

Happy clients at completion

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500 WORDS LTD

+44(0)1625 524249

+44(0)7767 342747  500words.co.uk



Happy clients

Best dealt with at the start

Start: ask better questions

- ♥ What does success look like (aims)
- ♥ What keeps you awake at night about the project?
- ♥ Which of time, cost or quality is most critical?
- ♥ How will works achieve your client's aims?
- ♥ What does the contract really need to reflect?
- ♥ Does your contract explain your USP/values?
- ♥ Does your contract enhance trust?

Start: ask better questions

- ♥ Will your client understand **why** they should work with you?
- ♥ Will your client know **how** to work with you?

Role of each party

Client

- ♥ Give possession
- ♥ Pay regularly
- ♥ Provide instructions

Contractor

- ♥ Plan/do the work
- ♥ Invoice regularly
- ♥ Finish the work
 - ♥ On time
 - ♥ To agreed standards

Role of contracts

Managing expectations and change

Contract contents (minimum)

- ♥ **Who?** People (parties)
- ♥ **What?** Works, goods and services
- ♥ **How much?** Price or cost
- ♥ **When?** Timescales or programme
- ♥ **To what standard?** Quality or performance
- ♥ **Why?** Aims
- ♥ **How?** Methods of working

What? Clear scope

FURTHER INFORMATION

You have explained that you do do not intend to live in the property during the carrying out of the works and we can have unrestricted restricted access during normal working hours.

You must obtain all relevant licenses and consents for the works, and notify your household insurer that building works are going to take place.

Our price does not include:

- Fees payable to the planning authority, local building control and other regulatory authorities
- Fees for specialist advice such as from architects or engineers – you should engage and pay them direct (although we can make introductions)
- Costs you incur in providing us with water, heat, power and lighting to carry out the works.

Tasks which are not our responsibility: design of the works, removal of asbestos, making safe structures on your property and these others:

(List tasks that are not builder's responsibility)



How much? Price or cost

Issues

- ♥ Get a deposit before work starts
- ♥ Fixed price, estimate or cost plus*
- ♥ Periods between regular payments
- ♥ Right to increase where necessary
- ♥ Free issue materials (client to buy)

HOW HAPPY WILL YOU BE WITH THE COST?

If you are carrying out a home-improvement project, this quiz can help predicts your happiness based on the details you have agreed with your builder to avoid friction from money issues.

PRICE CERTAINTY AT THE START		☹	😐	😊
1. Original Cost of the Works	No	Red		
Do you know what the total cost of the works (including any tax) will be - assuming no changes during the project?	Roughly		Orange	
<i>Tip: UK consumer contracts must be priced to include any VAT</i>	Yes			Green
2. Scope of the Works	No	Red		
Are the building works explained or described so you will be sure when the builder has finished (and what will be extras)?	I think so		Orange	
<i>Tip: Ask questions about anything you don't understand</i>	Yes			Green
CERTAINTY OVER THE PAYMENT PROCESS				
3. Payments on Account	No	Red		
Have you agreed how often the builder can ask you for payments before completion (called payments on account or instalments)?	I'm not sure		Orange	
<i>Tip: Instalments can be based on time periods or stages of the build</i>	Yes - it is clear			Green
4. Time to Pay	No	Red		
Have you agreed how long after receiving the builder's invoice you will have to pay it and whether by cheque or bank transfer?	I think so		Orange	
<i>Tip: If nothing is agreed, then it would be a reasonable time (7 days)</i>	Yes - both are clear			Green
5. Getting Payments	No	Red		
Have you checked how long it will take you to get cleared funds (from any savings account or bank) so you can pay the builder?	Not yet		Orange	
<i>Tip: Make sure you have enough time to get the money to pay</i>	Yes			Green

When? Timescales or programme

If you make any changes to the works or your project, it may result in you having to pay extra costs or the works taking more time.

The project is likely to take weeks based on these assumptions:

(Add your assumptions)

This timescale is not guaranteed as circumstances such as bad weather, late deliveries, your delay in providing information, approvals from third parties, or circumstances beyond either of our control may affect the start date and our progress. We confirm we can carry out your project in a reasonable time.

Programme

Moving feast?

♥ Contractor to plan work as it sees fit (no interim dates)

♥ Events which extend completion date eg changes, late access, the unexpected

Initial timeline for work

Contract signed

14 days
Cancellation period (CP)
See Condition 12

End of cancellation period

How the timeline could change

CP Contract cancelled. Payment only if you asked us to 'start work now'. Refunds of monies already paid. See Condition 12 and right to cancel form on page 5

2 days
We provide a list of items to remove, 48 hours before we start

Start date (SD) You provide access. We start the work

Works period (WP)

We carry out the work. See Condition 3.1

You pay us based on our valuation and monthly bills. See Conditions 2.1-2.5

Completion date

We send our final bill and provide copies of guarantees, test certificates etc. See Conditions 1, 2.6-2.8 and 3.4

6 months
Defects period (DP)
See Condition 15.2

End of defects period

Years
Limitation period (LP)
See Guidance Note *

End of limitation period

SD You don't provide access – start date is delayed. Set completion date No. 2. See Condition 14.1

WP You fail to pay us on time and we suspend carrying out the works – completion is delayed. See Condition 14.2. Set completion date No. 3

WP The works change eg you change your mind – completion is delayed and the price increases. See Conditions 8.6 and 14.3. Set completion date No. 4

WP There are unexpected events beyond our control - completion is delayed. See Conditions 9 and 14.4. Set completion date No. 5

New works period (WP)

Completion date No. 5

6 months (DP)

Revised end of defects period

6 years (LP)

Revised end of limitation period

What is completion?



Impact of completion

Understanding the process

What happens at completion?

- ✓ Principal obligations complete
- ✓ Defects and limitation periods start
- ✓ Final bills (and ½ any retention)
- ✓ Title, risk and insurance pass to client
- ✓ No further liability for delay damages
- ✓ Licence to enter site limited

QUOTE AND TERMS – SHORT FORM CONTRACT



HOW WE WORK TOGETHER

We will use the reasonable skill and care expected of a Master Builder.

We will construct and complete the works so they comply with relevant standards and satisfy regulatory authorities. We will rectify any defects in the works for 6 months after completion.

We will act honestly and in your best interests.

We will (and will require our employees and subcontractors to) treat you and your property with respect. We will keep your property safe, clean and a healthy working environment. However, as a construction site, we will create dust, noise and vibrations as we carry out the project.

We will comply with all relevant laws and health and safety legislation.

We currently hold appropriate levels of insurance cover for public liability, employer's liability and contractor's all risks for your project.

We will carry out the works regularly, working on Mondays to Fridays from 8am to 5pm and make reasonable progress.

We will update you regularly on the progress of the project.

Once the work is substantially complete we will:

- Leave your property clean, tidy and ready to use/occupy,
- Legally dispose of all waste,
- Provide you with relevant instructions, product guarantees, warranties and a certificate that the works are complete,
- Outline any maintenance or operating issues you need to be aware of, and
- Agree a date to return to your property to make good any minor defects or snagging items which arise within 6 months after completion.



3. Starting the work, length of the work and the site

- 3.1 We will start the work on the start date.
- 3.2 You must make the site available to us on the start date and for work period (as extended under condition 14).
- 3.3 You must allow us enough access to the site and keep the site clear of all obstructions so we can carry out the work.
- 3.4 We will substantially complete the work so that the site is ready to be handed back to you ready for use, even if there are some minor defects (faults) by the end of the work period.
- 3.5 You are not putting any limits on how or when the site can be used.
- 3.6 If we do not complete the work by the end of the work period (as extended under condition 14), and the third-party certifier has notified both of us that we are late in completing the work, we will pay you delay damages at the rate stated on page 1 from that missed completion date until the date that the third-party certifier confirms that we have substantially completed the work.

NOTE 4: Completing the Work

Page 1 states that the site will be left empty during the work period.

The FMB advise that in fixing the work period for completing the work, the builder should take into account any holiday dates or periods such as religious festivals and holidays, bank holidays and any other likely holiday dates. The builder has not taken into account unexpected events, exceptionally bad weather, or other acts outside its control. The completion date can be changed under condition 14 to take account of these events.

If the builder does not complete the work by the completion date, as changed, the builder has broken the contract. The client can recover delay damages for the period between the planned completion date and when the works were substantially completed – see condition 3.6. The client may also be able to end the contract, under condition 12, for very long delays to completion.

Money – final bill/payment

Commercial

- 2.6 When we have finished the work, we will send you the final bill. The final bill will state the final price for the work, including any changes to the price stated on page 1 agreed or determined under condition 8. We liaise with you to amicably agree any changes to the price – if not, those changes will be worked out by us in line with condition 8. VAT will be included in all changes to the price.
- 2.7 We will give you credit, in the final bill, for all bills you have paid. The final bill will be our valuation of any works, goods or materials not previously paid for.
- 2.7A Where the payment schedule includes a final stage payment after the end of the defects period, the final bill (see clauses 2.6 and 2.7) will show a deduction of 2.5% from that final price. That 2.5% will be invoiced after the end of the defects period (see clause 15.2) and you must pay us that 2.5% within 14 days of receiving our invoice for that sum.
- 2.8 You must pay us within 14 days of receiving the final bill.

Time – extending and ending

Commercial

14. Extending the work period and delaying completion

You or the certifier will extend (by agreement with us) the work period by a reasonable period to take into account any one (or more) of these events:

14.1 You delay giving us access to the site, or you delay giving us instructions or fail to give us instructions relating to:

- the work,
- changes to the work (see condition 8),
- your choice of materials (see condition 5.4);

14.2 We suspend all or part of our obligations under this contract (see condition 13);

14.3 The work is delayed by a change to the work;

14.4 The work is prevented by any unexpected matter which we do not control including:

- bad weather which seriously delays or prevents us from carrying out the work;
- civil commotion, wars, riots and lock-outs.

14.5 If the work period is extended for any reason other than a change or due to our fault and this results in us incurring extra costs not otherwise accounted for, we will be entitled to claim for these delay and disruption costs.

Quality – the defect process

Commercial

15. Your Remedies for defects and the defects period

- 15.1 If the work does not meet the terms of this contract, you may ask us to repeat the work (which we will do within a reasonable time).
- 15.2 During the defects period, which is 6 months after the completion of the work, we will put right any defects in the work due to faulty workmanship or materials, unless condition 15.3 applies. We will not charge you for this.
- 15.3 We will not be responsible for any one (or more) of these defects:
 - Defects due to the conditions of the site or existing property from before we began work and which we could not expect PROVIDED THAT if we consider that the condition of the site, existing property, any neighbouring property or the access to the site may affect the work, we must write and tell you this. We will have carried out our duty by giving you that warning. If you still insist that we carry out the work with the site or relevant property in this condition, you should confirm this in writing and it will be at your risk;
 - Defects caused by you or any other person or caused by any event, which happen after the end of the work period.
 - Anything excluded under condition 5.3.

Defective?



Defective?



Defective?



What happens at completion?

♥ Money

- ♥ Final bill submitted including all extras
- ♥ Final stage payment or retention kept until defects sorted
- ♥ Loss/expense &/or delay damages confirmed

♥ Time

- ♥ Final extensions/completion date agreed

♥ Quality

- ♥ Defects period starts (licence to enter site restricted)
- ♥ Defects listed for contractor to resolve



Project handover certificate

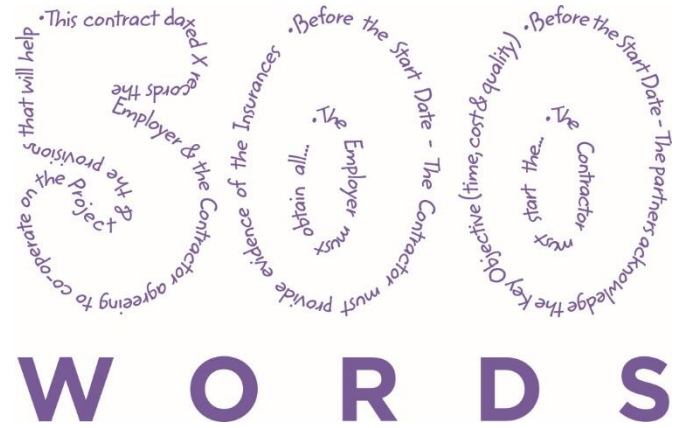
The client confirms that the works in the contract have been substantially completed by the builder and the site is ready to be handed back ready for use (clause 3.4).

The builder has removed all rubble, surplus materials, rubbish, tools and scaffolding and left the site clean and tidy (clause 17).

The builder will put right these minor defects within a reasonable time after completion: <insert>.

This certificate:

- triggers the final bill (clause 2.6)
- ends the builder's obligation to insure the works (clause 7.5)
- starts the 6-month defects period (clause 15.2)
- starts the 6-year limitation period.



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