

New Revision to Standard Forms Issued by JCT

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JCT issued Revision Z of the Standard Building Contract, the Design and Build Contract and the Minor Works contracts in May 2009.

Main changes include:

- Interim payments after practical completion -rather than payments being made as and when further amounts are due, the .new provision requires this at 2 monthly intervals.
- Where the Employer fails to issue a Certificate or issues it late, an entitlement for the Contractor to be paid interest from what would have been the final date for payment if a Certificate had been issued on time.
- New clause - "Retention Bond" which applies if a bond is being provided in lieu of retention being deducted and text for Form of Retention Bond added.
- Revisals to notice provisions and encouragement to parties to agree a communications protocol at the outset.
- Revisals to termination provision~ so that an increased notice period is required before terminating.
- New Recitals Sixth and Seventh which refer to the contract being supplemented by a Framework Agreement and Supplemental Provisions.
- An obligation on parties to "give serious consideration" to any request to refer disputes to mediation.
- Optional provisions to adopt the principles of the Office of Government Commerce's "Achieving Excellence in Construction" related to:
 - Acceleration Quotation to be submitted by the Contractor where the Employer wants to investigate the possibility of achieving practical completion early.
 - Collaborative working.
 - Obligations to endeavour to establish and maintain a culture and working environment in which health and safety is of paramount concern to all involved with the project and obligations to comply with codes of practice, provide training, provide access to advice and ensure consultation with personnel.

- Contractor is encouraged to propose changes to designs or specifications which may benefit the Employer in terms of cost of works or life cycle cost.
- Contractor is encouraged to suggest economically viable amendments to the works which may result in an improvement in environmental performance.
- Monitoring of contractor's performance against KPI's stated in the contract.
- Provision for meetings between senior executives to negotiate in respect of any disputes.

New "Revision 2009" Guides have also been published which include a list of the Revision 2 changes and a User Checklist containing a checklist of the key information required to complete the Articles of Agreement.

Other changes by JCT include:

- A revised version of the Construction Management documentation which includes the Construction Management Appointment, Construction Management Trade Contract and Construction Management Guide with associated collateral warranties was published in December 2008
- A Consultancy Agreement (Public Sector) was published in Autumn 2008 and designed for use by public sector employers who wished to engage a consultant in relation to construction work.
- There are new contracts for pre-construction services - The Pre-Construction Services Agreement (General Contractor) and The Pre-Construction Services Agreement (Specialist). These are for the interim appointment of a general contractor/specialist to carry out pre-construction services under a two stage tendering procedure. They allow the contractor/specialist to assist the consultant team in developing detailed designs and development of the main contract works and specialist tender documents. It is hoped this will assist in the final design process and preparations for construction including programming, cost plans, buildability and specialist procurement.
- JCT have withdrawn the JCT 98 form. This form has not been updated since the JCT 2005 suite was introduced and is out of date, not taking into account changes since then in legislation such as CIS and COM.

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