



CPCBC4016A ADMINISTER A CONSTRUCTION CONTRACT

THEORY EXAM INSTRUCTIONS

- This exam will occur under standard assessment conditions.
 - An oral examination may be allowed under certain circumstances. Answers will be documented and FT003 (Oral examination declaration form) must be completed.
- Participants must provide enough detail in their responses to demonstrate their knowledge and skills.
- Please fill in the details below, providing your name, signature and date of assessment.
 - Your signature acknowledges that this is your own work.
- If a participant initially answers a question incorrectly but modifies their response, they must follow the instructions below:
 - If a participant changes their response in writing, they must put their initials next to the written change.
 - If a participant changes their response verbally, this must be noted on the exam paper by the assessor.

Participant name

DAVID MOORE

Participant signature



Assessor name

Assessor signature



Date

[Click here to enter a date.](#)01.07.18

Number of questions	Number of questions answered correctly	Satisfactory?	
		Yes	No
49		☐	☐

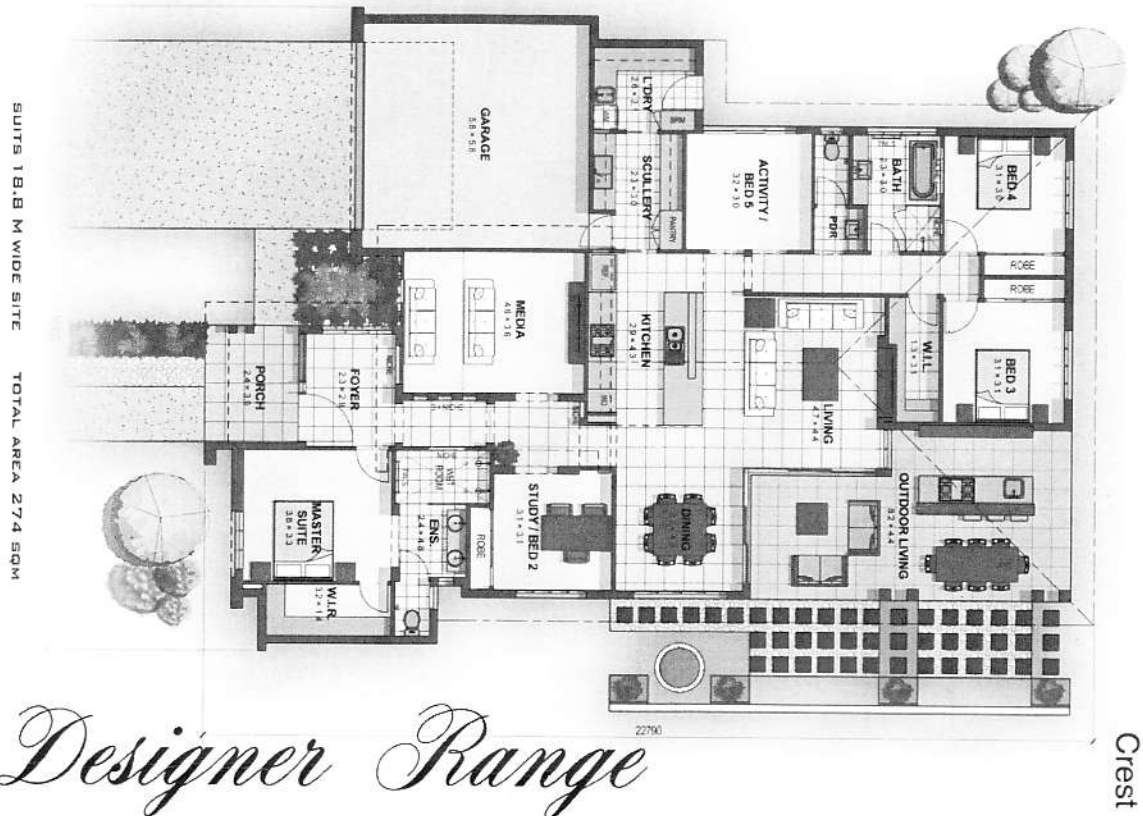
Q1. Identify the various types of building and construction contracts and explain when it is appropriate to apply each type of contract.

Answer

- * Australian Standard Contracts: -(AS 2124/AS 4000)
 - + Used on major building and engineering projects where a superintendent administers the contract.
- * AUSTRALIAN Building Industry Contract: -(ABIC-MW-2018)
 - + Designed for the use of the architect to administer the contract.
- * Individual Organisational Contracts: -(CM 2012)
 - + Standard forms produced by public authorities, local governing bodies.
- * Industry Contracts
 - Master Builders
 - Commercial Building Contracts
 - Pool building contract
 - Confirm Variation/Instruction
 - HIA
 -
 -
 -
 - QBCC
 - New home Construction
 - Level 1 - Renovation
 - Level 2 - Renovation
 - ABIC
 - Major Works
 - Simple Works
 - Basic works commercial.



- Q2. Use the drawings you completed in the assessment for CPCBC4014A (from the floor plan below) and the listed task requirements to prepare the new dwelling contract documentation for the client's signature.



TASK REQUIREMENTS

You are to download the contract documents from the Queensland Building and Construction Commission (QBCC) website at:

[http://www.qbcc.qld.gov.au/sites/default/files/QBCC New Home Construction Contract.pdf](http://www.qbcc.qld.gov.au/sites/default/files/QBCC%20New%20Home%20Construction%20Contract.pdf)

Your should:

- Analyse the various types of building and construction contracts you will need and then apply the appropriate application of each type of contract;
- Identify and apply legislative requirements relating to building and construction contracts.
- Identify and apply essential terms and elements of a valid contract;
- Analyse the importance of identifying an intention to create legal relations;
- Identify and analyse rights and liabilities of parties under a contract;
- Identify and apply common building contract terms and procedures;
- Identify and analyse circumstances that bring about a breach of contract;
- Accurately select the contract, appropriate for the type of construction;
- Accurately identify and prepare the range of documents collectively make up a contract;
- Accurately identify and apply requirements associated with an offer and acceptance of a contract;
- Confirm the capacity of the parties to form a binding agreement in the form of a contract; and
- Identify and apply factors associated with the parties' consenting to a contract.

Answer





Q3. How should you handle any customer complaint?

Answer

- * Deal with complaints immediately
- + Stay Calm
- + Identify the problem
- + Call on a second opinion to confirm your view
- + Keep records in writing for reference.
- + Fix the problem



Q4. What does the 'cooling off' period refer to when undertaking domestic building work with a total contract price of \$20,000 or more?

Answer

Cooling off period is five business days after the Client has received a signed copy from the builder of the contract.

- \$100 plus any out of pocket expenses are due to the builder during the cooling off period (five days) if the client withdraws from the contract.





Q5. What are the consequences for a client not using a QBCC licensed contractor?

Answer

The client will not be covered under the home warranty scheme.



Q6. What is the Queensland Home Warranty Scheme?

Answer

The scheme covers consumers for loss suffered if a contractor fails to complete a contract, also specific circumstances in which work has been damaged by fire or storm, vandalism or theft.

This is a not-for-profit fund, funded through payment of premiums of licensed contractors.



Q7. What are the consequences of Cost Plus and Construction Management contracts on Home Warranty Insurance protection?

Answer

If the works are left incomplete the client is "not" entitled to make a claim under the home warranty insurance scheme QBCC.





Q8. At the commencement of a contract valued over \$20,000, what must the contractor give to the owner? What timeframes apply?

Answer

Contractor must give the owner a signed Commencement Notice within 10 business days of work commencing on site. Must state date of starting and date for practical completion.



Q9. Where must the total contract price be stated?

Answer

First page of the contract.



Q10. What are the maximum deposits recommended and how should progress payments be scheduled?

Answer

Ref :- QBCC
Deposits - \$20,000 ↑ 5%
 - \$20,000 ↓ 10%

Base Stage - 15%
Frame Stage - 20%
Enclosed Stage - 25%
Fixing Stage - 20%
Practical Completion - 15%



Q11. Who has responsibility of building inspections and approvals?



Answer

Building certifier



Q12. Identify and describe the term used to describe circumstances such as:

- Where there has been a change to the materials used or
- A change to the scope of the work to be performed under the contract?

Answer

Variation.



Q13. How do you reduce the risk of dispute?

Answer

- Record all complaints
- Act promptly
- Make good on promises
- Don't make unrealistic promises



Q14. What is the process for dispute resolution?

Answer

- Refer to contract - determine responsibility to resolve dispute
 - Seek legal advice
 - If necessary move towards QCAT for dispute resolution.





Q15. When might an extension of time (EOT) apply? How is it approved?

Answer

Extension of time may apply in weather, scope of works variations or delays caused by the client. For EOT approvals submit in writing a variation and extension of time form signed by the client. Refer to general conditions on the contract.



Q16. When is the client/home owner required to pay the final contract payment?

Answer

Client is required to pay the final contract payments once all works are completed in accordance with the contract, all legal requirements and defects that will not affect occupation of residence. Check contract.



Q17. What are implied warranties?**Answer**

Under the act, warranties are deemed to be part of all regulated building contracts. Warranty period is 6 years for structural defects and one year for all other defects.

**Q18. Explain the responsibilities of an Owner Builder.****Answer**

Follow conditions of the owner builder permit

- Only carry out work covered in the permit.
- Engage only licensed contractors
- Not perform works such as plumbing, draining, gasfitting or pest control unless licenced.
- Appropriate licence to perform fire protection higher than \$1,100.

Display an owner builder sign:-

Before work starts, signs must be display to avoid disputes.

- Clearly visible from the street
- Show owner builder permit number
- Made from weatherproof material
- Half a square metre in size (50cm x 50cm)
- Letters at least 50mm high.

Supervise the quality and workmanship including workplace health and safety and liability for contractors

- Have written contracts in place for reference to contractors this will prevent legal disputes arising.



Q19. What is 'notifiable work', who is responsible and to whom does it apply?

Answer

Notifiable work is plumbing and drainage on existing buildings by licenced QBCC plumbers/drainers, which must report works.

This includes "notifiable work":

- Installing, replacing or removing electric, gas, solar
- Installing fixtures such as toilets, showers, sinks
- Extending, altering, replacing or removing waste supply pipes
- waste pipes

Refer:-

- Notifiable Work Reference Guide (QBCC)
- Schedule of notifiable work

How to report notifiable works:-

- Lodge a form 4/4A within 10 business days of works
- Generate the certificate for client
- The local government may audit work to review plans and workmanship of licensee.

The owner is responsible to use QBCC licenced plumbers which in turn will carry the liability in case of disputes/defects.

The distinction between what needs to be reported and not includes.

- Minor works - Changing a tap
- Notifiable works - Installing shower and drainage
- Compliance works - Connection to service providers



Answer

Notifiable works applies to all new and existing buildings and all licensed contractors should have a sound knowledge between what needs to be lodged and not for the Clients best interests to be regarded.





Q20. What is the difference between the Prime Cost Item Schedule and the Provisional Sum Schedule in a contract? Give one example to help explain your answer.

Answer

Prime Cost :- Amount of money included in the contract relating to items such as taps, door, fittings.

- Specific items are agreed at a later stage
- builder is to estimate at or above the lowest amount of cost.

Example : \$100 tap instead of the \$50 tap allowed in the Prime Cost, this will require a variation to the contract price.

Provisional Sum :- Money included for siteworks labor/material not detailed when entering the contract.

- Included in site works clearing vegetation/foundations
- Builder to make estimate fair/reasonable sum/price
- If price/estimate is exceeded this will be added to contract price.

Example :- Earth works uncovers old pool/rubbish/hardstone

Q21. What does Section 109 of the *Queensland Building and Construction Commission Act 1991* provide to the consumer/client?



Answer

Section 109 - QBCC Act 1991 - provides the client access to the building site.



Q22. What are some of the preliminary contracts that a builder could ask a client to sign prior to signing the main contract?

Answer

- * Soil reports
- * Foundation Data
- * Preparation of plan agreements
- * Dilapidation Surveys.



Q23. What are liquidated damages in terms of a signed building contract?

Answer

A fixed sum of money the builder agrees to pay the client in relation to late completion of the project. This is stated in the contract.



- * Maintained records
- * Issue EOT to reduce risks of liquidated damages
- * Ensure client and builder agree to terms related to

Q24. What contract documentation would you review to identify any unusual aspects related to materials and installations for a low rise construction project?

Answer

Prime cost schedule / Material schedule



Q25. Where would you find any possible penalties associated with a build?

Answer

Terms and conditions agreed in the contractors
- Further penalties via QBCC website.



Q26. What is the Australian Standard Contracts - AS2124 and AS4000 series?

Answer

- Designed for use on major building and engineering projects where a 'superintendent' administers the contract who is an independent professional or employee of the principal.



Q27. How does the Queensland Building and Construction Commission (QBCC) regulate the Queensland building industry?

Answer

Via issuing licences to contractors to promote quality workmanship and liability.

- Through licencing said contractors must adhere to acts and legislation to prevent legal repercussions.

- This in turn gives clients a warranty of support and reduce risks with contractors.



Q28. What industry legislation should builders and trade contractors have a good understanding of?

Answer

* Queensland Building and Construction Act 1991 (QBCLA)

* Queensland Civil Administrative Tribunal Act (QCAT)

* Building Act 1975 + Regulations

* Building and Construction Industry Payments Act 2004

* Workplace Health & Safety Act 2011



Q29. What supporting documents should you be aware of and include in your contracts with the consumer?

Answer

* Tenure Management Documentation

* Engineering Specification Confirmation

* Foundation Maintenance Declarations

* Cooling off period.

* Soil tests, Colour Selections

* T+Cs



Q30. What are the four (4) essential elements of an agreement for it to be regarded as a contract?

What is the consequence if any essential element is missing?



Answer

- * OFFER
- * Acceptance
- * Intention of legal consequences
- * Consideration

- If any element is missing the contract is not legally binding.



Q31. When would an offer be considered to have lapsed?

Answer

- * Time for acceptance has expired
- * Offer has been withdrawn before acceptance
- * Longer than the life of the contract.



Q32. What is able to be 'accepted'? What happens to the offer if new terms are suggested?

Answer

Only what is offered in the contract can be accepted

- If new terms are suggested this is regarded as a counter offer which can be accepted or rejected by either parties involved.



Q33. What does it mean when a contract is supported by valuable consideration?

**Answer**

- * One party promises to do something in return for a promise from another party.
- * Consideration is what each party gives to the other as agreed price for the other's promises.
- * Usually the consideration is the payment of money.



Q34. Identify the term for each of the definitions listed in the table below.



Answer

Term	Definition
Addition	Any construction or change to a building or facility that increases its external dimensions and cubic contents.
Arbitration	A procedure for resolving disputes that involves less formality than a court hearing. An arbitrator's decision is final and cannot be appealed.
Building Inspections	Assists builders, contractors and owners by ensuring that construction projects meet building regulations and codes of practice. Inspections assess design documentation and make on-site inspections during building work.
Final Inspection Certificate	Demonstrates that a building, other than a dwelling has been inspected and passed.
Compliance	The achievement of performance criteria described in a regulation or other statutory requirement. This is usually demonstrated by a compliance or approval certificate.
Contract	An agreement entered into between two or more parties that involves an exchange or specified goods and/or services for specified financial reimbursement or other considerations.
Domestic dwelling	One or more buildings which in association constitute a single dwelling being a detached house or one or more attached dwellings.
Owner Builder	A person who carries out domestic building work on his/her own land, who is not in the business of building.
Private Building Surveyor	Independent professionals with the same power to issue building permits and occupancy permits as municipal building surveyors.
Qualified Person	A person accepted by the appropriate authority as qualified to design, construct (or install) or supervise the erection of, buildings or services; usually recognised by a certificate of registration.
Site Coverage	That part of an allotment which is covered by buildings, expressed as a percentage of the area of the allotment.



Warranty	A minor clause in a contract the remedy for breach of which is damages for any loss. Also, a promise to repair or replace defective goods.
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Q35. Explain the terms listed in the table below.

Answer

Term	Definition
Minor breach	The non-breaching party cannot sue for specific performance but actual damages.
Material breach	Any failure to perform that permits the other party to the contract to either compel performance or collect damages because of the breach.
Fundamental breach	A breach that permits the aggrieved party to terminate performance of the contract. The party affected is entitled to sue for damages.





Q36. Who are the parties that need to be consulted with for binding agreements to be confirmed?

Answer

All parties involved must agree/accept for any legal binding process to commence. If a party involved does



Q37. What is consent?

Answer

- * Act of reason and deliberation
- * Implied in every agreement
- * Performing an act recommended by another by a person with a mental capacity to make an intelligent decision.



Q38. When might 'apparent consent' be negated?

Answer

Due to mistake, fraud, innocent misrepresentation, duress or undue influence all of which are defences to the enforcement of the contract.





Q39. A construction contract can be terminated for 'cause' or for 'convenience'. Explain these two terms.

Answer

Termination of contract via:-

Cause:- Occurs when one party stops work because of a deficiency in performance by the other party. The law may provide little recourse in the matter.

Convenience:- Occurs when the owner stops work for reasons other than a deficiency in performance by the contractor. The law may provide the contractor remedy.



Q40. What does repudiation mean?

Answer

The rejection of a proposal or idea when a party to a contract is unwilling, or exhibits behaviour which suggests that they are unwilling to perform their contractual obligation, the innocent party has the right to terminate the contract due to repudiation.





Q41. Explain the concept 'conditions for completion at the cost of the contractor'.

Answer

Defects after completion:-

17.1 within 6 months of the date of practical completion the contractor must make good defects of the contract.

17.2 Owner must make reasonable access for the contractor with written notice of such defects within 6 month period.

17.3 Subject to access the contractor is to rectify any defects notified within 28 calendar days.



Q42. What does 'abandonment of contract' mean?

Answer

*Contract abandonment is where the parties involved have conducted themselves in such a way the original contract is no longer valid.

* Where a contractor fails to perform the work on time or not starting the project in a reasonable amount of time. Abandonment without legal excuse is cause for disciplinary action under B+P sect 1707.



Q43. Throughout the building schedule, progress payments are made when each new stage is ready to commence.

Nominate the recommended stages and percentages for these progress payments on a typical new residential housing building project.

Answer

Deposit - 20,000 ↑ 5%
- 20,000 ↓ 10%

Base Stage - 15%

Frame Stage - 20%

Enclosed Stage - 25%

Fixing Stage - 20%

Practical Completion - 15%



Q44. Which section of the *Subcontractors' Charges Act 1974* (Qld) address vexatious notices of claim?

Answer

Section 22 - Vexatious notice of claim



Q45. Describe the circumstances in which a person is deemed to give notice of a claim of charge without unreasonable grounds.

Answer

Contractor gives notice of claim to client over a late payment of one day or the payment is in the postage carrier this is "unreasonable".



Reasonable grounds:- Client has continually made late payments to the contractor.



Q46. Who should you consult if you are considering ousting a contractor from a building site?

Answer

(Consult your contract) or lawyer ☐

Q47. What document should you refer to if you are considering ousting a contractor from a building site?

Answer

Contract in question ☐

Q48. Contract Cost Adjustment Provisions address risk by providing mechanisms for adjusting contract payment to reflect changes in costs.

What can cost adjustment apply to?

Answer

* Labour and materials
* Currency exchange rates for foreign purchases.
* Duties / taxes or shipping / transport. ☐

Q49. What document will outline the time extensions you are entitled to over the contract period?

Answer

The contract - check general conditions ☐



QBCC NEW HOME CONSTRUCTION CONTRACT

THIS DOCUMENT CONTAINS:

Schedule for QBCC New Home Construction Contract

Prime Cost Items Schedule

Provisional Sums Schedule

Form 1 - *Commencement Notice*

Form 2 - *Extension of Time Claim and Owner's Response to Claim*

Form 3 - *Progress Claim*

Form 4 - *Notice of Dispute of Progress Claim*

Form 5 - *Variation Document*

Form 6 - *Defects Document*

Form 7 - *Certificate of Practical Completion*

These forms are produced on 'No Carbon Required' (NCR) paper.

(Fold this cover under the triplicate copy when filling out forms)

When each form or schedule is completed, the Contractor is to retain the original document and give two (2) copies to the Owner. Extra copies of forms and schedules may be downloaded from the QBCC website.

NOVEMBER 2013

SCHEDULE FOR

QBCC NEW HOME CONSTRUCTION CONTRACT

This contract is intended to be used for the construction of a new home or other projects involving 'designated stages' (i.e. base, frame, enclosed and fixing stages).

NOTE TO OWNER: To better understand your contractual rights and obligations, BEFORE SIGNING carefully read this Schedule and the accompanying QBCC Contract Information Statement and General Conditions, both dated November 2013.

NOTE TO CONTRACTOR: When completed, retain original and give 2 signed copies of this Schedule to the Owner.

THE OWNER

Page 1 of 4

Owner's name/s: JACK BLOGG
Address: 17 DOW STREET
BRISBANE QLD Post Code: 4551
Business Phone: _____ Home Phone: 09177244 Fax: _____
Mobile Phone: _____ Email: JB@6MAIL.COM

Owner has checked the Contractor's licence and history via QBCC's Online Licence Search: ☒ Yes ☐ No

The Owner IS ☒ IS NOT ☐ a Resident Owner. (Tick the appropriate box)

NOTE: An Owner is a Resident Owner if he/she intends to live in the Works on completion or within 6 months after completion.

Owner's Authorised Representative (if any): _____
Address: _____ Post Code: _____
Business Phone: _____ Home Phone: _____ Fax: _____
Mobile Phone: _____ Email: _____

IMPORTANT NOTICE TO OWNER: 'COOLING-OFF' PERIOD
Under the Domestic Building Contracts Act 2000 (the 'DBC Act') you may have the right to withdraw from this Contract during the cooling-off period of 5 business days commencing when you have received both a signed copy of this Contract and the Contract Information Statement. If you wish to withdraw under the 'cooling-off' provisions you must give the Contractor a signed written notice stating that you withdraw from the Contract under section 72 of the DBC Act (see Condition 1 of the General Conditions and Part 1 of the Contract Information Statement for more details).

The Owner and the Contractor agree that the Contractor shall carry out the work described in this Contract for the Total Price it provides and upon its terms.

This Contract includes:

- ☒ New Home Construction Contract Schedule, PC and PS Schedules and Forms 1 - 7, all dated November 2013;
- ☒ General Conditions of New Home Construction Contract dated November 2013; and
- ☒ Plans, specifications and any other contract documents described in Item 17 of this Contract Schedule.

THE CONTRACTOR

Contractor's name (must be as shown on licence): BEST BUILDERS QLD
Licence Number: 771133 ABN No: 661221
Contractor confirms: My licence is current, active and appropriate for this work: ☒ Yes ☐ No
Address: 33 JOB STREET CARINDALE
QLD Post Code: 4118
Business Phone: _____ Home Phone: 112661 Fax: _____
Mobile Phone: _____ Email: BB@EMAIL.COM

Contractor's Authorised Representative (if any): _____
Address: _____ Post Code: _____
Business Phone: _____ Home Phone: _____ Fax: _____
Mobile Phone: _____ Email: _____

Item	Subject	Notes	Particulars
1.	BRIEF DESCRIPTION OF THE WORKS	Insert description of what is to be built and attach and refer to plans and specifications e.g. construction of a new 2 storey home as per attached plans dated... & specifications dated...	5 star Bedroom single story residential house
2.	SITE Condition 7		Site Address: <u>33 Nice Lane</u> <u>BRISBANE QLD 4422</u> Real Property Description: Lot No: <u>33</u> Plan Type (e.g. RP/SP/BUP): <u>RP</u> Plan No: <u>3</u> Local Authority: <u>BRISBANE CITY COUNCIL</u>
3.	STARTING DATE Conditions 6, 12 & 29	NOTE: The Contractor must ensure that the work under this Contract starts by the Starting Date, being the latest of: - the following agreed date <u>12/07/2018</u>; or 10 business days after the issue of approved plans by the Assessing Certifier; or 10 business days after the Owner has satisfied its financial obligations under Condition 6.2.	
4.	COMPLETION PERIOD (including Construction Days and 'Calculable Delays') Conditions 13, 14 & 22	NOTE TO CONTRACTOR: You must state here the allowances (in days) you have made for these delays, if there is a reasonable likelihood they will affect the time required to carry out the work. NOTE TO OWNER: The Contractor is not entitled to claim an extension of the Date for Practical Completion (Item 6) for a particular calculable delay (e.g. inclement weather) unless the number of days the Contractor is actually delayed is greater than the allowance stated here for that calculable delay.	A. Construction Days (excluding delays allowed in 'B') Business days needed to construct the Works = <u>180</u> PLUS B. Delays allowed for which can be estimated ('calculable delays'): (i) Inclement weather allowance (business days) = <u>20</u> (ii) Other likely delays, if any (business days) = <u>10</u> Details of delay <u>delay in freight international</u> (iii) Non-working days (incl. w/ends, RDOs, public holidays, etc.) = <u>10</u> Total delay days allowed: (i) + (ii) + (iii) = <u>40</u> COMPLETION PERIOD: Construction Days (Item 4A) <u>180</u> PLUS Total delay days allowed above (Item 4B) = <u>220</u>
5.	DELAYS NOT ALLOWED FOR ('Incalculable Delays') Conditions 13 & 14	NOTE TO CONTRACTOR: If you reasonably believe that a delay will happen but you cannot estimate the number of days, complete this item. An example of such a delay could be a delay in the delivery of imported materials or fittings which may affect the Date of Practical Completion.	State the reason for the likely delay: <u>Delay in freight international, Removing unforeseen obstacles underground</u> State the general effect the delay is likely to have on the carrying out of the work under this Contract: <u>Slow down project.</u>
6.	DATE FOR PRACTICAL COMPLETION Conditions 13, 14 & 15	NOTE: Complete only one of the options in the 'Particulars' column (i.e. date or number of days) and delete the other.	Date: / / OR Completion Period of <u>220</u> calendar days (see Item 4) from the Starting Date or the date on which the work under this contract is commenced, whichever is the earlier .

Item	Subject	Notes	Particulars
7.	PRICE Condition 16	NOTE: For Prime Cost (PC) Items and Provisional Sums (PS) see Condition 16 of the General Conditions. Where applicable, a PC/PS Schedule must be completed, signed by both parties and attached. WARNING: The Total Price is subject to change due to Conditions 7, 14, 16, 19, 20 & 22.	(a) Lump Sum Component: \$ <u>10,000</u> (incl. GST) (includes deposit in Item 9) + (b) Prime Cost Items (if any): \$ <u>150,000</u> (incl. GST) + (c) Provisional Sums (if any): \$ <u>40,000</u> (incl. GST)
8.	TOTAL PRICE Condition 16	Add 7(a) + 7(b) + 7(c)	TOTAL PRICE: \$ <u>200,000</u> (incl. GST)
9.	DEPOSIT Condition 17	NOTE: The deposit must not exceed 5% of the Total Price if the Total Price is \$20,000 or more, or 10% if the Total Price is less than \$20,000.	Amount of deposit: \$ <u>10,000</u> (incl. GST)
10.	PROGRESS PAYMENTS Condition 17	NOTE: The progress payment stages set out at this Item are appropriate for the construction of a new home or other projects involving designated stages. If the work does <u>not</u> involve designated stages, the QBCC Renovation Extension & Repair Contract or the QBCC Natural Disaster Repair Contract (if the work results from a natural disaster) should be used.	Designated Stages (all prices incl. GST): Base Stage (excluding deposit) – 10% \$ <u>20,000</u> Frame Stage – 15% \$ <u>30,000</u> Enclosed Stage – 35% \$ <u>70,000</u> Fixing Stage – 20% \$ <u>40,000</u> Practical Completion – Balance \$ <u>30,000</u>
WARNING: Insurance protection under the Queensland Home Warranty Scheme administered by QBCC may be reduced if payments are made in advance of contract requirements and construction progress.			
11.	AMOUNT TO BE DEPOSITED IN SECURITY ACCOUNT Condition 18	NOTE: This Item is optional – it may be relevant when the Contract is not subject to loan approval.	\$ <u>50,000</u>
12.	LIQUIDATED DAMAGES Condition 19	NOTE TO OWNER AND CONTRACTOR: You must discuss whether, or what, liquidated damages (LDs) apply to this project and insert either an amount per day or 'NIL' if LDs do not apply. If this space is left blank, a default amount of \$50/day shall apply.	\$ <u>100</u> per day for each calendar day of delay in achieving Practical Completion. NOTE TO OWNER REGARDING LIQUIDATED DAMAGES (if applicable): It is very important that you carefully consider and complete this section. The liquidated damages amount should be a genuine pre-estimate of the costs/losses the Owner will incur (if any) in the event the work under this Contract is not completed by the Date for Practical Completion (including any extra rental and storage costs, lost rent for rental properties, finance costs, etc. directly related to the delay in reaching Practical Completion).
13.	INTEREST RATE ON OVERDUE PAYMENTS Condition 20		<u>7</u> % per annum The rate will not exceed the Commonwealth Bank of Australia Standard Variable Rate for home loans + 5%.

Item	Subject	Notes	Particulars
14.	LOAN APPROVAL Conditions 2, 5 & 6	WARNING TO OWNER: The Loan Approval Date is the date by which the Owner must obtain Loan Approval. Consult your Lender before inserting a date. Delays in providing evidence of your financial capacity may delay the start of your project or lead to termination of the Contract.	The Contract IS/IS NOT subject to Loan Approval. (Cross out whichever does not apply) Lender: <u>COMBANK</u> Lender's address: <u>BANK ROAD</u> <u>QLD</u> Amount of Loan: \$ <u>200,000</u> Loan Approval Date: <u>07 / 07 / 18</u> (day) (month) (year)
15.	PARTY RESPONSIBLE FOR OBTAINING PLAN APPROVALS Condition 5		<u>OWNER</u> (State whether the responsible party is Owner or Contractor)
16.	PARTY RESPONSIBLE FOR COST OF EXTRA EXCAVATIONS AND FOUNDATIONS Condition 22	This item relates to responsibility for any extra excavations and foundations beyond what could reasonably be established from the foundations data.	<u>OWNER</u> (State whether the responsible party is Owner or Contractor)
17.	CONTRACT DOCUMENTS Condition 24	NOTE: Any subsequent amendments or variations to this Contract must be recorded in a Variation Document (such as QBCC Form 5) which then forms part of the Contract.	(a) PLANS (dated and attached) supplied by: Contractor ☐ Owner ☒ on / / N/A ☐ (b) SPECIFICATIONS (dated and attached) supplied by: Contractor ☐ Owner ☒ on / / N/A ☐ (c) PRIME COST ITEMS / PROVISIONAL SUMS Are Prime Cost Items included? YES ☒ NO ☐ Are Provisional Sums included? YES ☒ NO ☐ If YES, the Contractor must complete the Prime Cost Items or Provisional Sums Schedule/s and copy to Owner. (d) FOUNDATIONS DATA supplied by: Contractor ☐ Owner ☒ on / / N/A ☐ NOTE: Foundations Data must be obtained if the contracted work requires the construction or alteration of, or may adversely affect, footings or a concrete slab for a building. Unless appropriate and reliable Foundation Data already exists, the Contractor is required to obtain appropriate Foundations Data and provide a copy to the Owner upon payment of the costs incurred in obtaining the data.
18.	SIGNATURES	NOTE: The Contractor must give the Owner a signed copy of the entire Contract, including plans and specifications, together with a copy of the QBCC approved Contract Information Statement, as soon as practicable (but within 5 business days) after entering the Contract.	Signed by the Owner/s: Owner 1: <u>[Signature]</u> Owner 2: _____ (if any) In the presence of: _____ (witness) Signed by the Contractor: <u>[Signature]</u> In the presence of: _____ (witness) Dated this: <u>07</u> day of <u>07</u> 20 <u>18</u>

PRIME COST ITEMS SCHEDULE

PC Items Schedule No.

If this Schedule is used, both the Owner and Contractor must retain copies. All prices include GST.

Description of Item	Contractor's best estimate of price, and breakdown of estimate		PLUS Contractor's margin (state \$ amount or % to be added)	Total for Prime Cost Item (incl. margin & GST)
	No. of items or quantity of materials	Cost per unit		
Example: Floor tiles	50m ²	\$30/m ²	+ 10%	\$1,650
FLOOR TILES WALL TILES	400m ² 140m ²	\$80m ² \$60m ²	20%	10 000
CARPENTRY	MATERIAL LABOR		20%	50 000
Concreter/Foundations	"		20%	20 000
Painter	"		20%	15 000
Electrical	"		20%	15 000
Plumber/Drainage	"		20%	10 000
Landscaping	"		20%	10 000
Plasterer	"		20%	15 000
Rofer	"		20%	15 000
Total (Transfer total to Item 7(b) of Contract Schedule)				\$ 200 000 (incl. GST)

Signed by the Owner/Owner's Representative

DATED: 17 / 07 / 07
(day) (month) (year)

Signed by the Contractor/Contractor's Representative

DATED: 07 / 07 / 07
(day) (month) (year)

NOTE TO OWNER/S AND CONTRACTOR

These allowances should be kept to a minimum to reduce uncertainty about the Total Price of the Contract.

When this Schedule is completed, Contractor to retain original and give 2 legible copies to Owner.

PROVISIONAL SUMS SCHEDULE

If this Schedule is used, both the Owner and Contractor must retain copies. All prices include GST.

Description of work the subject of Provisional Sum	Contractor's best estimate of cost of providing the contracted service. Include the estimated quantities of materials (if any), unit cost of those materials, estimated labour cost, and other costs (e.g. equipment hire).	PLUS Contractor's margin (state \$ amount or % to be added).	Total for Provisional Sum (incl. margin & GST)
Example: Rock removal	Excavator hire 5 hrs @ \$150/hr = \$750 Float hire = \$400 Tip fees = \$200 TOTAL = \$1,350	+10%	\$1,485
CRANE HIRE	Lift frames \$1500	20%	\$1800
Excavator Removal/pre site	2 days \$3000		\$3600
Total (Transfer total to Item 7(c) of Contract Schedule)			\$ 5400 (incl. GST)

Signed by the Owner/Owner's Representative

DATED:/...../.....
(day) (month) (year)

Signed by the Contractor/Contractor's Representative

DATED:/...../.....
(day) (month) (year)

NOTE TO OWNER/S AND CONTRACTOR

These allowances should be kept to a minimum to reduce uncertainty about the Total Price of the Contract.

When this Schedule is completed, Contractor to retain original and give 2 legible copies to Owner.



FORM 1

COMMENCEMENT NOTICE

(Condition 12 of the General Conditions of QBCC New Home Construction Contract)

To: (Owner/s) JACK

(insert name and address of Owner/s)

From: (Contractor) BEST BUILDER

(insert name and business address of Contractor)

SIGNED:

(Contractor to sign here)

DATED:

day month year

(day) (month) (year)

NOTE TO OWNER

The Date for Practical Completion is subject to extensions of time authorised under this Contract.

OWNER'S ACKNOWLEDGEMENT OF RECEIPT OF COMMENCEMENT NOTICE

From: (Owner/s) _____

(insert name and postal address of Owner/s)

To: (Contractor) _____

(insert name and business address of Contractor)

Site address: _____

I/we acknowledge receipt of your Commencement Notice dated:

27/07/07
(day) (month) (year)

advising that work under the Contract commenced on Site on:

(day) (month) (year)

and that subject to extensions of time authorised under the Contract, the Works will reach Practical Completion on:

(day) (month) (year)

SIGNED:

OWNER
(Owner/s to sign here)

DATED:

(day) (month) (year)

NOTE TO OWNER

Retain the original of the entire Commencement Notice for your files.

Please complete and promptly post back to the builder a signed copy of this acknowledgement section.

FORM 2

EXTENSION OF TIME CLAIM AND OWNER'S RESPONSE TO CLAIM

(Condition 14 of the General Conditions of QBCC New Home Construction Contract)

Note to Contractor: This blank form may be copied for multiple use. You must attach any relevant supporting documents.

To: (Owner/s) JACK
(insert name and address of Owner/s)

From: (Contractor) Best Builder

Regarding construction at: Best Street
(insert Site address)

The Contractor wishes to claim an extension of time of the Date for Practical Completion.

The cause of the delay in achieving Practical Completion is: Variation requested by client and extending the main ensuite 10m²
(insert full description of a cause of delay from Condition 14.1)

The cause of the delay: ☒ is not a cause of delay listed in Schedule Item 4B.
(tick whichever is applicable) ☐ is a cause of delay listed in Schedule Item 4B, but the number of days that the Contractor has actually been delayed is more than that stated in Schedule Item 4B.

The delay arose on: 08 / 08 / 07
(day) (month) (year)

Number of additional business days claimed by the Contractor as a consequence of this delay: 14
(business days)

New Date for Practical Completion after allowance for this delay: 16 / 08 / 07
(day) (month) (year)

SIGNED: OWNER DATED: _____
(Contractor/Contractor's Representative to sign here) (day) (month) (year)

NOTE TO OWNER

The Contractor must give you this form within 10 business days of the cause of delay. If you accept the Contractor's claim for an extension, then the Date for Practical Completion will be extended by the business days claimed by the Contractor. You must indicate your acceptance, rejection or partial rejection of the Contractor's claim by completing, signing and returning this form, or similar written notice, to the Contractor as soon as possible but within 10 business days of receiving the claim. Keep a copy.

OWNER'S RESPONSE TO EOT CLAIM DATED: _____/_____/_____

EOT Claim Response No. _____

Tick whichever is applicable:

- ☒ The Owner agrees with the extension of time claim.
☐ The Owner rejects the extension of time claim.
☐ The Owner rejects part of the extension of time claim. The part of the claim rejected is _____ business days.

The reason/s for rejecting all or part of the extension of time claim is/are: (state reasons below)

Signed by the Owner/Owner's Representative: _____ DATED: _____
(day) (month) (year)

When both parties have completed the form, Contractor to retain the original and return 2 legible copies to Owner.

FORM 3

PROGRESS CLAIM

(Conditions 16 and 17 of the General Conditions of QBCC New Home Construction Contract)

Note to Contractor: This blank form may be copied for multiple use. Give this form to the Owner, together with Form 4 and any certificates of inspection relevant to this payment stage.

To: (Owner/s) Jack
(insert name and address of Owner/s)

From: (Contractor) Best

Regarding construction at: Best STREET
(insert Site address)

The Contractor certifies that the Works have reached the:

☒ Base Stage	☐ Frame Stage
☐ Enclosed Stage	☐ Fixing Stage
☐ Practical Completion	_____ Stage*

*This box can only be ticked if this progress payment stage has been set out in Schedule Item 10.

The Contractor claims payment for the following:

1. The completion of Works to the Stage indicated above in the amount of: \$ 20 000
(insert the amount in words and figures)

NOTE: The percentage of the Total Price that can be claimed is set out at Item 10 of the Contract Schedule.

2. The following Prime Cost Items in the following amounts: (Delete this section if this claim does not include Prime Cost Items)

• Foundations / concrete	\$ 10 000
• Prep site clear	\$ 2 000
• _____	\$ _____

(insert description of Prime Cost Item/s)

NOTE: The Contractor must attach to this progress claim any invoice, receipt or other document showing the cost of any Prime Cost Item.

3. The following Provisional Sums in the following amounts: (Delete this section if this claim does not include Provisional Sums)

• Machine Hire	\$ 4 000
• _____	\$ _____
• _____	\$ _____

(insert description of Provisional Sum Item/s)

NOTE: The Contractor must attach to this progress claim any invoice, receipt or other document showing the cost of any Provisional Sum.

4. The following variations (must have been previously recorded in a Variation Document and authorised by Owner):

• _____ as set out in QBCC Form 5 - Variation Document dated: / /	\$ _____
• _____ as set out in QBCC Form 5 - Variation Document dated: / /	\$ _____
• _____ as set out in QBCC Form 5 - Variation Document dated: / /	\$ _____

(insert description of variation/s) (insert Variation Document date) (insert amount of increase or decrease due to variation)

TOTAL AMOUNT OF THIS PROGRESS CLAIM: \$ 20 000
(add amounts at 1, 2 and 3, and add or deduct variation amounts at 4) (incl. GST)

Signed by the Contractor/Contractor's Representative: _____ DATED: _____/_____/_____
(day) (month) (year)

NOTE TO CONTRACTOR: Where claim is for Practical Completion Stage, you must attach a Defects Document in BSA Form 6.

NOTE TO OWNER: Except for the Practical Completion Stage, you must pay the amount claimed by the Contractor, or any part of it with which you agree, within 5 business days of receipt of this progress claim. If you dispute all or part of the Contractor's progress claim, you must, within 5 business days of receiving this progress claim, give the Contractor a QBCC Form 4 - Notice of Dispute of Progress Claim or similar written notice stating that you dispute all or part of the progress claim and your reasons for doing so. For the Practical Completion Stage, you must pay the Contractor immediately upon execution of QBCC Form 7 - Certificate of Practical Completion.

When form completed, Contractor to retain original and give 2 legible copies to Owner.

FORM 4

NOTICE OF DISPUTE OF PROGRESS CLAIM

(Condition 17 of the General Conditions of QBCC New Home Construction Contract)

Note to Contractor: This blank form may be copied for multiple use and must accompany a QBCC Form 3.

Note to Owner: If you intend to dispute a progress claim, this form must be returned to the Contractor within 5 business days of receipt of the disputed progress claim.

To: (Contractor) Best

(insert name and business address of Contractor)

From: (Owner/s) Jack

(insert name and address of Owner/s)

Regarding construction at: Best street

(insert Site address)

(tick whichever is applicable)

☒ The Owner **rejects all** of your progress claim dated: / / (insert date) for the
(day) (month) (year) Stage.

OR

☐ The Owner **rejects part** of your progress claim dated: / / (insert date) for the
(day) (month) (year) Stage.

The value of the part of the progress claim that is rejected is:

\$ (incl. GST)
(insert amount)

The reason/s for rejecting all or part of the claim is/are: (set out reason/s)

Poor quality in slab, not level / correct falls on exposed paths with no drainage. correct these errors as this is not to standard or to the contract.

SIGNED: _____
(Owner/Owner's Representative to sign here)

DATED: / /
(day) (month) (year)

When form completed, Owner to give the Contractor the original and Owner to retain 2 legible copies.

FORM 5

Variation No. _____

VARIATION DOCUMENT

(Condition 22 of the General Conditions of QBCC New Home Construction Contract)

Note to Contractor: This form, which may be copied for multiple use, must be presented to and signed by the Owner **before** you start any work described in the variation.

To: (Owner/s) Jack
(insert name of Owner/s)

From: (Contractor) Best

Site Address: Best street
(insert Site address)

This document is for a variation:
(tick whichever is applicable)

- ☐ required by law
☒ for extra excavation and foundations
☐ requested by the Owner/Owner's Representative
☐ requested by the Contractor/Contractor's Representative for the following reasons: Extra footing for extension on house slab
(insert reasons)

The change to the Works is as follows: Extended floor area on house, extra foundation/footings
(insert description of the variation including any change to the work or materials required by reason of the variation)

The Contractor's/Contractor's Representative's reasonable estimate of the period of any delay in the Date for Practical Completion that will result from the variation is: 2 business days.

NOTE TO CONTRACTOR/CONTRACTOR'S REPRESENTATIVE:

If the variation causes you actual delay you must also submit a QBCC Form 2 – Extension of Time Claim and Owner's Response to Claim within 10 business days of the delay (see Condition 14).

The variation will change the price payable by the Owner as follows: (tick whichever is applicable)

- ☒ increase the price by: \$ 10,000
(incl. GST)
☐ no change to price
☐ decrease the price by: \$ _____
(incl. GST)
☐ increase/decrease (delete whichever is not applicable) the price by an amount that will be calculated as follows:

(state how the increase/decrease will be calculated)

The increase or decrease (if any change) in the Total Price payable by the Owner as a result of the variation will be taken into account in the Contractor's progress claim for the following Stage described in Schedule Item 10:

(insert description of Stage from Schedule Item 10)

(Owner/Owner's Representative to initial here)

SIGNED: _____
(Owner/Owner's Representative to sign)

SIGNED: _____
(Contractor/Contractor's Representative to sign)

DATED: ____/____/____
(day) (month) (year)

DATED: ____/____/____
(day) (month) (year)

When form completed, Contractor to retain original and give 2 legible copies to Owner.



FORM 6

DEFECTS DOCUMENT

(Conditions 15 and 21 of the General Conditions of QBCC New Home Construction Contract)

Note to Contractor: This form (which should be completed with the Owner at handover) may be copied for multiple use.

Identify below those minor defects or minor omissions which are agreed between the parties and those minor defects or minor omissions which are **not** agreed by the Contractor, then sign and date this form.

Door does not close

Signed by the Owner/Owner's Representative

Signed by the Contractor/Contractor's Representative

DATED: / /
(day) (month) (year)

DATED: / /
(day) (month) (year)

When form completed, Contractor to retain original and give 2 legible copies to Owner.

FORM 7

CERTIFICATE OF PRACTICAL COMPLETION

(Conditions 15 and 17 of the General Conditions of QBCC New Home Construction Contract)

NOTE TO CONTRACTOR/CONTRACTOR'S REPRESENTATIVE

The Contractor must complete, sign and give 2 copies of this Certificate to the Owner before demanding the Progress Claim for the Practical Completion Stage.

The Works have reached Practical Completion as:

- ☐ upon inspection of the Works, the Owner was satisfied that the Works had reached Practical Completion in accordance with the requirements of this Contract, including Condition 3 of the QBCC General Conditions of New Home Construction Contract; and
- ☐ the Contractor has provided the Owner with all written evidence (including, where the Owner has not engaged the building certifier, copies of all relevant certificates of inspection produced or held by the building certifier) that all relevant inspections and approvals required by the *Sustainable Planning Act 2009* and the *Building Act 1975* and any body having the relevant jurisdiction were satisfactorily completed; and
- ☒ the Contractor has completed and signed a QBCC Form 6 – *Defects Document* and given 2 copies to the Owner; and
- ☐ the Contractor handed over the Works to the Owner on the Date of Practical Completion.

The Date of Practical Completion was:

..... / /
(day) (month) (year)

Owner

Signed by the Owner/Owner's Representative

Builder

Signed by the Contractor/Contractor's Representative

DATED: / /
(day) (month) (year)

DATED: / /
(day) (month) (year)

NOTE TO OWNER/OWNER'S REPRESENTATIVE

If the Contractor has completed all of the requirements listed in this Certificate, the Owner must, upon receiving a signed copy of this Certificate, immediately pay the Contractor the Progress Claim for the Practical Completion Stage (as adjusted under Condition 19, if applicable).

When form completed, Contractor to retain original and give 2 legible copies to Owner.