



YOUR BUILDING PROJECT

Builders often get a bad reputation around the braai and let's face it who hasn't got a story to tell about their builder? But it's not always the builders fault and proper planning can prevent a lot of heartache.

Planning a building project? The Master Builders Association (MBA) has been around for over 120 years and would like to help you choose the right people for your building job. The MBA has contractors in all spheres of the building industry including general building, civil, plumbing, electrical, painting, glazing, waterproofing, ceiling, flooring, tiling, carpentry and members supplying materials, plant, equipment or professional services.

We are often called in to deal with the disagreements that arise between home owners and contractors when things go wrong and would therefore strongly recommend the following simple steps when planning your building project.

Like the old saying says "*Measure twice, cut once.*"

1) Planning;

- *Decide beforehand what you want done;*
- *Formalise this in a plan and detailed specification;*
- *Prepare a budget estimate.*

Before calling contractors to give a quotations, plan exactly what you want done and the amount you can afford to spend.

Be specific, writing down exactly what work is required including the type, specifications & grade of the materials to be used and quality and finishes required.

Prepare a detailed cost estimate and adjust your requirements to suit your budget. Employ a qualified person to draw up plans, determine specifications and submit them to the local authority for approval on your behalf. (This applies to all building work to ensure compliance with National Building Regulations and Municipal regulations)

In the case of significant alterations or new building work, you would also be well advised to employ an Architect or Project Manager and perhaps even a Professional Quantity Surveyor to see the project through to completion and look after your interests. Be sure to check the credentials of your Architect or Project Manager as well.

2) Choose a reliable contractor;

- Do your homework;
- Make a short list of potential contractors;
- Check their references;
- Ensure they are qualified & registered with the relevant authorities such as:

Is your builder a Master Builder?

Whether you are looking for a general building contractor or a specialist subcontractor, make sure that he is registered with the Master Builders Association. Click on the [Find a Master Builder](#) tab on our website for a full selection of contractors to suit your needs.

The association screens its members to ensure that they are registered in terms of various statutory requirements and also performs credit and background checks. Members are also graded and must serve a probationary period before being accepted into full/standard membership.

Obtain references from former clients of the contractors and satisfy yourself that their standard of workmanship is acceptable to you. It would even be advisable to go and view some of the contractors past projects.

Ensure that your contractor is registered with the necessary legal or statutory bodies such as:

- NHBRC (New Build);
- Workman's Compensation;
- Wage determinations of agreements;
- Income Tax;
- VAT;
- Etc.

Legislation currently requires all home builders to be registered with the National Home Builders Registration Council (NHBRC) if you are building a new house (alterations or additions are excluded).

The Home must also be enrolled with the NHBRC and registration and enrolment takes time so don't be caught out by starting to build and then finding out that your contractor is not registered as there are significant implications for both client and contractor who do not comply. Contact the MBA for more information on NHBRC registration and enrolment.

3) Insurance;

- Contractors should have insurance to cover their works risk, etc.
- Ensure that you have sufficient insurance cover for your existing property.

Your contractor should be insured for certain risk such as workman's compensation, works risk, public liability, etc. Appropriate levels of insurance should be agreed between the parties to cover these risks as well as the possible risk of damage to your existing building and contents in the event of a loss during the construction period. You should also agree on who will take out the necessary cover.

It is advisable to inform your own insurance company that you are having building work or renovations done on an existing property to ensure you have suitable cover during construction.

4) Quotations;

- Provide your detailed requirements & specifications;
- Arrange a site visit to clear up any questions;
- Make sure all tenderers have the same information;
- Include allowances for items (prime cost) not yet decided;
- Stipulate the building agreement/contract.

It is best to ask for detailed quotations from at least three reputable contractors.

Provide a detailed written specification (description of work required) to enable the contractor to provide you with a detailed written quotation.

Stipulate which Building Agreement will be used so that the tenderers can price the required items accordingly. The MBA has standard building agreements/contracts available for every kind of building project.

Make allowances for tenderers to include prime cost (PC) amounts in their quotations for any items to be fitted or built in by them but not yet selected. These could include sanitary ware, light fittings, tiles, floor coverings, etc.

When comparing the quotations, make sure that each contractor is quoting on the same basis and in accordance with the specifications provided and ensure that the quotations are clear as to whether the price is inclusive or exclusive of VAT.

Beware of unrealistically low quotations and make sure that all the necessary costs have been included.

5) Accepting the quote and signing the Contract;

- Quotations should be in writing & refer to the specification and the form of contract to be used;
- The quote should include all costs and should specify anything that is not included;
- Make a careful comparison between quotes received and list any questions for the preferred contractor before accepting the quotation;
- Sign your Building Contract;
- Hand over the site to the successful contractor.

Make sure that you confirm acceptance of your selected contractor's quotation in writing before the start of the work.

Don't sign acceptance unless the contractor's offer is firm, in writing, clear and covers all your requirements. It is advisable to use an MBA approved Standard Building Contract.

Make sure that the agreement includes the starting date, the approximate duration of the work, the anticipated completion date, penalties for non-completion cleaning up during the work including the disposal of waste or rubble, the order in which the contractor will proceed while on your premises, payment details and dispute resolution.

6) Project Administration & Management;

- Communicate regularly;
- Monitor performance and quality;
- Consider employing a consultant to manage to project for you.

If you are unable to determine defects and quality workmanship, it is advisable to employ a building consultant or architect to monitor the construction work for the duration of the contract and not only for the submission of plans.

Agree on safe storage of tools and materials. If required, provide your contractor with water, electricity and toilet facilities and include this in your agreement (contract).

Organise, communicate and co-ordinate directly with your contractor and not with his workers. All instructions to the contractor should preferably be committed to writing.

7) Extra work (Variations) ;

- Establish and agree on the cost of extra work or variations before commencement.
- Commit the each variation to writing and record the extra cost or saving.

Extra work/variations during the contract can be expensive and may cause disputes and bitter arguments later on. It is therefore essential to establish the cost of any extra work requested from the contractor in writing before the work is carried out and to confirm any variation instructions in writing, with both parties signing acceptance. This is normally referred to as a variation order or contract instruction.

Verbal Instructions should be avoided but if necessary should always be reduced to writing.

8) Payment;

- Certain completion/payment stages should be agreed upon beforehand and final payment must only be made after inspecting the completed work.
- If you are using mortgage bond finance make sure your contractor is aware of any relevant conditions of your loan and that the bank is aware of the contract you have signed.

You should not normally be required to make a deposit before work commences.

Interim payments on completion of certain sections of work may be agreed upon or specified in a contract or agreement. A request for a progress payment should be accompanied by an invoice detailing the value of the work completed.

For a small project of short duration, payment is often made in one lump sum when the work is satisfactorily completed.

Before taking occupation, inspect the work for defects and incomplete work and list them in writing on a completion or defects list. This step is usually provided for in your contract.

Whilst it is acceptable, in terms of most contracts, to withhold money for defects or incomplete work, the amount withheld is usually limited to a pre-agreed percentage (often referred to as retention) together with an amount equivalent to the value of the uncompleted and defective work.

9) Disputes;

In the event of complaint arising against an MBA member who has failed to fulfil his contractual obligations, a client may submit a complaint to the MBA to assist in resolving the dispute.

The MBA recommends an MBA approved contract be used. These building contracts have specific provisions to deal with disagreements and disputes however these are best avoided by following the steps above and abiding by the terms of the contract.

Issued by

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