31.8.1 Ninety-five per cent (95%) of such value in interim **payment advices** issued up to the date of **practical completion**
- 31.8.2 Ninety-seven per cent (97%) of such value in interim **payment advices** issued on the date of **practical completion** and up to but excluding the date of **final completion**
- 31.8.3 Ninety-nine per cent (99%) of such value in interim **payment advices** issued on the date of **final completion** and up to but excluding the final **payment advice** [34.7]
- One hundred per cent (100%) of such value in the final **payment advice** except where the amount certified is in favour of the **employer**. In such an event the payment reduction shall remain at the adjustment level applicable to the final **payment advice** [34.7]
- The employer shall pay to the contractor the amount certified in an interim payment certificate within seven (7) calendar days of the date for issue of the payment certificate. Payment to the subcontractor by the contractor or vice versa of the amount certified in the payment advice shall:
- 31.9.1 Become due on the date for the issue of the interim payment certificate in terms of the principal agreement, and
- 31.9.2 Be made within seven (7) calendar days after the due date for payment to the contractor by the employer
- 31.10 The **employer** shall pay the **contractor** compensatory interest on all amounts certified in an interim **payment certificate** issued after thirty-one (31) **calendar days** of the date of **practical completion**. Subject to 25.4 the **contractor** shall calculate such compensation due to the **subcontractor** at the **interest** rate compounded monthly from the date of **practical completion** up to and including the date on which payment is due to the **subcontractor** and include such amount in the **n/s recovery statement** [33.0]
- 31.11 Where the **subcontractor** does not receive payment of the amount due by the due date [31.9], the **contractor** shall be liable for default interest on the amount without prejudice to any other rights the **subcontractor** may have. Such interest amount shall be compounded monthly from the due date for payment up to and including the date on which the **subcontractor** is to receive payment and included in the **n/s recovery statement** [33.0]. The **contractor** shall calculate such interest at the rate of one hundred and sixty per cent (160%) of the **interest**
- 31.12 Where a payment advice reflects an amount in favour of the contractor, the subcontractor shall pay the amount certified within twenty-one (21) calendar days of the date of issue of the payment advice. Where such amount has not been paid, the subcontractor shall be liable for default interest [31.11] and the contractor shall include such amount in the next n/s recovery statement [33.0]. The contractor shall calculate such interest at the rate of one hundred and sixty per cent (160%) of the interest
- 31.13 The **principal agent** shall concurrently with the issue of each interim **payment certificate** also issue the following:
- 31.13.1 A statement to the **contractor** showing the formulation of the amount identified and certified for each **subcontractor**
- 31.13.2 A notification to each **subcontractor** showing the formulation of the subcontract amount included in the **payment certificate** and its date of issue

A statement to the **employer** and the **contractor** showing the total amount certified to date of all adjusted amounts [31.5]

- 31.14 An interim **payment certificate** shall not be evidence that the **n/s works** and **materials and goods** are in terms of the **principal agreement**
- 31.15 Where the **employer** has not paid the **contractor** in terms of an interim **payment certificate** to enable the **contractor** to meet his obligations [31.9.2] the **contractor** shall notify the **subcontractor** within five (5) **working days** of the **employer's** default and make payment to the **subcontractor** within the earlier of:
- 31.15.1 Seven (7) calendar days of receipt of payment by the contractor from the employer, or
- 31.15.2 Ninety (90) **calendar days** of the due date for payment [31.9.2]
- 31.16 The **subcontractor** shall be entitled to recover money from the **n/s payment guarantee** where such is provided [3.1] where the **contractor**:
- 31.16.1 Has failed to notify the **subcontractor** of the default of the **employer** [31.15] and has failed to make payment of the amount due to the **subcontractor** [31.9], or
- 31.16.2 Has received payment from the **employer** and has failed to make payment of the amount due to the **subcontractor** [31.9, 31.15.1], or
- 31.16.3 Has not received payment from the **employer** and has failed to make payment to the **subcontractor** [31.15.2]
- 31.17 Where the **subcontractor** decides to recover an amount due from the **n/s payment guarantee** [3.1] the **subcontractor** shall issue a written demand to the **contractor** in terms of such guarantee
- 31.18 Where the **contractor** has not paid or has made a partial payment only of the amount due to the **subcontractor** in terms of the **principal agent's** notification [31.13.2] the **subcontractor** may:
- 31.18.1 Issue a demand to the **contractor** in terms of the **payment guarantee** where such is provided [3.1.1], or
- 31.18.2 Issue a demand to the contractor [3.1.2] to provide the payment guarantee, or
- Give three (3) working days notice of suspension of the works [38.1]. Where the contractor (alls to act in relation to such notice the subcontractor may give notice of termination [38.1.7]

32.0 ADJUSTMENT TO THE N/S CONTRACT VALUE

- The principal agent shall determine the value of adjustments to the n/s contract value according to the n/s priced document and the principal agreement. Where items of additional work are required the principal agent together with the contractor and subcontractor may agree on the adjustment before the commencement of such work
- Where an adjustment results from a **contractor's instruction** [17.2] consequent upon a contract instruction in terms of the **principal agreement**, adjustment to the **n/s contract value** shall be determined as follows:
- 32.2.1 Items of additional work of similar character and executed under similar conditions shall be priced at the rates in the **n/s priced document**, or
- 32.2.2 Items of additional work not of a similar character or not executed under similar conditions shall be priced, where applicable, at rates based on those in the **n/s priced document** and adjusted to suit the changed circumstances

32.2.3	Where 32.2.1-2 cannot be used such work shall be priced at new rates that take into account the labour, engineering, drawings, material, transport and plant necessary for executing the work plus an allowance of ten per cent (10%) markup thereon
32.2.4	Work omitted shall be valued at the rates in the n/s priced document , but where the omission of such work alters the circumstances in which the remaining work is carried out, the value of the remaining work shall be determined by the method [32.2.2]
32.3	Where work has been identified in the n/s priced document as provisional, the principal agent shall omit the value thereof from the n/s contract value and the work as executed shall be valued [32.2] and added to the n/s contract value
32.4	Where the subcontractor has made payment for items that are not included in the n/s priced document , the actual amounts paid plus a ten per cent (10%) markup shall be added to the n/s contract value for the following:
32.4.1	Charges by authorities [7.1]
32.4.2	The cost of opening up and testing [17.1.5-6], provided that the subcontractor shall bear the cost thereof, should the test show that the work is not according to the n/s contract documents
32.4.3	The cost of insurance [12.3]
32.5	Where the subcontractor has incurred expense and loss due to no fault of the subcontractor for which provision was not required in the n/s contract sum and for which reasonable compensation has not been made [32.2,12], the subcontractor shall provide details of such expense and loss to the principal agent [32.6]. Such circumstances are:
32.5.1	The issue of a contractor's instruction consequent upon a contract instruction issued in terms of the principal agreement
32.5.2	Failure to issue or the late issue of a contractor's instruction following a timeous request from the subcontractor [15.6]
32.5.3	Nondisclosure of changes made to the provisions of JBCC standard documentation [3.11]
32.5.4	Expense and loss caused by direct contractors [22.4]
32.5.5	Default by the employer or his agents
32.5.6	Suspension of the works by the contractor
32.6	The subcontractor shall notify the contractor within thirty-five (35) working days from becoming aware or from when he ought reasonably to have become aware of such expense and loss [32.5] failing which no compensation will be made. Where such notification has been given:
32.6.1	The subcontractor shall submit details of the expense and loss once these can be quantified, and
32.6.2	The principal agent shall make a reasonable assessment of the compensation to be added to the contract value within twenty (20) working days of receipt of such details
32.6.3	The claim shall be deemed to have been refused where the principal agent fails to make such an assessment
32.7	The principal agent shall omit any provisional subcontract amounts from the n/s contract value and determine the amounts as the final account value of the respective subcontract works to be added to the n/s contract value

- 32.8 The **principal agent** shall prorate the **subcontractor's** attendance and profit on the provisional amounts in the **n/s contract sum** to the value of each subcontract [32.7] excluding any allowance for **CPAP**
 - The **principal agent** shall omit **budgetary allowances** and any other monetary provisions [17.1.15, 16] from the **n/s contract value** and determine the value of work related thereto [32.0] to be added to the **n/s contract value**
 - 32.10 The **principal agent** shall omit **prime cost amounts** [17.1.14] from the **n/s contract value** and the actual delivered cost of such items, including a reasonable allowance for waste, shall be added to the **n/s contract value**
 - 32.11 The **principal agent** shall prorate the **subcontractor's** allowances for overheads and profit on **prime cost amounts** to the value of each item [32.10]
 - 32.12 The preliminary and general amount in the **n/s priced document** shall be adjusted and paid in terms of the alternative chosen by the **subcontractor** as stated in the **n/s contract data**
 - 32.13 Where applicable the **n/s contract value** shall be adjusted according to **CPAP** using the information stated in the **n/s contract data**
 - 32.14 Where adjustments need to be measured on the **site** the **subcontractor** shall be given the opportunity to be present and shall be supplied with a copy of the measurement
 - 32.15 The **principal agent** shall rectify all identified discrepancies, errors in description or quantity, or omission of items from the **n/s contract documents**. Such rectification shall be treated as an adjustment to the **n/s contract value** where there is a monetary implication

33.0 RECOVERY OF EXPENSE AND LOSS

- 33.1 The contractor shall issue a n/s recovery statement monthly to the subcontractor simultaneously with the payment advice statement. Explanatory documentation as may be necessary to support the calculation of the amounts stated shall accompany the n/s recovery statement. The contractor shall show on the n/s recovery statement amounts due to the contractor for:
- 33.1.1 Damages due [30.2]
- 33.1.2 Default interest [31.12]
- 33.1.3 Expense and loss [33.2]

and amounts due to the subcontractor for:

- 33.1.4 Compensatory interest [31.10]
- 33.1.5 Default interest [31.11]
- 33.1.6 Damages due [30.2, 38.5.6]
- 33.1.7 Advance payments granted [14.5]
- 33.1.8 A variation resulting from a **contractor's instruction** not consequent upon a contract instruction issued in terms of the **principal agreement**
- 33.2 The **contractor** may recover expense and loss incurred or to be incurred resulting from:
- The **contractor** paying charges or effecting insurance upon the **subcontractor's** default [7.1, 12.3]
- 33.2.2 Work executed by other parties [17.4]

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	33.2.3	C AUTHORISED COP
	33.2.4	No clause
	33.2.5	The subcontractor not paying the amount due to the contractor [31.12]
	33.2.6	The n/s agreement being terminated [36.0]
	33.2.7 33.2.8	Default by the subcontractor where not less than seven (7) calendar days notice detailing such default has been given before the issue of the next n/s recovery statement to allow the subcontractor the opportunity to remedy such default Additional costs of scaffolding [21.4]
	33.3	The contractor shall include an amount due in terms of the n/s recovery statement in the accompanying payment advice statement . Where the payment advice statement reflects an amount in favour of the contractor and the subcontractor has not paid [31.12], such amount may be recovered by the contractor from any or all of the following in no specific sequence:
	33.3.1	Subsequent payment advice statements
	33.3.2	Security [14.0]
	33.3.3	The subcontractor as a debt
	33.4	Where the contractor decides to recover amounts due [33.3] from a payment reduction [14.4.5], the contractor shall notify the subcontractor thereof. Should such amount not be paid to the contractor within seven (7) calendar days of the date of receipt of such notice by the subcontractor , the contractor may deduct such amount from such security
	33.5	Where the contractor decides to recover an amount due [33.3] from a n/s construction guarantee held as security, the contractor shall issue a written demand to the subcontractor in terms of such guarantee
	33.6	Where a provisional sequestration or provisional liquidation order has been granted or where an order has been granted which commences sequestration, liquidation, bankruptcy, receivership, winding-up or any similar effect against the subcontractor or this n/s agreement is terminated [36.0], the contractor may issue a demand to the guarantor in terms of the n/s construction guarantee held as security
	34.0	N/S FINAL ACCOUNT AND FINAL PAYMENT
	34.1	The subcontractor shall cooperate with and assist the principal agent and the agent in the preparation of the n/s final account by timeously provideing all relevant documents on request. The principal agent shall prepare a final account for issue to the contractor and subcontractor within sixty (60) working days of the date of practical completion
	34.2	No clause
(34.3	The subcontractor shall accept or object to the n/s final account within thirty (30) working days

- of receipt thereof. On acceptance or should the subcontractor not object to the n/s final account within such period, the contractor shall notify the principal agent to include the amount of the n/s final account in the final payment certificate [34.5]
- 34.4 Should the subcontractor dispute the correctness of the n/s final account and such dispute not be resolved within the period [34.3], or such extended period as the principal agent may allow on a request from the subcontractor, the final payment certificate shall nevertheless be issued [34.5]
- 34.5 The final payment certificate shall be issued to the contractor in terms of the principal agreement. Notwithstanding the foregoing such final payment certificate shall not be issued before the granting of final completion other than where termination occurs [36.0 or 39.0]

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34.6 The gross amount certified in the final payment certificate shall separately include: The gross amount of the n/s final account, and 34.6.1 The amounts previously certified [31.4.1-2] 34.6.2 34.7 The contractor, within seven (7) calendar days of the date of issue of the final payment certificate, shall draw up a final payment advice statement to be issued forthwith to the subcontractor. Such payment advice statement shall separately include: 34.7.1 The net amount of the n/s final account certified in the final payment certificate [34.6], and 34.7.2 The amounts due to the contractor or subcontractor in the final n/s recovery statement [33.1] excluding interest amounts [34.7.4], and 34.7.3 Tax on the net total of the amounts [34.7.1, 34.7.2], and 34.7.4 Interest amounts included in the final n/s recovery statement [33.1] The contractor shall make payment of one hundred per cent (100%) of the amount of the n/s final 34.8 account in the final payment certificate 34.9 No clause 34.10 The contractor shall pay the subcontractor the amount certified in the final payment certificate in terms of the principal agreement within seven (7) calendar days of the due date for payment to the contractor by the employer Subject to 25.4 the employer shall pay the contractor compensatory interest on the net amount 34.11 certified in the final payment certificate. The contractor shall calculate the compensatory interest amount due to the subcontractor at the ruling interest rate compounded monthly from the date of practical completion up to and including the date on which payment is due to the subcontractor as stated in the n/s recovery statement [33.0] 34.12 Where the subcontractor does not receive payment of the amount due in the final payment advice by the due date [34,10], the contractor shall be liable for default interest on such amount. The interest shall be calculated from the due date for payment up to and including the date on which the subcontractor receives payment. The amount due and the interest thereon shall be recoverable by the subcontractor from the contractor as a debt. Such interest shall be calculated at the rate of one hundred and sixty per cent (160%) of the interest 34.13 Where a final payment certificate reflects an amount in favour of the employer, the contractor shall calculate the amount, if any, that is due by the subcontractor. Where such amount has not been paid to the contractor within seven (7) calendar days after the date for payment by the contractor to the employer, the subcontractor shall be liable for default interest [34.12] with the necessary changes. The contractor shall calculate the amount of such interest due by the subcontractor. The amount due and the interest thereon shall be recoverable by the contractor from the subcontractor as a debt Where the employer has not paid the contractor in terms of the final payment certificate to enable the contractor to meet his obligations [34.10.2], the contractor shall notify the subcontractor within five (5) working days of the employer's default and make payment to the subcontractor within the earlier of: 34.14.1 Seven (7) calendar days of receipt of payment from the employer, or 34.14.2 Ninety (90) calendar days of the due date for payment [34.10.2]

The subcontractor shall be entitled to recover money from the n/s payment guarantee [3.1-2]

34.15

Has failed to notify the subcontractor of the default of the employer [34.14] and has failed to make payment of the amount due to the subcontractor [34.10], or Has received payment from the employer and has failed to make payment of the amount 34.15.2 due to the subcontractor [34.10, 34.14.1], or Has not received payment from the employer and has failed to make payment to the 34.15.3 subcontractor [34.14.2] 34.16 Where the subcontractor decides to recover an amount due from a n/s payment guarantee the subcontractor shall issue a written demand to the contractor in terms of such guarantee Where the contractor fails to pay the sum stated in the demand within the required period the 34.17 subcontractor may give notice to the guarantor in terms of such guarantee 35.0 DIRECT PAYMENT TO SUBCONTRACTOR 35.1 The subcontractor may request direct payment from the employer where the contractor has failed to: 35.1.1 Provide a n/s payment guarantee [3.1] Make payment [31.16-17, 34.15-16] 35.1.2 **TERMINATION** TERMINATION BY CONTRACTOR SUBCONTRACTOR'S DEFAULT 36.0 36.1 The contractor may terminate this n/s agreement where the subcontractor: Fails to comply [3.2, 15.1,3] 36.1.1 36.1.2 Refuses to comply with a contractor's instruction subject to 17.2 36.2 Where the contractor considers terminating this n/s agreement, the contractor shall notify the subcontractor of such default [36.1]. The issuing of such notice shall be without prejudice to any rights that the contractor may have 36.3 The contractor may give notice of termination should the subcontractor remain in default for five (5) working days after the date of receipt of such notice of default 36.4 No clause Where this **n/s agreement** is terminated the following shall apply: 36.5 The employment of the subcontractor shall be terminated and execution of the n/s works shall cease. The subcontractor shall vacate the n/s works and the site [36.5.6]. The subcontractor shall remain responsible for the n/s works [8.1] until possession is relinquished to the contractor The principal agent shall forthwith compile a report on the status of the portion of the n/s 36.5.2 works executed by the subcontractor and shall issue such report to the employer, contractor and the subcontractor 36.5.3 The principal agent shall timeously commence and complete a n/s final account [34.0] The subcontractor shall not be relieved of any of his liabilities concerning that portion of 36.5.4 the n/s works executed by the subcontractor

J	36.5.5	The employer or the contractor may employ other parties to safeguard the n/s works, complete the outstanding work and to rectify defects in that portion of the n/s works executed by the subcontractor. The cost of work thus carried out shall be certified by the principal agent or determined by the contractor and paid direct to such parties [35.0]
	36.5.6	The contractor may use the subcontractor's materials and goods , temporary buildings, plant and machinery on the site for proceeding with the n/s works
	36.5.7	When instructed by the contractor , the subcontractor shall remove from the site his temporary buildings, plant, machinery and surplus materials and goods within such reasonable time as determined by the contractor , in default of which the contractor , without being responsible for any loss or damage, may have the same removed and sold. The net profit or loss of such sales shall be for the account of the subcontractor
	36.5.8	The contractor shall be entitled to recover damages related to this termination from the subcontractor
	36.5.9	The contractor shall determine the delay to practical completion of the works which such termination caused and the subcontractor shall be liable to the contractor for damages [30.1] for such delay
	36.5.10	The principal agent shall continue to issue interim payment certificates in a nil amount until the issue of the final payment certificate
	36.5.11	The latent defects liability period shall end [27.2.1]
	36.6	The right to terminate may not be exercised where the subcontractor is in material breach of this n/s agreement
	37.0	TERMINATION BY CONTRACTOR LOSS AND DAMAGE
	37.1	Where the employer terminates the principal agreement consequent on:
	37.1.1	The completed portion of the works constructed has been substantially destroyed howsoever caused
	37.1.2	The works is for alterations and/or additions to an existing building(s) which has been substantially destroyed howsoever caused
	37.2	The principal agent shall notify the contractor to terminate the n/s agreement
	37.3	Where the contractor terminates this n/s agreement [37.2] the following shall apply:
	37.3.1	The contractor shall issue a contractor's instruction specifying protective measures necessary to be executed by the subcontractor before cessation of work. Termination shall only take effect after completion thereof
	37.3.2	Execution of the n/s works shall cease. The subcontractor shall remain responsible for the n/s works [8.1] until possession is relinquished to the contractor
	37.3.3	On relinquishing possession of the n/s works , the subcontractor shall remove from the site his temporary buildings, plant and machinery without delay
	37.3.4	The principal agent shall forthwith compile a report on the status of the portion of the n/s works executed by the subcontractor before the destruction occurred [37.1] including all work executed [37.3.1] and shall issue such report to the employer , contractor and the subcontractor

The $principal \, agent \, shall \, timeously \, commence \, and \, complete \, the \, n/s \, final \, account \, [34.0]$

37.3.5

JB	7.3.6	The employer shall be liable to the subcontractor for the cost of materials and goods including those ordered before such termination where the subcontractor is bound to accept and make payment. The subcontractor shall deliver such materials and goods to the employer in good order
37	7.3.7	The principal agent shall continue to certify the value of the work executed and materials and goods for payment until the issue of the final payment certificate [31.1]
37	7.3.8	The latent defects liability period shall end [27.2.2]
37		r party shall be liable for any expense and loss resulting from this termination other than the es [37.3] related hereto
3		PENSION OR TERMINATION BY SUBCONTRACTOR - TRACTOR'S / EMPLOYER'S DEFAULT
38	contra days in below.	the subcontractor decides to suspend the n/s works , the subcontractor shall notify the actor and the principal agent of the default. The notice period shall be two (2) working in respect of default [38.1.7] and ten (10) working days in respect of the other defaults listed inployer fails to:
38	3.1.1	Appoint agents [5.1,3]
38	3.1.2	Allow the contractor to exercise his independent judgement regarding the performance of his obligations in terms of this n/s agreement and the subcontractor is prejudiced by such action or the principal agent fails to:
38	3.1.3	Issue any payment certificate [31.0, 34.0]
38	3.1.4	Issue a notification of the formulation of the subcontract amount [31.13.2] or the contractor fails to:
38	3.1.5	Provide a n/s payment guarantee [15.4]
38	3.1.6	Issue any payment advice statement [31.5]
38	3.1.7	Pay the amount certified [31.9, 34.10]
38	of susp copies The s i wor<mark>ki</mark>i	such default persist for a further five (5) working days after the date of receipt of the notice bension by the contractor the subcontractor may give further notice to the contractor with to the employer and principal agent of his intended termination of this n/s agreement. ubcontractor may give notice of termination should the default continue for fifteen (15) ng days after issue of the notice of intended termination. Such termination shall be without ice to any rights that the subcontractor may have
38		abcontractor may give summary notice of termination to the contractor in the event of ation by the contractor or employer in terms of the principal agreement
38	3.4 No cla	use
38	3.5 Where	the subcontractor terminates this n/s agreement [38.0] the following shall apply:
38	3.5.1	Execution of the n/s works shall cease. The subcontractor shall remain responsible for

the n/s works [8.1] until possession is relinquished to the contractor

site his temporary buildings, plant and machinery without delay

On relinquishing possession of the n/s works the subcontractor shall remove from the

38.5.2

J B _{38.5.3}	The principal agent shall forthwith compile a report on the status of the portion of the n/s works executed by the subcontractor and shall issue such report to the employer, contractor and the subcontractor
38.5.4	The principal agent shall timeously commence and complete the n/s final account [34.0]
38.5.5	The employer shall be liable to the subcontractor for the cost of materials and goods including those ordered before such termination where the subcontractor is bound to accept and make payment. The subcontractor shall deliver such materials and goods to the employer in good order
38.5.6	The contractor shall be liable to the subcontractor for damages resulting from such termination
38.5.7	The principal agent shall continue to certify the value of the n/s works executed by the subcontractor and the value of materials and goods for payment by the employer
38.5.8	The security [14.5] shall expire and be returned by the employer to the subcontractor
38.5.9	The latent defects liability period shall end [27.2.2]
38.6	The right to terminate may not be exercised where the subcontractor is in material breach of this n/s agreement
39.0 1	TERMINATION - CESSATION OF THE WORKS
39.1	Either party may terminate this n/s agreement on the cessation of the works for a continuous period of ninety (90) calendar days, or an intermittent period totalling one hundred and twenty (120) calendar days, due to circumstances beyond their control. The terminating party shall give notice to the other. Such termination shall be without prejudice to any rights that either party may have
39.2	No clause
39.3	Where this n/s agreement is terminated the following shall apply:
39.3.1	The contractor shall forthwith issue a contractor's instruction specifying the continuation of work and protective measures required by the principal agent to bring the n/s works to specific points of cessation. The subcontractor may cease work should the subcontractor be prevented from carrying out such contractor's instruction due to reasons entirely beyond his control
39.3.2	Execution of the n/s works shall cease. The subcontractor shall remain responsible for the n/s works [8.1] until possession is relinquished to the contractor
39.3.3	On relinquishing possession of the n/s works , the subcontractor may remove from the site his temporary buildings, plant and machinery
39.3.4	The principal agent shall forthwith compile a record of the status of the portion of the works executed by the n/s contractor before the termination of the principal agreement and shall issue such record to the parties
30 3 5	The principal agent shall timeously commence and complete a ple final account [34.0]

to the **employer** in good order

The principal agent shall timeously commence and complete a n/s final account [34.0]

The **employer** shall be liable to the **subcontractor** for the cost of **materials** and **goods** including those ordered before such termination where the **subcontractor** is bound to accept and make payment. The **subcontractor** shall deliver such **materials** and **goods**

39.3.5

39.3.6

J B _{39.3.7} C	The principal agent shall continue to certify the value of the work executed by the subcontractor and the value of materials and goods for payment by the contractor until a final payment certificate is issued
39.3.8	The security [14.0] shall reduce to the value applicable after the granting of practical completion
39.3.9	The latent defects liability period shall end [27.2.1]
39.4 Neith	er party shall be liable to the other for any expense and loss resulting from this termination

DISPUTE

40.0 SETTLEMENT OF DISPUTES

- 40.1 Should any disagreement arise between the **contractor** and the **subcontractor** arising out of or concerning this **n/s agreement** or its termination, either **party** may give notice to the other to resolve such disagreement
- 40.2 Where such disagreement is not resolved within ten (10) **working days** of receipt of such notice it shall be deemed to be a dispute and shall be referred by the party which gave such notice to either.
- 40.2.1 Adjudication [40.3] where the adjudication shall be conducted in terms of the edition of the **JBCC** Rules for Adjudication current at the time when the dispute was declared, or
- 40.2.2 Arbitration [40.4] where the arbitrator is to be appointed by the body selected by the parties [41.3] whose rules shall apply. Where nobody is stated or where the stated body is unable or unwilling to act, the appointment shall be made by the chairman for the time being of the Association of Arbitrators (Southern Africa). The appropriate rules current at the time when the dispute is declared shall apply
- 40.3 Where a dispute is referred to adjudication the following shall apply:
- 40.3.1 The **adjudicator** shall be appointed in terms of the Rules [40.2.1]
- 40.3.2 The adjudicator shall not be eligible for subsequent appointment as the arbitrator
- 40.3.3 The **adjudicator's** decision shall be binding on the **parties** who shall give effect to it without delay unless and until it is subsequently revised by an **arbitrator** [40.4]
- 40.3.4 Should either party be dissatisfied with the decision given by the adjudicator, or should no decision be given within the period set in the Rules, such party may give notice of dissatisfaction to the other party and to the adjudicator within ten (10) working days of receipt of the decision or, should no decision be given, within ten (10) working days of expiry of the date by which the decision was required to be given the dissatisfied party shall refer the dispute to arbitration
- Where a dispute is referred to arbitration the following shall apply:
- 40.4.1 The **arbitrator** shall be appointed at the request of either **party** by the body stated in 40.2.2
- 40.4.2 The arbitration shall be conducted by the **arbitrator** in accordance with the rules of the body stated in the **contract data**
- 40.4.3 The **arbitrator** shall have the power to open or revise any certificate, opinion, decision, requisition, or notice relating to the dispute as if no such certificate, opinion, decision, requisition or notice had been issued or given

The **arbitrator's** decision shall be binding on the **parties** who shall give effect to it without delay

- The above provisions [40.2-4] shall not be construed as a waiver of the **parties**' entitlement to resolve a dispute by mediation at any time
- 40.6 Where a dispute is submitted to mediation the following shall apply:
- 40.6.1 The **parties** shall agree on and appoint the **mediator** within ten (10) **working days** of the date on which the dispute was declared. Whether or not the mediation resolves the dispute, the **parties** shall bear their own costs concerning the mediation and share the costs of the **mediator** and related costs equally
- 40.6.2 The **mediator** shall agree the procedures, representation and dates for the mediation process with the **parties**. The **mediator** may meet the **parties** together or individually to help reach a settlement
- 40.6.3 Where the **parties** reach settlement of the dispute or any part thereof, the **mediator** shall record such agreement and on signing thereof by the **parties** the agreement shall be final and binding
- 40.7 Recording of a dispute [40.1] shall not relieve the **parties** from liability for the due and timeous performance of their obligations
- 40.8 The termination of this **agreement** shall not affect the validity of this clause 40.0
- Should any disagreement arise between the **contractor** and the **subcontractor** consequent upon a decision, action or inaction of the **employer** or **agent**, then the **contractor** shall allow the **subcontractor** to use the **contractor**'s name to institute proceedings as are provided for in the **principal agreement**. Further, the **contractor** may elect to join the **subcontractor** in instituting such proceedings. Should the **subcontractor** elect to proceed, the **subcontractor** shall:
- 40.9.1 Provide the **contractor** with an indemnity and security as reasonably required by the **contractor**
- 40.9.2 Certify that the outcome of such proceedings shall be binding on him
- 40.9.3 Initiate the proceedings as provided for in the principal agreement

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The principal agent shall not preselect any of the alternatives available to the contractor
The completed Contract Data - Employer and Contract data - Contractor addenda and such other pertinent documents as listed below shall form part of this agreement :
The dispute resolution body selected by the parties is:
Further provisions and information agreed by the parties:
1,2025
Not
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City
arrive

JENOTES: AUTHORISED COPY

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JBCC AU T/S Subcontract Agreement Page 37 ED COPY

42.1	This agreement is the entire contract betw	veen the parties regarding the matters addressed herein.
	No representations, terms, conditions or binding on the parties . No agreement or a	r warranties not contained in this agreement shall be addendum varying, adding to, deleting or terminating this e effective unless reduced to writing and signed by the
42.2	Contracting Parties	
	(1) Contractor	
	Physical address	
	Tel Fax	E-mail
	Tax / VAT No	
	(2) Subcontractor	
	Physical address	
	Tel Fax	E-mail
	Tax / VAT No	
42.3	The accepted n/s contract sum (tax inc	lusive Amount 1
	In words	
42.4	Signature of the contracting parties:	
	Thus done and signed at	on
	Name of signatory	for and on behalf of the contractor who by signature hereof warrants authorisation hereto
	Capac <mark>ity of signatory</mark>	as Witness (1)
	Thus done and signed at	on
~ ?\	Name of signatory	for and on behalf of the subcontractor who by signature hereof warrants authorisation hereto
(20)	Capacity of signatory	as Witness (2)
	Details of Witness (1)	Details of Witness (2)
	Name:	Name:
	Address:	Address:

42.0 CONTRACTUAL AGREEMENT

SCHEDULE OF MODIFICATIONS IN EDITION 5.0

Legend

A Amended A clause has been changed or reworded

D Deleted A clause has been removed or designated as "No clause"

N New A clause has been added

R A clause has been renumbered or renamed 2.1-5, 8 The sequence of clauses from 2.1 to 2.5 and 2.8

Note: 1 Inconsequential wording, grammar and previous typographical corrections are not listed

2 Reprints of this edition may include further inconsequential corrections that will not be listed

Table of modifications to definitions listed in clause 1.0:

Α	Arbitrator	Α	Mediator	D	N/S Schedule
Α	Contractor's Instruction	D	N/S Bills of Quantities	N	Party
Α	CPAP	N	N/S Contract Data	Α	Practical Completion
Α	Defect	Α	N/S Contract Documents	Α	Programme
Α	Final Completion	N	N/S Payment Guarantee	D 🖊	State
D	Lump Sum Document	N	N/S Priced Document	O^{v})

Table of modifications to clauses:

A 1.4	D 7.2	A 14.7.1	N 24.7-10	A 31.12	N 41.0
A 1.5.2	A 8.2.1-2	A 15.1	A 25.2.1-2	A 34.1	N 41.1-4
A 1.5.4	N 9.2.10-11	A 15.1.1-2	A 26.1	R 36.0	A 42.0
D 1.5.6 A 1.6.1 D 1.9	R 10.0 A 10.1,4 R 11.0	A 15.3 N 15.5-9 R 16.0	D 26.1.1-2 N 27.3 A 29.2.4	A 36.1-10 R 37.0 A 37.3.5	A 42.1-4
D 3.3-4 A 3.6	N 11.1-3 D 11.2 N 12.1.1-2	A 16.1 A 16.2-3 N 16.3-11	A 29.3 R 29.4.4 A 29.7	R 38.0 A 38.1,3 A 38.5.4	
A 3.7-10 A 3.11 D 3.12-13	A 12.2.3 N 12.5-6 R 13.0	A 17.1.13 R 19.0	A 29.7.2 D 29.7.4 R 30.0	R 39.0 A 39.1 R 39.2	
A 5.1 N 5.4-5 R 6.0	N 13.1-2 A 14.3.1 A 14.4.1	A 24.1 A 24.1-2 N 24.1.3	A 31.8.2-3 A 31.11 D 31.11.1-2	A 39.3.7 A 40.2-8 D 40.9-10	