

OTHER STANDARD JCT CONTRACTS

JCT Construction Management Contract 2002

The JCT issued its standard CM documentation in 2002. The documentation is as follows:-

- Agreement (C/CM) by which the employer/ client appoints the construction manager
- Trade Contract (CC/C) by which the client appoints the trade contract;
- Specified Collateral Warranties to be given by the Trade Contractors
- Standard Form to be used for inviting tenders

The Agreement between the client and construction manager (C/CM) is a typical appointment of consultant. It requires the client to appoint a team of design consultants, one of which is to be the consultant team leader. The trade contract is a slightly amended version of the standard general contract.

The construction manager's role in respect of design work is advisory only. The client is to provide that the consultants are to be obliged to take account of advice recommendation and comments of the construction manager with regard to design but having done so, are free to do as they see fit.

The construction manager is to be regarded as a member of the developer's professional team of advisors and it is intended that he is appointed at an early stage in the life of the project. There is a model schedule of services dealing with the pre-construction period, the construction period and additional services.

At the outset of the appointment the client is required to produce an initial brief and preliminary project cost plans. During the pre-construction period the consultant team is required to produce project drawings and project specification which are to be signed by the client. During this period the construction manager is to produce a project programme for design and construction which is to be signed by the parties. The construction manager is to prepare project costs which have to be signed.

During the pre-construction period, the client and the consultant team develops the client's initial brief into a project brief. The client has the right to terminate the appointment at any time although the construction manager may be entitled to compensation for loss of profit.

There is a transition from the pre-construction period to the construction period where works are first commenced by a trade contractor. The C/CM Agreement requires that construction work is procured under trade contracts awarded by the client. The client is required to appoint trade contractors under the JCT Trade Contract Form TC/C.

The management for the trade contract is the responsibility of the construction manager. It represents the client. It makes valuations and certifies payments under the trade contract and determines applications for extension of time. The construction manager's remuneration consists of pre-construction period management fee, construction period management fee and the recovery of certain reimbursable costs. The construction manager is obliged to maintain construction professional indemnity insurance for the period specified.

JCT Management Contract 1998

The JCT management form is a traditional prime cost contract under which the management contractor is reimbursed the prime costs of the works and a fee.

The project is divided into a pre-construction period and construction period. At pre-construction phase there is no firm commitment on the part of either the employer or

contractor to proceed with the construction phase. The project proceeds to construction only if the employer and the contractor agree.

The primary function of the management contractor during the construction period is to manage, organise and supervise and secure the execution of the works. The management contractor undertakes to ensure the works are executed in accordance with the specifications and good workmanship of the specified standards.

The contractor is liable to the employer for breach of contract. The contractor is liable for additional construction costs and damage for late completion due to default by a work contractor only to the extent that the contractor is able to enforce the terms of the work contract for dealing with the breach and thereby recovers additional costs and liquidated damages from the works contractor and defaults.

The JCT Management Contract documentation includes standard forms of works sub-contract and the form of employer works contractors/collateral agreement). Works contractors by agreement between the contractor and architect are appointed by the contractor. Sums payable under the works contract are included in the prime cost together with cost of facilities and services together with certain overheads.

This Guide is intended as an overview and broad outline of the matters covered in it. Its purpose is to inform and raise awareness. We are happy to offer specific legal advice on particular circumstances.

This Guide should not be relied on as a substitute for comprehensive legal advice with reference to the particular circumstances.

While we have taken due care in the preparation of this publication, we do not accept legal liability as a result of any reliance placed on anything in this Guide. The reader should rely only on specific legal or taxation advice.