



CPCBC4003A SELECT AND PREPARE 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. 25/01/18

Number of questions	Number of questions answered correctly	Satisfactory?	
		Yes	No
32		☐	☐



ASSESSOR COMMENTS



Q1. Why is it necessary and important to have a fully documented and completed compliant building contract between a contractor (Builder) and client?

Answer

So both parties involved are covered by the law if any problems were to arise throughout the contracted period. This also will give both client and contractor a detailed reference on what is involved in the deal/contract.



Q2. Briefly list some of the things you need to know before you can select and prepare a construction contract (e.g. Various Acts, Legislation, Regulations and Authorities)?

Answer

- Legislation
- Basic Contract Principles
- Legal Capacity
- Queensland Building and Construction Commission
- Offences under the act
- Penalties as per legislation
- Preliminary agreement
- Contract definition



Q3. What does the acronym QBCC stand for and what does it regulate in the Queensland building industry?

Answer

- QBCC stands for - Queensland Building and Construction Commission which regulates:-
- licensing contractors
 - education of contractors and their legal rights and responsibilities
 - Handling disputes fairly and equitably
 - Protecting homeowners against loss through the Queensland Home Warranty Scheme.
 - Implementing and enforcing legislative reforms and, where necessary, prosecuting people not complying with the law.



Q4. Who is the Queensland Civil and Administrative Tribunal and what is its role?

Answer

A tribunal for building disputes can be sorted out, parties involved may represent themselves to lower costs.



Q5. What is the dollar value limit above which a written contract must be in place between parties?

Answer

\$3300



Q6. What is a contract deemed as when an enforceable agreement between two parties satisfies certain legal, legislative and technical requirements?

Answer

A contract is also deemed as:-

- An offer given by one party to another
- The acceptance of the offer by a party.
- An intention to create a legal relationship
- Consideration given by the second party for the offer.





Q7. There are a number of industry contracts on the market.
Name where some of these might be obtained.

Answer

- QBCC
- Master Builders
- HIA
- ABIC
- * Refer to websites.



Q8. What is a Residential Building Contract?

Answer

- A contract between a builder contractor and a residential owner for agreed sum.
- terms and agreements between two parties
- easy to use industry standard document.
- terms + conditions
- Easy reference to schedules + clauses.



Q9. In order to understand the essential terms and elements of a contract it is necessary to look at the *Residential Building Contract – Sections and Additional documents* which are needed for a contract to be effected.

What are these additional documents which ensure that a contract complies with the law? Who would be consulted?

Answer

Section :-

- The schedule
- Appendix
- General conditions of contract.

Additional Documents :-

- Engineer specs / foundations
- Drawings
- Termite, soil tests etc
- Cooling off period
- Additional Documents

In the case of Master Builders RBC-1 contract consultation may include Master Builders and/or QBCC





Q10. When might you use a Residential "Cost Plus" Contract?
Give an example.

Answer

A residential "cost plus" contract can be used when the extent of work cannot be determined. An example of this would be:

- termite repairs
- renovation/extension of new roof joint.
- repair to underground services.
- Etc.



Q11. What are the four essential elements for an agreement to contain to be regarded as a contract and in which if any one of the four is missing, then the agreement cannot be legally binding?

Answer

- Offer
- Acceptance
- Intention of legal consequences
- Consideration.



Q12. When might an 'offer' be deemed to have lapsed?

Answer

- when the time for acceptance expires
- If the offer is withdrawn before it is accepted
- After reasonable time e.g. longer than life of offer.



Q13. 'Intention of Legal Consequences' requires that the parties intend to enter into a legally binding agreement. What does this mean?

Answer

- Parties must intend to create legal relations and understand the agreement can be enforced by law.
- Intention to create legal relations is presumed, so the contract does not need to state legal consequences.
- If parties involved wish not to be legally bound this must be clearly stated in the contract so it is not legally enforced.



Q14. In order for a contract to be binding it must be supported by 'consideration'. Explain this term.

Answer

- One party promises to do something in return for a promise from another party.
- Consideration is what every party gives to the other as the agreed price for the others promises.
- Usually the consideration would be payment of money.



Q15. Explain each of the following terms.

Answer

Term	Explanation
Addition	• Written contract setting out terms and conditions • Give legible signed copy to client of the contract Any construction or change to a building that increases its dimensions.
Arbitration	The procedure for resolving disputes less formal than court hearing. An arbitrator's decision is final and cannot be appealed.
BCA	The Building Code of Australia
Building Act 1993	The act binds all persons, including the State, and, as far as legislative power of the parliament permits, the commonwealth and other states.
Building inspections	Assists Owners, builders and contractors to ensure building meets building regulations and codes of practice. Inspectors check design documents and on site throughout project.
Final inspection certificate	Building has been inspected and passed according to the Building Regulations 2006. Obtained on final inspection after passing.
Compliance	Achievement of performance criteria described in a regulation or requirements demonstrated by a compliance or approval certificate.
Contract	An agreement between two parties for the exchange of goods + services for financial reimbursement or other.
Domestic dwelling	One or more building (detached house or one or more attached dwellings)

Q16. Explain each of the following terms.

Answer

Term	Explanation
Major domestic building contracts	If engaging a builder or tradesmen for work valued over \$5000
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 who issue building permits and occupancy permits and have the same power as municipal building surveyors.
Qualified person	A person usually with a certificate of registration by appropriate authority as qualified to design, construct, supervise the erection of buildings + services.
Site coverage	Part of an allotment which is covered by buildings, expressed as a percentage of the area of the allotment.
Structure	A construction which performs a function or functions requiring rigidity e.g. bridge or a mast.
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.

Q17. A breach of contract is a legal cause of action in which a binding agreement or bargained-for exchange is not honoured.

Explain then a minor breach of contract, a material breach of contract and a fundamental breach of contract.

Answer

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



Q18. Explain in your own words 'Liquidity (Liquidated) Damages'?

Answer

Liquidity damages is compensation for breach of contract for a fixed sum as determined in the contract or later by court ruling. This may be caused by failure to meet schedule/time targets, performance requirements ending with owner ~~not~~ deducting from monies owed to contractor.





Q19. When preparing a quote what are some of the things for a contractor to consider ensuring?

Answer

- Accurately describe the scope of work priced for
- Sunset date; quote is valid for 10 days/specify.
- Includes all details e.g. tiles, gyprock, fixtures etc.



Q20. The Queensland Building and Construction Commission (QBCC) provides five contracts for residential building.

Name them and briefly explain the use of each contract.

Answer

- ① QBCC New Home Construction Contract:
 - ▼ For the construction of an entire home
- ② QBCC Renovation, Extension and Repair Contract:
 - ▼ For renovations, extensions, improvements and routine repairs to a home, duplex or home unit.
- ③ QBCC Natural Disaster Repairs Contract:-
 - ▼ Intended for repairs arising from damage caused by natural disasters
- ④ QBCC Contract for Small business Projects up to \$3,300
 - ▼ Small renovations, maintenance and repair jobs with a contract price up to \$3300.
- ⑤ QBCC Demolition contract for Residential Premises
 - ▼ For demolition of homes damaged by a natural disaster.



Q21. In your own words briefly explain 'an offer' and 'an acceptance' as they apply to an agreement or contract of engagement.

Answer An offer is one party offering goods/services to another party under certain circumstances. The offer may be revoked at anytime until acceptance is made by the other party. Acceptance completes the negotiation and creates the contract.



Q22. What is your understanding of 'Consent' as it applies to contracted agreements between parties?

Answer Consent is when both partys involved accept the terms and conditions involved in the contracted argreement. The partys excersising sufficient mental capacity to make the decision shows consent by the agreement to the contract. There will be no binding contract without real consent from "BOTH" parties involved.



Q23. When preparing contracts what must you always do?

Answer

- Read and understand the contract before it is signed.
- Study all conditions in a contract.
- Fill each item out fully
- All parties must initial all changes/alterations to the contract, initial by both parties to the contract,
- Each party to be given a copy of the completed document in triplicate.



Q24. An offer may be withdrawn by the contractor at any time prior to acceptance unless the offer is stated to be open for a set period of time.

At what point is withdrawal of an offer communicated? Tick your response.

Answer

Choice	Possible Answers
☐	Upon posting the withdrawal in the mail
☒	Upon receipt of withdrawal (i.e. either <u>directly</u> or receipt of postal withdrawal)
☐	Upon leaving a note in the offeror's letter box

☐

Q25. A building contractor must not enter into a regulated contract containing a price change clause unless the contract contains a warning complying with this section. What must the warning state?

Answer

The warning of price change must state.

- ▼ The contract price is subject to change
- ▲ The provisions of the contract that allow for the contract price to be changed.
- ▼ The provisions should be near as possible to the first reference in the contract to the contract price
- ▲ If there is no warning for contract price in the contract then any price change clause has effect only to allow the contract price to decrease.

☐

Q26. What is a 'price change' clause?

Answer

Price change clause means a provision of a domestic building contract allowing for a change to be made to the contract price, but does not include a cost escalation clause.

☐



- Q27. Schedule 1B of the *Queensland Building and Construction Commission Act 1991* (Qld) sets out maximum deposit percentages that must not be exceeded.

Complete the missing words from the sentences below.

If the contract for domestic building work is priced at \$ 20,000 or more, the maximum deposit is 5 %.

If the contract price is more than \$ 3,300 and less than \$20,000, the deposit must not exceed 10 %

Answer

☐

- Q28. The Domestic Building Contracts Act 2000 sets out an instalment schedule for progress payments in the construction of a residential dwelling. Complete the Schedule:

Answer

Stage	% of total contract
Deposit	5%
Base stage	15%
Frame stage	20%
Enclosed stage	25%
Fixing stage	20%
Practical completion	15%

☐

Q29. How must a Builder (Contractor) deal with a 'time extension' and/or 'variation' to the contract when requested by the customer (client)?

Answer

- A variation must be in writing from the client
- Extension of time form presented to client to grant extension on contract period to allow for delays caused by variations to the contract.
- Specific details are to be set out and include reasons for extension of time.
- Be familiar of General contract conditions to know entitled extensions over contract period



Q30. You have been engaged by a Client to construct their residential dwelling and the proposed contract amount is \$550,000. Your client has finance approval from their lending bank and is pressuring you to accept a \$70,000 deposit to get priority on their construction.

Should you accept the deposit? Explain your response.

Answer

No, as stated in QLD Domestic Building Act 2000 where it states for contracts over \$20,000 a deposit of 5% is the maximum the contractor may receive and in the above case this is more than double the lawful amount. The contractor/Builder may be prosecuted by courts, tribunal and QBCC over such a matter.





- Q31. During your build the client has emailed you at 7:00pm to say they have been to the premises and noticed the installed bath in the central (common) bathroom is the wrong style.

You check the contract and the white goods and chattels list selected by the client. You cross check this with the specifications and your materials order and the receivable order sheets. You establish that the bath, as per these details, is correct and there has been no mistake on your part.

Draft a detailed response email to your client alerting them to the pertinent parts of the contract and specification, cross-referencing the details in regard to this item and its installation.

Answer

Good day Client,

After receiving your email regarding the bath in the common bathroom, I would like to direct you to the white goods and chattel and plan specifications in our agreed contract as this bath is as per detailed. I have attached the material and receivable orders for this item to the email for your comparison. All is as per detailed in the plans/contract. If you would like to change the style of bath this can be achieved via a variation which will have added costs to your party involved. Please let me know if the design you would like to change and I can have a variation document and quote made up and given to you for consent, once you have agreed to proceed in the variation I can continue with the design change.

Thanks

Builder.





Q32. Prepare a Domestic Building Contract using the following information. Be sure to define the factors that may lead to the termination of a contract during the preparation of the contract.

You are to prepare a Domestic Building Contract to address a low rise building project on the Lend Lease Housing Estate Project at Yarrabilba, Queensland.

Mr. and Mrs. Jack and Marie Cousins are consumers who presently reside at 49-54 Glen Logan Lakes Drive, Greenbank QLD 4124. The Client contact details are:

- Telephone 07 4014 5760
- Fax 07 4015 5766
- Mobile 0408 878 411 (Jack Cousins) / 0409 713 141 (Marie Cousins).

Mr. and Mrs. Cousins intends to engage your company Resilient Homes Pty Ltd (QBCC License 141526) in order to build a new residential dwelling as their future retirement property at 114 Burley Griffin Drive, Yarrabilba, QLD 4207. Mid-term of this build the clients intend putting their current home on the real estate market for sale.

Additional details:

- The land has been secured and paid for by the Clients.
- Proposed contract amount is \$580,000.00 plus \$85,000 for a kidney shaped 9metre x 6metre in-ground swimming pool, landscaping, gardens and lawns.
- Mr. & Mrs. Cousins have finance approval from the Commonwealth Bank for \$390,000.00 and the balance in cash. You have received written assurance from the Clients finance company and bank that their finances for the build are fully secured.
- Mr. and Mrs. Cousins want to pay you \$75,000.00 upon signing of the contract to get their build at the top of your priority list.
- The residential dwelling will be a low set single skin masonry structure with hip and valley roof using glazed clay tiles, contrast metal fascia and gutters and colour/rendered finish on a 1000m² level block upon which there are three large standing hardwood trees which will need to be fully removed.
- The Clients want the largest tree wood chipped and the chipped bark retained on site for the future gardens and landscaping.
- Mr. and Mrs. Cousins operate an aluminium window supply company and have advised they will supply all the windows and shower glass for the build.
- The dwelling has four bedrooms with built-ins. The master bedroom has ensuite with toilet, spa bath and double shower and walk-in robe and dressing area. There is an office, gourmet kitchen with stone bench tops and butler's pantry, media room, separate open plan dining adjacent to the kitchen plus slate tiled outdoor entertaining area adjacent to the pool, two living areas (formal and informal), two bedrooms share a bathroom with bath, shower, double vanity and toilet and the guest bedroom is ensuited with shower only, toilet and single vanity, there is a powder room (toilet and vanity only), three car garage (one double and one single) and a store/workshop room at the rear of the double bay garage. A slab is to be put down in the back corner of the allotment for a 5M x 3M garden shed.
- The council approved building plans have been provided by Mr. and Mrs. Cousins these do not include the garden shed slab.
- The construction period excluding inclement weather and possible delays is 23 weeks
- Provisional sums are required for the wet areas, alfresco area and living area tiling. (Only the bedrooms are carpeted).
- Prime costs are required for the solar hot water system and ducted air conditioning
- Provide fictitious details for all other sections of the contract.



Answer

Notes to client



- * Decline of offer of \$75,000, maximum deposit is 5% which is acceptable by law.
- * Garden Shed is not included in contract price due to non-approval of council. When approval is in place a variation can be submitted.
- * Please read carefully through the contract and sign highlighted areas, any question be sure to ask so we can move forward with construction.
- * Return within 5 working days with the Commencement Notice sheet I have attached.

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.

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THE OWNER

Owner's name/s: Jack and Marie Cousins
Address: 49-54 Glen Logan Lakes Drive, Greenbank QLD 4124
Post Code: 4124
Business Phone: 0409713141 (MARIE) Home Phone: 07 4014 5760 Fax: 074015 5766
Mobile Phone: 0408 878411 (Jack) Email: _____

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 <i>Domestic Building Contracts Act 2000</i> (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.
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THE CONTRACTOR

Contractor's name (must be as shown on licence): Resilient Homes Pty Ltd

Licence Number: 141526 ABN No: _____

Contractor confirms: My licence is current, active and appropriate for this work: ☒ Yes ☐ No

Address: 51 Jack Street Greenbank
QLD Post Code: 4124

Business Phone: 554 774 Home Phone: 662 554 Fax: _____

Mobile Phone: _____ Email: resilienthomes@yahoo.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...	Construction of a low set masonry structure with 4 bedrooms and pool as per attached plans + specs
2.	SITE Condition 7	114 Burley Griffin Drive, Yarrabilla QLD 4207 (site address)	Site Address: 29-54 Glen Logan Lakes Dr Greenbank QLD 4124 Real Property Description: Lot No: 114 Plan Type (e.g. RP/SP/BUP): Plan No: 4 Local Authority: Greenbank Council
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 16/02/18; 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 = 161 PLUS B. Delays allowed for which can be estimated ('calculable delays'): (i) Inclement weather allowance (business days) = 20 (ii) Other likely delays, if any (business days) = 20 Details of delay materials (iii) Non-working days (incl. w/ends, RDOs, public holidays, etc.) = 20 Total delay days allowed: (i) + (ii) + (iii) = 60 COMPLETION PERIOD: Construction Days (Item 4A) 161 PLUS Total delay days allowed above (Item 4B) = 60 221
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: RDO, weather, delay in material State the general effect the delay is likely to have on the carrying out of the work under this Contract: material delay bench tops, baths, tiles
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: 24/09/18 OR Completion Period of 221 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: \$ _____ (incl. GST) (includes deposit in Item 9) + (b) Prime Cost Items (if any): \$ <u>650,800</u> (incl. GST) + (c) Provisional Sums (if any): \$ <u>14,200</u> (incl. GST)
8.	TOTAL PRICE Condition 16	Add 7(a) + 7(b) + 7(c)	TOTAL PRICE: \$ <u>665,000</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>33,250</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>66,500</u> 99,750 Frame Stage – 15% \$ <u>\$99,750</u> Enclosed Stage – 35% \$ <u>232,750</u> Fixing Stage – 20% \$ <u>133,000</u> Practical Completion – Balance \$ <u>99,750</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>150,000</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>10</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 (S) IS NOT subject to Loan Approval. (Cross out whichever does not apply) Lender: <u>Commonwealth Bank</u> Lender's address: <u>Greenbank</u> Amount of Loan: \$ <u>\$390 000</u> Loan Approval Date: <u>06 / 02 / 16</u> (day) (month) (year)
15.	PARTY RESPONSIBLE FOR OBTAINING PLAN APPROVALS Condition 5		<u>Client</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>Client</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 <u>06 / 02 / 16</u> N/A ☐ (b) SPECIFICATIONS (dated and attached) supplied by: Contractor ☐ Owner ☒ on <u>06 / 02 / 16</u> 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 <u>06 / 02 / 16</u> 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: day of 20.....

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
<u>Tiling</u> Floor Tiles	60m ²	\$100/m ²	20%	\$7200
Wall Tiles	100m ²	\$60m ²		\$7200
Tile Adhesive	30pc (20kg)	\$20 pc		\$720
<u>Masonry</u> Hollow block	4000pc		20%	\$7680
12mm steel	500pc			\$8400
Mortar Mix	414pc			\$10000
Core Fill - Blacks	30m ³		20%	\$72000
Render Mix	300pc			\$5400
Bondcrete				\$500
<u>Roof</u> Render Color			20%	\$72000
Roof tiles	300m ²	\$200/m ²		\$16000
Fascia/Gutter	80m	\$200m ²		\$18000
Carpets	100m ²	\$150/m ²	20%	\$12000
Solar Hot water System				\$18000
Air Con Ducted				\$100000
<u>Carpentry</u> Frames/Internal/Roof			20%	\$40000
Gyprock				\$30000
Plaster				\$30000
Paint			20%	\$30000
Landscaping				\$30000
Foundations, footing, floors				\$45000
Pool			20%	\$85000
Electrical, internal, fittings				\$45000
Plumbing - fittings, foundations				\$55000
Internal/External				
Total				\$ 650,800
(Transfer total to Item 7(b) of Contract Schedule)				(incl. GST)

Signature

Signed by the Owner/Owner's Representative

DATED: 16 / 02 / 16
(day) (month) (year)

Signature

Signed by the Contractor/Contractor's Representative

DATED: 16 / 02 / 16
(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
3x Hardwood Trees Removed + chipped	Chipper Hire = \$2000 Labour = \$2000	20%	\$4800
Concrete Pump Footings, Floor slab	Pump Hire \$4000 includes Labour	20%	\$4800
Crane Hire	Crane Hire \$3680 includes Labor Moving materials, frames	20%	\$4600
Total (Transfer total to Item 7(c) of Contract Schedule)			\$14,200 (incl. GST)

Signature

Signed by the Owner/Owner's Representative

DATED: 16 / 02 / 16
(day) (month) (year)

Signature

Signed by the Contractor/Contractor's Representative

DATED: 16 / 02 / 16
(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.