

Information Sheet



JCT Minor Works contract

What is a JCT Minor Works contract?

JCT Minor Works Building Contract is a formal contract designed for smaller basic construction projects where the work is of a simple nature. The Joint Contracts Tribunal (the JCT) was established by the RIBA (Royal Institute of British Architects) and the NFBTE (National Federation of Building Trades Employers), their contracts are widely recognised and they balance the interests of contractors and employers.

Some common features and terminology

Contract conditions: There is a contract between the employer and the contractor with standard contract conditions that are filled in with information such as the contract period and contract sum.

The Works: The Works are set out in the contract documents which typically include a specification and sometimes drawings.

Variations: Changes to the Works can be instructed by the contract administrator or architect on behalf of the employer using a contract instruction. The variation may be an addition to the works or omitting part of the work originally specified. If a significant amount of additional work is instructed as a variation, then the contractor will be entitled to additional time. The contract administrator is responsible for assessing the value of additions and omissions. If employers give instructions directly to the contractor, then this is outside the scope of the contract so it is important that employers ensure all instructions go through the contract administrator.

Contract administrator: The contract has provision for a contract administrator or architect whose role is to administer the contract.

Their duties include;

- Carrying out periodic site inspections of work in progress. This is not the same as 'supervision of the works' which implies a greater level of on-site presence. The contractor must supervise his own works. If a greater level of supervision is required by the employer, then a clerk of works can be engaged.
- Issuing instructions on behalf of the employer for any variations to the contract such as additional work or points of clarification.
- Assessing the value of the work for interim stage payments and issuing certificates of payment
- The contract administrator, although employed by the employer has to be independent and objective, particularly when having regard to carrying out assessment of the value of works, dealing with any claims that may be made by the contractor, determining the date when the works are finally complete and resolving other disputes that may arise under the contract.

Interim payments: The contractor is due interim payments on a monthly basis, the value of payments is assessed by the Contract administrator. Payments are only made for works carried out and not in advance or on account. If payment is not made on time, the contractor can stop works and may be able to claim for loss he may have suffered.

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Retention monies: The contract has provision for a retention on interim payments normally in the region of 5% and reducing to 2.5% on completion of the works. So, if the value of works at an interim payment are assessed at £10,000 then 5% [£500] is held back.

Defects rectification period: Retention monies are held for the rectification period, normally a period of 6 months during which time the contractor is obliged to return and attend to any defects that may arise in the works.

Contract period: The contract period states how long the contractor has to complete the works. If additional work is instructed as a variation; either to suit the employer's needs or because of extent of work increasing as a result of additional repairs found to be necessary, then the contractor is allowed more time. There may be other reasons for an extension of time for example delays due to exceptionally bad weather. This will be assessed by the contract administrator.

Provisional sums: When the designer is preparing the specification, the full extent of necessary works may not be known and they may include provisional sums or provisional items. A provisional sum is where a financial cost is inserted that the designer reasonably expects may be incurred. A provisional item would be a description of the works with an estimated quantity or area that the contractor can price that would then be re-measured and agreed between the contractor and the contract administrator.

Liquidated damages: The contract includes the provision for payment of liquidated damages if the works are not completed on time and if the contract administrator has not granted an extension of time. The amount of liquidated damages need to be agreed at the outset. They are not intended to be punitive but to fairly reimburse the employer for their loss. There are defences for contractors and if liquidated damages are applied it can be hotly defended leading to a dispute.

Contractor's design: In some instances, the contractor may have a design responsibility for instance, designing electrical installations. There is provision for a JCT Contract with contractor's design and in this case the design element needs to be clarified.

Termination: The contract sets out provisions for suspending or terminating either whole or part of the work.

What issues should an employer consider?

If you are having work carried out in your home, it may be necessary for the contractor to use services including electricity and water. The issue of site welfare needs to be considered, such as the use of a toilet and washing facilities. If these services and facilities are not available, it needs to be made clear at the outset so the contractor can price appropriately and this can increase the cost of the works.

The employer will have an obligation to provide access to enable the contractor to carry out the work. If access is denied, then the contractor may be able to make a financial claim for loss he has suffered.

If you are having work carried out in your own home, then you should inform your buildings insurance as most policies require that insurers are informed.

Contractors are required to have an up to date public liability policy covering death or injury to people and damage to property. The contractor should also have insurance to cover the cost of any damage to the work while it was being done and for building materials on the premises used in the work.

Summary

This provides a brief summary of the features of the JCT Minor Works Contract. The JCT is recognised throughout the construction industry and are widely acknowledged as being fair and balanced. At Grumitt Wade we are regularly appointed as designers and Contract administrators and are able to advise on appropriate choice of contract.