

# PRINCIPAL BUILDING AGREEMENT Organs of State Contract Data

Project: The Completion (Construction) of Ethandakukhanya Community Healthcare Centre

Employer: National Department of Health

Contractor: Bidder to complete

Contract Date: To be completed by the National Department of Health

File Code:

To be completed by the National Department of Health

## The Joint Building Contracts Committee® - NPC CONTRACT DATA

For use by ORGANS OF STATE and other PUBLIC SECTOR BODIES

## Principal Building Agreement Edition 6.2 - May 2018

#### **JBCC®**

The Joint Building Contracts Committee® NPC (JBCC®) is representative of building owners and developers, professional consultants and general and specialist contractors who contribute their knowledge and experience to the compilation of the JBCC® documents. The JBCC® documents portray the consensus view of the constituent members and are published in the interests of standardisation and good practice with an equitable distribution of contractual risk

#### Application of JBCC® agreements

The definitions contained in the JBCC® Principal Building Agreement apply to this document. A word or phrase in bold type in the text has the same meaning assigned to it in the definitions of such agreement. Where a word or phrase is not in bold type it has the meaning consistent with the context of its use

This contract data contains changes made to the JBCC® Principal Building Agreement to suit Organs of State and other Public Sector Bodies' requirements, as well as unique requirements applicable to the project and variables referred to in the JBCC® Principal Building Agreement and the JBCC® General Preliminaries. The information provided in this document is complete and accurate at the time of calling for tenders. Where additional information becomes available, all tenderers will be informed in writing. Reference to clause numbers in the JBCC® Principal Building Agreement are shown in [square brackets] in this contract data eg [3.2.1]. Spaces requiring information must be filled in, or marked as 'not applicable' but not left blank

Where the contractor is appointed, the contract documents comprise the completed and signed Form of Offer and Acceptance, the signed JBCC® Principal Building Agreement, this completed contract data, the priced document, drawings and other listed documents

### Endorsement of JBCC® agreements

The JBCC® Edition 6.2 agreements have been endorsed by Construction Industry Development Board (CIDB) for use by Organs of State and other Public Sector Bodies

#### Warning!

The JBCC® Principal Building Agreement Edition 6.2 has been coordinated with the JBCC® Nominated/Selected Subcontract Agreement Edition 6.2, the JBCC® General Preliminaries and the JBCC® certificate forms and support documents. Forms from previous editions are not compatible with the JBCC® Principal Building Agreement Edition 6.2

Persons entering into or preparing contracts using the JBCC® suite of contract agreements and support documents are warned of the dangers inherent in modifying any part of it

Experience has shown that changes drafted by others, including members of the building professions, often have unintended results that may be prejudicial to either, or both, parties

#### Disclaimer

While the JBCC® aims to ensure that its publications represent best practice it does not accept or assume any liability or responsibility for any events or consequences which derive from the use of JBCC® documents

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## **A PROJECT INFORMATION**

## **A 1.0** Works [1.1]

Project name	The Completion (Construction) of Ethandakukhanya Community Healthcare Centre
Reference number	To be completed by the National Department of Health
Works description	The project involves the construction (completion) of a new Community Health Centre in Ethandakukhanya, Mpumalanga, including all associated civil, structural, architectural, electrical, and mechanical works.

## A 2.0 Site [1.1]

Erf / stand number	The site is located on Erf 7986
Township / Suburb	Ethandakukhanya
Site address	The site is bounded by Ngwengya Street and Dhlamini Street, with access primarily from 6th Street on the north-eastern corner.
Local authority	Mkhondo Local Municipality

## **A 3.0** Employer [1.1]

Official Name of Organ of State / Public Sector Body	National Department of Health		
Business registration number	N/A		
VAT/GST number	N/A		
Country	South Africa		
Employer's representative: Name	To be confirmed		
E-mail	To be confirmed	Telephone number	To be confirmed
Mobile number	To be confirmed		
Dantal adduces	Postal address: Private Bag X828, PRETORIA,		
Postal address		Postal code	0001
Physical address	Dr AB Xuma Building, 1112 Voortrekker Rd, Pretoria Townlands 351-JR, PRETORIA		
		Postal code	0187

## A 4.0 Principal agent [1.1]

Name	To be confirmed	
Legal entity of above	Contact person	on
Practice number	Telephone nu	umber
	Mobile number	er
Country	E-mail	
Postal address		
Postal address	Postal code	
Dhysical address		
Physical address	Postal code	

A 5.0	<b>Agent</b> [1.1; 6.2]	Discipline		
Name		To be confirmed		
Legal entit	y of above		Contact person	
Practice n	umber		Telephone number	
			Mobile number	
Country			E-mail	
Postal add	Iress			
			Postal code	
Physical a	ddress		Postal code	
			Postal code	
A 6.0	<b>Agent</b> [1.1; 6.2]	Discipline		
Name		To be confirmed		
Legal entit	y of above		Contact person	
Practice n			Telephone number	
			Mobile number	
Country			E-mail	
Postal add	Iress			
1 ootal aac			Postal code	
Physical a	ddress			
			Postal code	
A 7.0	Agont [4.4, 6.0]	Discipline		
A 7.0	<b>Agent</b> [1.1; 6.2]	Discipline		
Name		To be confirmed		
Legal entit	y of above		Contact person	
Practice n	umber		Telephone number	
			Mobile number	
Country			E-mail	
Postal add	iress			
			Postal code	
Physical a	ddress		<b>5</b>	
			Postal code	
	A 4	B: :::		
A 8.0	<b>Agent</b> [1.1; 6.2]	Discipline		
A 8.0	<b>Agent</b> [1.1; 6.2]	Discipline  To be confirmed		
Name	<b>Agent</b> [1.1; 6.2]		Contact person	
Name	y of above		Contact person Telephone number	
Name Legal entit	y of above			
Name Legal entit	y of above		Telephone number	
Name Legal entite Practice n	ty of above umber		Telephone number Mobile number	
Name Legal entit Practice n	ty of above umber		Telephone number Mobile number	
Name Legal entite Practice n	ty of above umber		Telephone number Mobile number E-mail	

A 9.0 Agent [1.1; 6.2]	Discipline		
Name	To be confirmed		
Legal entity of above		Contact person	
Practice number		Telephone number	
		Mobile number	
Country		E-mail	
Postal address			
1 Ostal address		Postal code	
Physical address			
,		Postal code	
A 10.0 Agent [1.1; 6.2]	Discipline		
Name	To be confirmed		
Name	To be committed		
Legal entity of above		Contact person	
Practice number		Telephone number	
-		Mobile number	
Country		E-mail	
Postal address			
		Postal code	
Physical address			
,		Postal code	
A 11.0 Agent [1.1; 6.2]	Discipline		
Name	To be confirmed		
Legal entity of above		Contact person	
Practice number		Telephone number	
		Mobile number	
Country		E-mail	
Postal address			
r ootar address		Postal code	
Physical address			
1 Hydrau dddredd		Postal code	
A 12.0 Agent [1.1; 6.2]	Discipline		
Name	To be confirmed		
Legal entity of above		Contact person	
Practice number		Telephone number	
		Mobile number	
Country		E-mail	
-			
Postal address		Postal code	
Physical address		Postal code	

## **B** CONTRACT INFORMATION

## **B 1.0 Definitions** [1.1]

Bills of quantities: System/Method of	Standard System of Measuring Building Work, 2015 (7th
measurement	Edition)

## **B 2.0** Law, regulations and notices [2.0]

Law applicable to the works, state country [2.1]	South Africa
14.11	

## **B 3.0** Offer and acceptance [3.0]

Currency applicable to this agreement [3.2]	South African Rand
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## **B 4.0 Documents** [5.0]

The original signed <b>agreement</b> is to be held by the <b>principal agent</b> [5.2], if not, indicate by whom	Employer
Number of copies of <b>construction information</b> issued to the <b>contractor</b> at no cost [5.6]	Three

Documents comprising the agreement	Page numbers
The <b>JBCC</b> ® Principal Building Agreement, Edition 6.2 May 2018	1 to 30
The <b>JBCC</b> ® Principal Building Agreement - Contract Data for Organs of State and other Public Sector Bodies, Edition 6.2 May 2018	1 to 14
The <b>JBCC</b> ® General Preliminaries for use with the <b>JBCC</b> ® Principal Building Agreement, Edition 6.2 May 2018	1 to 7
Tender Documentation	

Contract drawings – description	Number	Revision	Date
To be issued upon appointment			

## B 5.0 Employer's agents [6.0]

Authority is delegated to the following <b>agents</b> to issue <b>contract instructions</b> and perform duties for specific aspects of the <b>works</b> [6.2]
All as per section A
Principal agent's and agents' interest or involvement in the works other than a professional interest [6.3]
Not Applicable

## **B 6.0** Insurances [10.0]

Insurances by employer		yer	Amount including tax	Deductible amount including tax
Yes/n	io? No		oraag tazt	monaumy sax
Contra	ct works insurance:			
	New works [10.1 (contract sum o			
or	Works with pract (contract sum of	tical completion in sections [10.2] or amount)		
or	(reinstatement va			
	to be included in	rs [10.1.1; 10.2] where applicable, the contract works insurance		
		.1; 10.2] where applicable, to be ontract works insurance		
	Escalation, professional fees and reinstatement costs if not included above			
Total o	f the above contract	works insurance amount		
Supple	mentary insurance	[10.1.2; 10.2]		
Public	liability insurance [1	0.1.3; 10.2]		
Remov	al of lateral support	insurance [10.1.4; 10.2]		
Other in	nsurances [10.1.5]			
Yes/no	?	If yes, description 1		
Yes/no	?	If yes, description 2		

## and/or

Insurances by contractor			Amount including tax	Deductible amount including tax	
Yes/no? Yes					
	New works [10.1. (contract sum or		R 220 000 000.00	Not Applicable	
or	(contract sum or		Not Applicable	Not Applicable	
or	(reinstatement val		Not Applicable	Not Applicable	
		<b>s</b> [10.1.1; 10.2] where applicable, to contract works insurance	Not Applicable		
		; 10.2] where applicable, to be stract works insurance	Not Applicable		
	Escalation, profes	sional fees and reinstatement costs ve	Yes		
Total of	the above contract	works insurance amount	R 220 000 000.00		
Supple	mentary insurance [	10.1.2]	Not Applicable	Not Applicable	
Public I	iability insurance [10	0.1.3]	R 10 000 000 per occurrence	Not Applicable	
Remov	al of lateral support	nsurance [10.1.4]	Not Applicable	Not Applicable	
Other in	nsurances [10.1.5]:	Refer B17.0			
Yes/no	? Yes	If yes, description 1	Refer to B17.0	Not Applicable	
Hi Risk	Insurance [10.1.5.1				
Yes/no? No If yes, description 2		If yes, description 2	Not Applicable	Not Applicable	

## B 7.0 Obligations of the employer [12.1]

e in use and occupied [12.1.2]	Yes/no?	No
ours [12.1.2]	Yes/no?	No
The Employer has no time restrictions however the Conhours with the Local Municipality	tractor shall con	firm working
nown services to be preserved by the <b>contractor</b> [12.1.3]	Yes/no?	No
or areas that the <b>contractor</b> may not occupy [12.1.4]	Yes/no?	No
	Yes/no?	Yes
Free issue material to be disclosed upon appointment		
	The Employer has no time restrictions however the Conhours with the Local Municipality  nown services to be preserved by the <b>contractor</b> [12.1.3]  or areas that the <b>contractor</b> may not occupy [12.1.4]	The Employer has no time restrictions however the Contractor shall conhours with the Local Municipality  Town services to be preserved by the contractor [12.1.3] Yes/no?  Or areas that the contractor may not occupy [12.1.4] Yes/no?  2.1.10] Yes/no?

## **B 8.0** Nominated subcontractors [14.0]

	_	
Yes/no? Yes If yes, description of specialisation		If yes, description of specialisation
Specialisation	on 1	Heating, Ventilation and Airconditioning
Specialisation 2 Dental		Dental Equipment
Specialisation 3 CCTV, Fire Protect		CCTV, Fire Protection
Specialisation 4		Hot and Cold Water Services
Specialisation 5		Medical Gas
Specialisation 6		Refrigeration - Cold Boom

## **B 9.0 Selected subcontractors** [15.0]

Yes/no?	Yes	If yes, description of specialisation
Specialisation	n 1	Branding
Specialisation 2		Health Technology Equipment (Partial) and Furniture
Specialisation 3		Kitchen Equipment
Specialisation 4		
Specialisation 5		

## **B 10.0 Direct contractors** [16.0]

Yes/no?	Yes	If yes, description of extent of work
Extent of wo	rk [12.1.11]	Health Technology Equipment (Partial)
Extent of work [12.1.11]		
Extent of work [12.1.11]		
Extent of wo	rk [12.1.11]	
Extent of wo	rk [12.1.11]	

## **B 11.0 Description of sections** [20.1]

Section 1	
Section 2	
Section 3	
Section 4	
Section 5	
Section 6	
Section	Remainder of the works

#### B 12.0 Possession of site [12.1.5], practical completion [19.0; 20.0] and penalty [24.0]

Practical completion for the works as a whole	Intended date of possession of the <b>site</b> Refer B17.0 [12.1.5; 12.2.22]	Period for inspection by the <b>principal agent</b> [19.3]	The date for practical completion shall be the period as indicated below from the date of possession of the site by the contractor [12.2.7; 24.1]	Penalty for late completion [24.1]
		working days	Period in months	Penalty amount per calendar day (excl. tax)
		2	TBC	See Formula Below

#### or where sections are applicable

0.04% × Contract Value

				Value
Practical completion of a section of the works	Intended date of possession of a <b>section</b> Refer B17.0 [12.1.5; 12.2.22]	Period for inspection by the <b>principal agent</b> [19.3]	The date for <b>practical completion</b> shall be the period as indicated below from the date of possession of the <b>site</b> by the <b>contractor</b> [12.2.7; 24.1]	Penalty for late completion [24.1]
		working days	Period in months	Penalty amount per calendar day (excl. tax)
		>		
Section 1				
Section 2				
Section 3				
Section 4				
Section 5				
Section 6		>		
Section 7				
Section 8				
Remainder of the works				

#### Criteria to achieve practical completion not covered in the definition of practical completion

For the purpose of this Contract, 'Practical Completion' shall be deemed to have been achieved when the Works have been completed in accordance with the Contract Documents and are capable of occupation and use for their intended purpose, excluding the installation of movable assets, equipment, and furniture procured separately by the Employer. The absence of such movable assets shall not prevent the issue of the Certificate of Practical Completion.

### B 13.0 Defects liability period [21.0]

Extended defects liabilit	Yes/no?	No	
If yes, description of applicable elements	eg: Electrical reticulation / Air conditioning 13.1 13.2 13.3 13.4 13.5 13.6	system / Landscaping	

## **B 14.0 Payment** [25.0]

Date of month for issue of regular <b>payment certificates</b> [25.2]	25 of every n	25 of every month		
Contract price adjustment / Cost fluctuations [25.3.4; 26.9.5]	Yes/no? No			
If yes, method to calculate	ulate CPAP			
Employer shall pay the contractor within: [25.10]	Thirty (30) Calendar Days			

## **B 15.0 Dispute resolution** [30.0]

Adjudication [30.6.1; 30.10] Name of nominating body	Association of Arbitrators	
Applicable rules for adjudication [30.6.2]	Shall be by agreement between the parties	
Arbitration [30.7.4; 30.10]	Yes/no? * Yes	
If Yes, name of nominating body * If No, then dispute will be referred to litigation	Association of Arbitrators	
Applicable rules for arbitration [30.7.5]	Shall be by agreement between the parties	

## B 16.0 JBCC® General Preliminaries - selections

Provisional bills of qua	ntities [P2.2]	Yes/no?	Yes	
Availability of construction information	Yes/no?	Yes		
Previous work - dimens previous contract(s) [P	sional accuracy - details of 3.1]			
Previous work - <b>defect</b> contract(s) [P3.2]	s - details of previous	To be issued	d with appoir	ntment
Inspection of adjoining	properties - details [P3.3]	To be condu	icted by app	ointed contractor
Handover of <b>site</b> in sta [P4.1]	ges - specific requirements	Not Applical	ole	
Enclosure of the works	s - specific requirements [P4.2]	Not Applicable		
Geotechnical and other investigations - specific requirements [P4.3]		Not Applicable		
Existing premises occupied - details [P4.5]		Not Applical	ole	
Services - known - spe	ecific requirements [P4.6]	Refer to the	Scope of W	orks and Site Information
	By contractor	Yes/no?	Yes	
Water [P8.1]	By employer	Yes/no?	No	
[1 0.1]	By <b>employer</b> – metered	Yes/no?	No	
Electricity	By contractor	Yes/no?	Yes	
Electricity [P8.2]	By <b>employer</b>	Yes/no?	No	
	By <b>employer</b> – metered	Yes/no?	No	
Ablution and welfare	By contractor	Yes/no?	Yes	
facilities [P8.3]	By employer	Yes/no?	No	

Communication facilities - specific requirements [P8.4]	Not Applicable
Protection of the <b>works - s</b> pecific requirements [P11.1]	Refer to Bills of Quantities and Scope of Works
Protection / isolation of existing works and works occupied in sections - specific requirements [P11.2]	Not Applicable
Disturbance - specific requirements [P11.5]	Not Applicable
Environmental disturbance - specific requirements [P11.6]	Not Applicable

## B 17.0 Changes made to JBCC® documentation

Reference may be made to other documents forming part of this agreement

#### 1.1 Definitions

**AGREEMENT:** The completed Form of Offer and Acceptance, the completed **JBCC**® Principal Building Agreement and **JBCC**® **contract data for organs of state and other public sector bodies**, the **contract drawings**, the **priced document** and any other documents reduced to writing and signed by the authorised representatives of the **parties** 

**CONSTRUCTION PERIOD:** The period commencing on the date of possession of the **site** by the **contractor** and ending on the date of **practical completion** 

**CONTRACT DATA FOR ORGANS OF STATE AND OTHER PUBLIC SECTOR BODIES:** The document listing the Organs of State and other Public Sector Bodies' requirements and the project specific information

**INTEREST:** The interest rates applicable on this contract, whether specifically indicated in the relevant clauses or not, will be the rate as determined by the Minister of Finance from time to time, in terms of section 80(1)(b) of the Public Finance Management Act, 1999 (Act No 1 of 1999), calculated as simple interest, in respect of debts owing to the State, and will be the rate as determined by the Minister of Justice and Constitutional Development from time to time, in terms of section 1(2) of the Prescribed Rate of Interest Act, 1975 (Act No 55 of 1975), calculated as simple interest, in respect of debts owing by the State

**PRINCIPAL AGENT:** The person or entity appointed by the **employer** and named in the **contract data for organs of state and other public sector bodies.** In the event of a **principal agent** not being appointed, then all the duties and obligations of a **principal agent** as detailed in the **agreement** shall be fulfilled by the employer's representative as named in the **contract data for organs of state and other public sector bodies** 

#### 3.0 Offer and Acceptance

Amend 3.3 to read as follows:

This **agreement** shall come into force on the date as stated on the Form of Offer and Acceptance and continue to be of force and effect until the end of the **latent defects** liability period [22.0] notwithstanding termination [29.0] or the certification of **final completion** [21.0] and final payment [25.0]

#### 6.0 Employer's Agents

Add the following as 6.7:

In terms of the clauses listed hereunder, the **employer** has retained its authority and has not given a mandate to the **principal agent**. The **employer** shall sign all documents in relation to clauses 4.2, 14.1.2, 14.1.4, 14.4.1, 14.6, 23.1, 23.2, 23.3, 23.7, 23.8, 26.1, 26.7, 26.12 and 28.4

#### 9.0 Indemnities

9.2.7: Add the following to the end of the first sentence: ".... due to no fault of the contractor"

#### 10.0 Insurances

Add the following as 10.1.5.1:

#### Hi Risk Insurance

In the event of the project being executed in a geological area classified as a "High Risk Area", that is an area which is subject to highly unstable sub-surface conditions that might result in catastrophic ground movement evident by sinkhole or doline formation the following will apply:

#### 10.1.5.1.1 Damage to the works

The contractor shall, from the date of possession of the **site** until the date of the **certificate of practical completion**, bear the full risk of and hereby indemnifies and holds harmless the **employer** against any damage to and/or destruction of the **works** consequent upon a catastrophic ground movement as mentioned above. The **contractor** shall take such precautions and security measures and other steps for the protection of the **works** as he may deem necessary

When so instructed to do so by the **principal agent**, the **contractor** shall proceed immediately to remove and/or dispose of any debris arising from damage to or destruction of the **works** and to rebuild, restore, replace and/or repair the **works**, at the **contractor's** own costs

#### 10.1.5.1.2 Injury to persons or loss of or damage to property

The **contractor** shall be liable for and hereby indemnifies and holds harmless the **employer** against any liability, loss, claim or proceeding arising at any time during the period of the contract whether arising in common law or by statute, consequent upon personal injuries to or the death of any person whomsoever resulting from, arising out of or caused by a catastrophic ground movement as mentioned above

The **contractor** shall be liable for and hereby indemnifies the **employer** against any and all liability, loss, claim or proceeding consequent upon loss of or damage to any moveable, or immovable property, or personal property, or property contiguous to the **site**, whether belonging to or under the control of the **employer** or any other body or person whomsoever arising out of or caused by a catastrophic ground movement, as mentioned above, which occurred during the period of the contract

#### 10.1.5.1.3

It is the responsibility of the **contractor** to ensure that he has adequate insurance to cover his risk and liability as mentioned in 10.1.5.1.1 and 10.1.5.1.2. Without limiting the **contractor's** obligations in terms of the contract, the **contractor** shall, within twenty-one (21) **calendar days** of the date of possession of the site, but before commencement of the **works**, submit to the **employer** proof of such insurance policy, if requested to do so

#### 10.1.5.1.4

The **employer** shall be entitled to recover any and all losses and/or damages of whatever nature suffered or incurred consequent upon the **contractor's** default of his obligations as set out in 10.1.5.1.1; 10.1.5.1.2 and 10.1.5.1.3. Such losses or damages may be recovered from the **contractor** or by deducting the same from any amounts still due under this contract or under any other contract presently or hereafter existing between the **employer** and the **contractor** and for this purpose all these contracts shall be considered one indivisible whole

#### 11.0 Securities

Amend 11.10 to read as follows:

There shall be no lien or right of retention held by any **contractor** in respect of the **works** executed on **site** 

#### 12.0 Obligations of the Parties

Amend 12.1.5 to read as follows:

Give possession of the **site** to the **contractor** within ten (10) **working days** of the **contractor** complying with the terms of 12.2.22

12.2.2: Not applicable

Add the following as 12.2.22:

Within fifteen (15) working days of the date of the agreement submit to the principal agent an acceptable health and safety plan, required in terms of the Occupational Health and Safety Act, 1993 (Act No 85 of 1993)

#### 19.0 Practical Completion

19.5: Delete the words "subject to the **contractor**'s lien or right of continuing possession of the **works** where this has not been waived"

#### 21.0 Defects Liability Period and Final Completion

Add the following as 21.13:

The ninety (90) **calendar days** defects liability period for the **works** [21.1] is replaced with a period of three hundred and sixty-five (365) **calendar days** in respect of the listed applicable elements

#### 25.0 Payment

25.7.5: Not applicable

25.10: Delete the words "and/or compensatory interest"

25.14.2: Not applicable

#### 27.0 Recovery of Expense and/or Loss

27.1.5: Not applicable

#### 29.0 Termination

Add the following after 29.1.3:

or where ...

29.1.4: The **contractor**'s estate has been sequestrated, liquidated or surrendered in terms of the insolvency laws in force within the Republic of South Africa

29.1.5: The **contractor** has engaged in corrupt or fraudulent practices in competing for or in executing the contract

## C TENDERER'S SELECTIONS

#### **C 1.0** Securities [11.0]

Guarantee for construction: Select Option A or B

Option A	Guarantee for construction (variable) by co	ontractor [11.1.1]
Option B	Guarantee for construction (fixed) by contractor [11.1.2]	
Guarantee	for payment by employer [11.5.1; 11.10]	Not applicable
Advance payment, subject to a <b>guarantee for advance</b> payment [11.2.2; 11.3]  Not applicable		

### C 2.0 Contractor's annual holiday periods during the construction period

Year 1 <b>contractor</b> 's annual holiday period	start date	end date	
Year 2 <b>contractor</b> 's annual holiday period	start date	end date	
Year 3 <b>contractor</b> 's annual holiday period	start date	end date	

#### C 3.0 Payment of preliminaries [25.0]

_					
Con	trac	tor's	Se	lectio	าท

Select Option A or B	
----------------------	--

Where the contractor does not select an option, Option A shall apply

#### Payment methods

Option A	The <b>preliminaries</b> shall be paid in accordance with an amount prorated to the value of the <b>works</b> executed in the same ratio as the amount of the <b>preliminaries</b> to the <b>contract sum</b> , which <b>contract sum</b> shall exclude the amount of <b>preliminaries</b> . Contingency sum(s) and any provision for cost fluctuations shall be excluded for the calculation of the aforesaid ratio
Option B	The <b>preliminaries</b> shall be paid in accordance with an amount agreed by the <b>principal agent</b> and the <b>contractor</b> in terms of the <b>priced document</b> to identify an initial establishment charge, a time-related charge and a final dis-establishment charge. Payment of the time-related charge shall be assessed by the <b>principal agent</b> and adjusted from time to time as may be necessary to take into account the rate of progress of the <b>works</b>

#### Lump sum contract

Where the amount of **preliminaries** is not provided it shall be taken as 7.5% (seven and a half per cent) of the **contract sum**, excluding contingency sum(s) and any provision for cost fluctuations

### C 4.0 Adjustment of preliminaries [26.9.4]

## Contractor's selection Select Option A or B

Where the contractor does not select an option, Option A shall apply

#### Provision of particulars

The **contractor** shall provide the particulars for the purpose of the adjustment of **preliminaries** in terms of his selection. Where completion in **sections** is required, the **contractor** shall provide an apportionment of **preliminaries** per **section** 

Option A	An allocation of the <b>preliminaries</b> amounts into Fixed, Value-related and Time-related amounts as defined for adjustment method Option A below, within fifteen (15) <b>working days</b> of the date of acceptance of the tender	
Option B	A detailed breakdown of the <b>preliminaries</b> amounts within fifteen (15) <b>working days</b> of possession of the <b>site</b> . Such breakdown shall include, inter alia, the administrative and supervisory staff, the use of <b>construction equipment</b> , establishment and dis-establishment charges, insurances and guarantees, all in terms of the <b>programme</b>	

#### Adjustment methods

The amount of **preliminaries** shall be adjusted to take account of the effect which changes in time and/or value have on **preliminaries**. Such adjustment shall be based on the particulars provided by the **contractor** for this purpose in terms of Options A or B, shall preclude any further adjustment of the amount of **preliminaries** and shall apply notwithstanding the actual employment of resources by the **contractor** in the execution of the **works** 

	The <b>preliminaries</b> shall be adjusted in accordance with the allocation of <b>preliminaries</b> amounts provided by the <b>contractor</b> , apportioned to <b>sections</b> where completion in <b>sections</b> is required
	Fixed - An amount which shall not be varied
Option A	Value-related - An amount varied in proportion to the <b>contract value</b> as compared to the <b>contract sum</b> . Both the <b>contract sum</b> and the <b>contract value</b> shall exclude the amount of <b>preliminaries</b> , contingency sum(s) and any provision for cost fluctuations
	Time-related - An amount varied in proportion to the number of <b>calendar days</b> extension to the date of <b>practical completion</b> to which the <b>contractor</b> is entitled with an adjustment of the <b>contract value</b> [23.2; 23.3] as compared to the number of <b>calendar days</b> in the initial <b>construction period</b> [26.9.4]
	The adjustment of <b>preliminaries</b> shall be based on the number of <b>calendar days</b> extension to the date of <b>practical completion</b> to which the <b>contractor</b> is entitled with an adjustment of the

the date of practical completion to which the contractor is entitled with an adjustment of the contract value [23.2; 23.3] as compared to the number of calendar days in the initial construction period [26.9.4]

The adjustment shall take into account the resources as set out in the detailed breakdown of the **preliminaries** for the period of construction during which the delay occurred

#### Failure to provide particulars within the period stated

	Where the allocation of <b>preliminaries</b> amounts for Option A is not provided, the following allocation of <b>preliminaries</b> amounts shall apply:
Option A	Fixed - Ten per cent (10%) Value-related - Fifteen per cent (15%) Time-related - Seventy-five per cent (75%)
	Where the apportionment of the <b>preliminaries</b> per <b>section</b> is not provided, the categorised amounts shall be prorated to the cost of each <b>section</b> within the <b>contract sum</b> as determined by the <b>principal agent</b>
Option B	Where the detailed breakdown of <b>preliminaries</b> amounts for Option B is not provided, Option A shall apply

#### Lump sum contract

Where the amount of **preliminaries** is not provided it shall be taken as 7.5% (seven and a half per cent) of the **contract sum**, excluding contingency sum(s) and any provision for cost fluctuations