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Jct practical completion certificate template

Jct minor works practical completion certificate template. Example of practical completion certificate. What is practical completion in construction. Jct instructions after practical completion. Jct certificate of non completion example.

relationship. Now empowers organizations to speed up document processes, reduce error and improve collaboration. See all solutions Practical Completion Under the JCT Standard Form of Building Contract 2016: 7 Things to Note Practical completion (and its consequences) is dealt with in several different places in the JCT 2016 Contract and this is often a contentious issue. It is achieved and the implications for the Works and the Contractor's financial account can lead to problems for an unwary Contractor, both in having the Works certified and subsequent events. Clause 2.30 states: "2.30 When in the Architect/Contract Administrator's opinion practical completion of the Works or Section is achieved and the Contractor has complied sufficiently with clauses 2.40 and 3.23 in respect of the supply of documents and information, then: 2.21.1 in the case of the Works, the Architect/Contract Administrator shall forthwith issue a certificate to that effect (the 'Practical Completion Certificate'); 2.21.2 in the case of a Section, he shall forthwith issue a certificate of practical completion of that Section (a 'Section Completion Certificate'); and practical completion of the Works or the Section shall be deemed for all the purposes of this Contract to have taken place on the date stated in that certificate." This does not help with the question of what degree of completion is necessary to achieve practical completion? The JCT Contract does not specify.

It is a matter for the Architect/CA's opinion. The Contractor is under no obligation to notify the Architect/Contract Administrator ("CA") in advance or even when he believes his work is practically complete, but it is obviously in his best interests to do so, as it will enable inspection and certification of the Works to happen more quickly. Snagging / Defects The word "snagging" does not appear in the JCT Contract. If the work does not conform to the Contract specification, or it is incomplete, it is a defect, regardless of the degree or extent of non-compliance, and its nature. Some defects may be very minor or trifling and will not prevent practical completion from being achieved. In a decided case, *Develcon Properties Limited (1991) 111 LJQB 907*, Judge Newey QC said: "The size of the problem, the site conditions, use of many materials and employment of various types of operatives make it virtually impossible to achieve the same degree of perfection as can a manufacturer. It must be a rare new building in which every screw and every brush of paint is absolutely correct." Whether apparent defects, even minor ones, can prevent practical completion depends on the intent and purpose of the Works. Similar defects in one situation may not prevent practical completion but will prevent it in another. Issues such as quality of finish are hard to define but can be recognised. If defects/omissions are apparent during the course of the Works, the CA may instruct them to be remedied. Patent or obvious defects or omissions in the Works that may interfere with or prevent the Works from being used by the Employer for their intended purpose should not be accepted. Defects that commonly are accepted are those that are very minor and which will not prevent the Works from being taken into beneficial use. These are so-called snags, although the JCT Contract does not use that term. Snagging and the Schedule of Defects Clause 2.38 of the JCT 2016 Contract enables the Architect / Contract Administrator ("CA") to issue to the Contractor a Schedule of Defects after issuing a Certificate of Practical Completion, and within the Rectification Period +14 days, if any defects in the materials, goods or workmanship become apparent. The Contractor must then rectify these forthwith. Case Law The courts have looked at the meaning of practical completion many times over the last 100 years, most recently by the Court of Appeal in *Mears v Costplan Services (2019)*. The issue here was that a block of student flats was subject to a contract amendment that none of the rooms should be more than 3% out of tolerance, and on inspection before completion, half of them were found to be more than 3% smaller than the drawings indicated, but this did not make them unfit for occupation. The Court of Appeal held that the Works could be certified as practically complete. The Court said: a) Practical completion is easier to recognise than define. There are no hard and fast rules. b) In relation to obvious or patent defects, there is no difference between an item of work that has yet to be completed (i.e., an outstanding item) and an item of defective work which has to be rectified. (Snagging lists can and will usually identify both types of item without distinction, but strictly, should only include minor items). c) The existence of hidden / latent defects cannot prevent practical completion.

[illegible]

any ways that is self-evident: if the defect is latent, nobody knows about it and it cannot therefore prevent the certifier from concluding that practical completion has been achieved). d) Practical completion can be summarised as a state of affairs in which the works have been completed free from obvious / apparent defects, other than ones to be ignored / remedied later as trifling / to be included in a snagging list. Any "patent defects" which are more than trifling will be sufficient to prevent practical completion and the intended purpose of the works is of relevance only in determining whether such defects are trifling. e) Whether or not an item is trifling is a matter of fact and degree, to be measured against "the purpose of allowing the employers to take possession of the works and to use them as intended". However, this should not be elevated into the proposition that if, say, a house is capable of being inhabited, or a hotel opened for business, the works must be regarded as practically complete, regardless of the nature and extent of the items of work which remain to be completed/remedied.

f) Completion is a question of fact and degree. f) Some defects may not be capable of remedy, (e.g., rooms too small, swimming pool not as deep as designed), but this may well not prevent the works from being practically complete. It depends on the intended purpose of the Works. Practical Completion Checklist Having said all of that, here is a practical completion checklist. Remember, that this can be modified or added to by the contract specification or Preliminaries section, which the Contractor should check rigorously when compiling the tender or be left facing onerous documentation obligations for which he will not be paid. Is all of the work, including any varied work, actually complete, with only "trifling" defects outstanding? See above.

**CONTRACTOR'S
CERTIFICATE OF COMPLETION**

TO: City of Asheville, Engineering Department

FROM: _____

DATE: _____

RE: Certification of Completion
Name of Development: _____
Project No: _____

I, the undersigned, hereby certify:

1. We are a Licensed Utility Contractor in the State of North Carolina.
2. That the water improvements to the above referenced development have been installed in accordance with the standard specifications and requirements of the City of Asheville and in substantial compliance with the water system commission approved under 50A.
3. That we guarantee the materials and installation of the water lines including all appurtenances and the restoration of any disturbed areas for a period of one (1) year and shall make repairs deemed necessary by the City. The one year period shall begin the date the waterline is formally accepted by the City of Asheville.
4. That we will reimburse the City of Asheville the cost of any repairs deemed necessary to make it with one (one) forces including the cost of materials, labor, and equipment.

SIGNATURE: _____ TITLE: _____

NAME: _____

CORPORATION/COMPANY: _____

LICENSE NO. _____

Sometimes the CA can agree that some incomplete work can be finished later, but this has its own risks.

CONTRACT ADMINISTRATION AND SITE MANAGEMENT

6.1 Valuations

The purpose of the valuations are to ensure that the project runs smoothly and the contractor is suitably paid for each stage of the works. Hackett, Robinson and Statham (2007, p.296) mention the valuation will be a detailed set of documents that covers all the work covered since the last valuation. These documents include:

- The works package
- Variations and additional costs incurred
- Time extensions and any delays in progress, including the causes
- Set up costs and running costs of facilities and machinery
- Details of special or manufactured goods
- Details of goods paid for up front
- Acceleration costs to speed up the work progress
- Provisional sums

Designingbuildings.co.uk also states, "Although the payments are in stages, an interim valuation is for all the work completed. It is calculated by subtracting each valuation from the last. The resulting total and retention figure are then included in the interim certificate issued to the client for payment by the CA."

6.2 Total sum

The employer is obligated to pay the contractor an agreed sum. The total sum is the calculation of all the payments made by the client. More often than not, the contract sum will differ from the final payable amount as the IC1s may also contain VAT, provisional sums or approximate quantities to cover the cost of the work.

Retention is used as an incentive for the contractor to stay true to their agreement and remediate any outstanding defects. The IC deals with retention under clause 4.9 allowing for half of the retention is released at the 'make good' stage, and the other half once the final certificate is released.

Payments (with retention)	Payments (without retention)	Variations
<ul style="list-style-type: none"> • Total value of works • Total value of materials (on and off site) • Ownership certificates 	<ul style="list-style-type: none"> • Opening up and testing costs • Loss and/or expense • Statutory obligations • Provisional sum insurance • Insurance premiums • Fluctuation payments 	<ul style="list-style-type: none"> • Additional omissions/substitutions of elements • Alterations of materials • Removal/recovery of materials designed on site • "The contract administrator varies the design." Goldfay (2002 p.161)

Certificates can also be used to release the retention monies at different stages:

- On final payment of works
- On the issue of a certificate of practical completion
- If the employer takes possession of part of the works
- On issue of the architects certificate on making good defects

the site clean and tidy and free from surplus material? Has the Contractor provided his documentation required either under the bespoke provisions of the Specification / Preliminaries Sections, (e.g., installation drawings, unusual where there is no design requirement), or intellectual property, design information and as-built drawings or Operating and Maintenance Manuals under Clause 2.40, where there is a Contractors Design Portion? Even if there is no CPD, it is not unusual for the Main Contractor to be required to provide O&M Manuals, hoarding licences, pavement closure licences, over-sail consents, etc. Have any Employers' Requirements (in D&B or CPD Contracts) been met in full? This could include a bewildering array of consents and licences from the local authority's planning permission and New Roads and Street Works Acts consents from utility companies. Have all of the Subcontractors and suppliers provided all of their information? This will include warranties for assignment to the Employer, factory and site test certificates (FATS and SATs), utilities installation test certificates, commissioning certificates, and licences (if any) required for BIM, Operating and Maintenance manuals for installed equipment, building & environment controls, fire and security apparatus, etc? Even if this equipment has been properly installed, tested and commissioned, it is useless if it cannot be operated properly in accordance with the manufacturer's instructions and many CAS will decline to certify practical completion until the 'building manual' has been handed over with as many duplicate copies as indicated in the Contract specification. Are any Subcontractors' collateral warranties required and have they been obtained from the relevant subcontractors? The Employer will also have a health and safety file, a copy of the Construction Phase Plan, and a copy of the Construction Method Statement. The Employer will also have a health and safety file, all of which are required under Clause 3.23 of the JCT 16:18 SFCB. It is obviously good commercial practice (and a legal requirement with regard to the CDM Regulation documents) for the Contractor to put his mind to the provision of this information before work starts. It will enable a smooth handover of the works, issue of the Practical Completion Certificate and most importantly, release of the first half of retention and discontinuation of the Contractor's insurance obligations for the Works. The table (below) is a step-by-step guide to practical completion. Blog Author: Peter Hibberd The recent Court of Appeal case of *Mears v Costplan Services (2019)* EWCA Civ 502 is seen by some to once again raise, amongst other things, the issue of whether contractors should precisely define what constitutes practical completion. Practical completion is sometimes contrasted to substantial completion and even practically complete.

Company Name
987-654-321
companyname@email.com
www.website.com

Work Completion Certificate

To whom it may concern

This is to certify that [Name of Recipient] has successfully completed [Insert Job/Task Details].

The work is completed on [Date] successfully.

Thanking you and assuring you for our best services always

Name of Work/ Project: _____

Work Order Number: _____

Work Period: [Date] to [Date]

Regards,



[Name of Manager]
Manager, [Name of Company]

This is to certify that all works mentioned above been physically completed in accordance with the specifications, provisions, and conditions of the contract.

However, none of these terms requires work to be completed in all respects before it is certified or is deemed to occur. As stated in Mears, 'If there is a patent defect which is properly regarded as trifling then it cannot prevent the certification of practical completion, whether the defect is capable of economic remedy or not.' The use of the term practically complete in the JCT Sub-Contract and Management Works Contract may tempt some to distinguish this term with practical completion but it is submitted that it is unlikely to be of import. Under the JCT Standard Building Contract (SBC) and the Design and Build Contract (DB) practical completion is not defined. It is a matter of opinion for the contract administrator under SBC, which is certified forthwith (as soon as is reasonable) when it is achieved and the contractor has complied sufficiently with clauses 2.40 and 3.23, i.e. the provision of as built drawings' where applicable and information for the health and safety file. Under DB the employer issues a statement to that effect when it occurs but here it is not a matter of opinion simply but one of fact, which theoretically is more difficult. Practical completion in respect of the Works or a Section (if applicable) takes place on the date stated in the certificate or statement. By contrast the JCT Major Project Construction Contract (MP) requires the contractor (clause 15.4) to notify the employer when in their opinion Practical Completion has occurred. Where the employer agrees they then issue a statement which sets out the date Practical Completion occurred. If they do not agree they should inform the contractor of the work necessary to achieve Practical Completion. Under SBC and DB, the contractor will often indicate when they believe they have reached practical completion but are under no contractual obligation to do so. Under MP, practical completion is defined; it states that it takes place when the Project is complete for all practical purposes and that the existence or remedying of minor outstanding works would not affect its use. In addition to the provision of as built drawings' where applicable and information for the health and safety file it additionally includes the need to satisfy any stipulations in the Requirements that have to be met and that Statutory Requirements have been complied with and approvals obtained. That difference in approach raises the question as to why. Traditionally JCT has adopted the view that defining practical completion for differing projects is highly problematic and consequently chose not to. As Keating states, 'practical completion is easier to recognise than to define'. Under SBC and DB any specific requirements to achieve practical completion e.g. commissioning of mechanical installation, could as appropriate be provided for by including them in the other contract documents or possibly amending the contract. As Lord Justice Coulson stated in Mears, 'I do not doubt that the parties to a construction contract can agree particular parameters to guide and control a certifier in the exercise of his discretion in relation to practical completion.' The extent to which this is done depends on the context. The MP contract came much later and it was thought that the criteria it refers to would always apply, hence their inclusion. Under most contracts it is necessary to establish when practical completion is achieved and many of those charged with that duty will believe they know it when they see it (Keating's point). Nevertheless, that person needs to take account of case law and the Mears judgment at paragraph 74, provides a valuable summary of the law.

When considering whether practical completion has been achieved one is primarily concerned with patent defects and incomplete work. Latent defects are by their nature as yet unknown. Snagging lists, not a contractual requirement under SBC and DB contracts, are often and sometimes inappropriately produced in order to establish what needs to be done to meet practical completion or that an item nevertheless remains a defect to be remedied during the Rectification Period. By contrast MP provides that where the employer does not agree with the contractor's notice that it has reached Practical Completion, they need to notify the contractor of the work required for its achievement. The contractor then provides a further notice when this work is done and the employer, when satisfied, will issue a statement recording the date of Practical Completion. MP generally provides less detail than many other JCT contracts but in this instance it does not. Does that mean practical completion on major projects is seen as more significant?

Date

Enter Name & Address

Dear Salutation

CERTIFICATE OF PRACTICAL COMPLETION

CONTRACT TC<NUMBER & NAME>

<CONTRACTOR NAME>

In accordance with clause 10.4 of the General Conditions of Contract (NZS 3910:2003), I hereby certify that the Contract Works are complete in terms of clause 10.4.1 of the General Conditions of Contract.

In accordance with clause 12.3.1 of the Special Conditions of Contract, 50% of the Contract retentions will be retained during the maintenance period. The balance of retention money currently held will be paid with the next progress payment.

Kindly arrange for the outstanding defects in <reference> to be rectified in terms of Section 11 of the General Conditions of Contract (NZS 3910:2003).

Date of Issue: <Date>, <Time>

Certified by:

<Enter Author's Name>

<ENTER AUTHOR'S TITLE>

CITY SERVICES GROUP

Distribution:

☐ Signed original to Principal

☐ Signed copy to Contractor

Attachments:

List of defects observed at completion inspection

Notice of Release of Bond (if applicable)

Or, does it simply highlight a difference in approach that could be mirrored elsewhere? Practical completion can apply to the works and to any defined sections of the works. Each section has its own practical completion certificate/statement and in addition there is one for the works which under MP is referred to as the Practical Completion of the Project (PCP); this has significance in that under this contract the Rectification Period for the whole works runs from the date stated in the PCP. Under SBC and DB each Section has its own Rectification Period. Under SBC and DB practical completion is deemed to have taken place on the date stated in the certificate/statement for all the purposes of the Contract. That means that even though practical completion may not have been achieved it will be treated as though it had. A similar situation arises where the employer takes partial possession of the works (with the consent of the contractor) where particular attention is required in defining the part taken over. Because the practical completion certificate/statement (as distinct from mere practical completion of the Works) and any notice of partial possession provides a trigger to other important provisions great care must be taken in their issue.