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**THE SOUTH AFRICAN COUNCIL FOR THE  
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**PROGRAMMES FOR CONTINUOUS  
PROFESSIONAL DEVELOPMENT:  
(CPD)**

**THE FUTURE: WHAT NEXT FOR STANDARD FORMS  
OF CONTRACT IN THE SOUTH AFRICAN  
CONSTRUCTION INDUSTRY?**

by

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for the  
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**MODULE OUTLINE**

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<b>TITLE</b>	<p><b>THE FUTURE: WHAT NEXT FOR STANDARD FORMS OF CONTRACT IN THE SOUTH AFRICAN CONSTRUCTION INDUSTRY</b></p> <p>(This paper was delivered at 2<sup>nd</sup> Annual Conference of the SACQSP: (endorsed by ICEC): The future: What next? held on 16<sup>th</sup> October 2009. Durban, South Africa)</p>		
<b>SHORT SYNOPSIS:</b>	The paper is important because the introduction of the new, sixth edition of the JBCC suite into the South African building industry may be regarded by some as just another attempt by the JBCC to correct mistakes of, or to improve on, previous editions. Few individuals appear to be truly knowledgeable on the subject, and lack of understanding may lead to discontent or even confusion		
<b>GOALS</b>	<p><b>After completion of modules learners should be able to:</b></p> <ul style="list-style-type: none"> <li>▪ Understand the reasons why changes to standard contracts are necessary</li> <li>▪ Inform clients and contractor about changes and the reasons for changes</li> </ul>		
<b>OUTCOMES</b>	<b>After reading the modules learners should</b> be informed about the need for continuous changes to contract document and the advantages of use of the JBCC Series		
<b>PREREQUISITES/ SKILL LEVEL:</b>	Learners should have had exposure through experience or prior learning to the built environment and contract practice		
<b>MATERIAL OR EQUIPMENT NEEDED:</b>	The attached module material		

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# The future: What next for standard forms of contract in the South African construction industry?

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## **ABSTRACT**

### **Purpose of this paper**

The new, sixth edition of the JBCC suite is soon to be introduced into the South African building industry. This new edition will contain a number of significant changes, more specifically to those provisions which to date have prevented greater parity between private and state use of the suite.

This paper highlights the major changes which are to be incorporated and provides background information on why these changes have been necessary. The paper, in addition, provides statistics on the levels of usage and knowledge of the various standard form agreements currently in use in the South African construction industry.

### **Design/methodology/approach**

Data was obtained from sources that are considered to be representative of the South African construction industry. A questionnaire was developed for capturing quantitative data from responses that were submitted by industry role-players (consultants, contractors, project managers, etc)

The findings of the research clearly indicated that the JBCC Series 2000 is the most favoured standard form of contract on building projects in South Africa and that the respondents generally agreed that the JBCC enjoys specific advantages over the other permissible standard forms of contract in use. Some respondents, however, raised certain concerns; for instance that the effectiveness of JBCC is prejudiced by regular revisions to the suite since the publication of the first edition in 1991.

### **Value of the paper**

The study which the paper reports on, is regarded as important because the introduction of the new, sixth edition of the JBCC suite into the South African building industry may be regarded by some as just another attempt by the JBCC to correct mistakes of, or to improve on, previous editions. Few individuals appear to be truly knowledgeable on the subject, and lack of understanding may lead to discontent or even confusion.

**Key words:** JBCC, GCC, NEC, FIDIC, standard form contracts, construction industry.

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**HISTORY OF THE DEVELOPMENT OF STANDARD FORMS OF CONTRACT  
WITH PARTICULAR EMPHASIS ON THE JBCC SERIES 2000**

**Introduction**

Although there is proof of the fact that a standard form of contract was introduced in England in the 1870s by agreement between the Royal Institute of British Architects (RIBA), the Builder's Society and the Central Association of the Master Builders of London, the first form of contract, comprising articles of agreement and conditions of contract to which the then Building Industries Federation South Africa (BIFSA) had access, was that published in 1909 under the sanction of RIBA and the National Federation of Building Trade Employers. After using the 1909 form unaltered for some time in Britain, consideration was given to amend the document, but the document that was published in 1928 under the heading "Agreement and Schedule of Conditions of Building Contract" failed to gain approval of the general membership of RIBA and, as such, it was never used in practice. The result was that in Britain the revision of the 1909 RIBA form was tackled *de novo*, while on the South African scene discussions were deferred until such time as the approved revised RIBA edition became available. The first published annotation appeared in Britain in 1931 and substantially revised and updated the 1909 RIBA form. Subsequent annotations appeared regularly thereafter.

The 1931 RIBA form was found to be acceptable by the Institute of South African Architects, the Chapter of South African Quantity Surveyors and BIFSA, and according to the annual report published in 1932 by BIFSA, it was adopted by all the parties concerned, subject to the introduction of such amendments as were necessary to satisfy the requirements of differing local conditions. Thus this form became the basis of the first standard form of contract in South Africa – the 1932 edition – and was entitled "Agreement and Schedule of Conditions of Building Contract". This cumbersome name soon acquired a nickname. As the "with quantities" version was printed on white paper and the "without quantities" on blue, the two versions became known as the "white form" and the "blue form" respectively (Lipschitz & Malherbe, 1979; Finsen, 2005).

This agreement was amended from time to time as the South African building industry developed and became more sophisticated. A permanent review committee was appointed for this purpose, known as the Joint Study Committee, constituted of representatives of the Institute of Architects, the Chapter of Quantity Surveyors and BIFSA. The last amendment of this agreement was published in 1981. Shortly afterwards, however, the Joint Study Committee, rent asunder by internal dissent, was dissolved (Finsen, 2005).

### **Standard for uniformity in construction procurement**

Uniformity in procurement documentation can be achieved provided there is a complete separation in the component documents that make up a procurement document. (i.e. the conditions of tender, the conditions of contract, the specifications and methods of measurement and payment). Should this be done, different conditions of contract, or for that matter, payment systems can be used without affecting the remaining component documents.

The Green Paper on Public Sector Procurement Reform in South Africa (Ministries of Finance and Public Works, 1997), proposed this approach. The Department of Public Works' National Working Group and the Interministerial Task Team for

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Construction Industry Development endorsed this approach in 1999 and 2000, respectively. This approach to procurement documents is embodied in SANS 10403, *the Formatting and Compiling of Construction Procurement Documents*, and the Construction Industry Development Board (CIDB)'s Standard for Uniformity (2004), which is based on the provisions of SANS 10403.

At that stage the question arose as to which standard forms of contract respond best to this approach to uniformity in procurement documents. After indepth consultation with industry, it was proposed that the following suites of documents should be used with minimal project specific amendments to procure engineering and construction works:

- (i) JBCC Series 2000
- (ii) General Conditions of Contract for Works of Civil Engineering Construction
- (iii) New Engineering Contract
- (iv) Fédération Internationale des Ingénieurs - Conceils (FIDIC)

Compliance with this standard from that date was made mandatory for organs of state who solicit tenders in the construction industry.

### **JBCC Series 2000**

In 1984 the Joint Building Contracts Committee, or JBCC for short, was established. JBCC launched its standard building contract documentation in the marketplace in 1991. This first edition used some of the principles developed by the Major Contractor's Committee (MCC), which was also established in 1984 and which comprised of a number of the larger developers and building contractors during that period. The purpose of the MCC was to formulate a set of conditions of contract for use on large contracts (very prevalent at that time), which had to be acceptable to both property owners and building contractors. The first edition of the MCC contract was dated 1986 and the next edition

appeared in 1988. Although the MCC contract never achieved formal recognition in the industry it played an important role in the development of the JBCC documentation as JBCC continued with and built upon the work the MCC had documented up to that point in time.

From the outset, JBCC recognised that an enormous advantage could be gained by employers, contractors and professionals alike if the JBCC documentation could be tailored in such a way that it met the needs of both the private and public sectors. A joint committee was set up with the Department of Public Works (DPW) and over a number of months the apparent differences of requirements were reduced to manageable proportions that could be accommodated without impairing readability significantly. An intensive re-examination and re-drafting of the documents followed by the technical and review committees of JBCC and in 1998 the new documents, designated the JBCC Series 2000, were published (the second edition). These replaced all the documents published in 1991.

An international version was published in July 2000 that omitted all references to South African-specific conditions, e.g. the acronyms "VAT" and "SASRIA" were replaced by the more generic terms "Tax" and "special insurance" respectively in all the documents. In order to further broaden the scope of JBCC, a minor works document was published in 1999.

JBCC published the third edition in January 2003, primarily to update the Series 2000 documents. There were, however, some significant changes; e.g. in cases where the employer in the agreement is an organ of the state, specific requirements that differ from those required by the private sector, were set out in a single clause for ease of

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reference (Clause 13). This clause made provision for the substitution by these clauses in the document when so required. Other significant changes were:

- New definitions for:
  - Advance Payment Guarantee
  - Direct Contractor
  - Mediator
  - State;
- The introduction of advance payments;
- A clear explanation of employers' obligations; and
- The redrafting of cancellation clauses.

JBCC published the fourth edition in March 2004. The primary purpose of this revised edition, which followed so soon after the publication of the third edition, was to satisfy the requirements of the office of the State Attorney with regards to Clause 13, which were regarded to be inadequate. The content of this clause was substantially expanded to further accommodate aspects where the state differs in its approach from the private sector. To distinguish this edition from its predecessors, it featured the wording "including State provisions" on the front cover to make it clear that it had been accepted by the DPW. Another significant change in the fourth edition was the introduction of "adjudication" as an alternative dispute resolution (ADR) process to bring it in line with other standard agreements that had adopted the process.

A further edition (edition 4.1) was published in March 2005, which, inter alia, included amendments to:

- Clause 13 (State Provisions), which was once again expanded and moved to the back of the document as clause 41; and
- Clause 40 (Dispute Provisions), which was substantially redrafted to allow for adjudication to be the default dispute resolution process in private contracts.

JBCC published the fifth (current) edition in August 2007 featuring some major modifications to previous editions, with the removal of the substitution provisions applicable to the state contained in the various documents certainly representing the most significant of these modifications. From that date, the state would provide its own addenda for state contracts. Other modifications included

- The incorporation of the relevant *Preliminaries Items* into the various agreements, including provision for programming;
- The discontinuation of the *Preliminaries* as a separate JBCC document;
- Change in style of cross referencing;
- The complete redrafting of the insurance clauses, more specifically Clauses 10 and 11;
- The introduction of the contractor's right to suspension of the works (Clauses 12.5 and 31.15). The contractor could henceforth suspend the works where the employer had not effected insurances, the principal agent had not certified payment or the employer had failed to make payment;
- The omission of the *Schedules of Variables* at the end of the various agreements. All variable items were to be included in the *Contract Data Addenda*, which would serve as supplementary documents to the agreements;
- A reduction in the percentages applicable to the security provisions to bring it in

line with those of the state;

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- Adjudication would no longer be the default dispute resolution procedure; the parties were to decide at the time of the dispute arising on the appropriate dispute resolution process, be it either adjudication or arbitration; and
- The inclusion of changes that were incurred as result of JBCC working closely with CIDB to bring its documentation into line with the requirements of CIDB for standardisation.

JBCC aims to publish a revised (sixth) edition early in 2010. Most of the proposed modifications in this edition will be editorial of nature and are aimed at abbreviating the wording of the current fifth edition, such as adding “in a timely manner” after “... to carry out their reciprocal obligations.” in Clause 2.2 of the Principal Building Agreement (PBA). This modification allows for the deletion of the words “timely” and “timeously” in a number of clauses in the PBA. Other main modifications include:

- The rewording of definitions for:
  - Working days
  - Contract data
  - CPAP
  - Practical completion
  - Programme;
- The moving of certain clauses to more appropriate positions in the document. For example Clause 1.7 that deals with the jurisdiction of courts becomes Clause 31.7 under Interim Payment, and Clause 3.1 that deals with the provision of a payment guarantee by the employer becomes Clause 14.1 under Security;
- Revised percentage adjustments in the case of security as a fixed construction guarantee;
- Reduction of default periods in a number of instances, e.g. in Clause 32.6 the contractor shall now notify the principal agent within 10 (currently 40) working days of becoming aware of a possible expense and loss circumstance, and the principal agent must within 10 (currently 20) working days of receipt of details of the expense and loss claim make an assessment of the compensation; and
- The complete redrafting of the EC and CE data documents.

At the time of drafting this paper two important matters were still unresolved. Firstly, the insurance clauses (Clauses 8 – 12) had not been dealt with as meetings with insurance companies still had to be arranged, and, secondly, to bring about more clarity of actions to be taken when the principal agent continues to add additional work after practical completion (see Clauses 24.5 – 6). The Government is also still in the process of finalising their *State Addendum* and issuing thereof is only expected to follow after the new edition of JBCC has been put into service.

### **General Conditions of Contract (GCC) for Works of Civil Engineering Construction**

Until recently, the General Conditions of Contract, i.e. GCC 1990 (sixth edition) or “Blue Book”, formed the basis of most works of a civil engineering nature being constructed in South Africa. It was modified by the Committee of Land Transport Officials (COLTO) and published by the South African Institution of Civil Engineers (SAICE) as the General Conditions of Contract for Road and Bridge Works for State Road Authorities, and was generally known as the COLTO 1998 contract. GCC 1990, itself, was originally based on the British Engineering Conditions, but was, over time, adapted to suit local requirements.

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GCC 1990 was completely revised, whilst retaining the language, style and ethos of the previous editions of GCC, through a consultative process with CIDB, and issued as the new (and current) GCC 2004, which replaced both the GCC 1990 and COLTO 1998 contracts. It provided an opportunity to adapt the GCC (through information in the Contract Data) for use by the state as opposed to using COLTO. In contrast to some of the other permissible forms of contract, GCC complies fully with all CIDB requirements for a standard form of contract. GCC 2004, however, has not received favourable acceptance in all quarters (more particularly those who previously used the COLTO contract), and the next update has, therefore, become imminent.

The drafting of the new edition is being handled by a review committee seconded by the Project Management Division of SAICE and has reached an advantaged stage of completion. In the guide to the draft revision, Claassens (2009), who is championing the drafting of the new edition, states that one of the main differences between GCC 2004 and the draft new GCC is that the latter has been modified to cover both civil and building contracts, including mechanical and electrical work. Other modifications include matters such as Construction Regulations on Health and Safety, environmental controls, greater emphasis on programming of the works, updating dispute resolution with the latest thinking, and various other amendments that have been proposed since the publication of the 2004 edition.

According to Burger (2009), the current status of the proposed new edition, to be re-named GCC 2009, is that acceptance has been received from bodies such as the Consulting Engineers of South Africa (CESA), the South African Federation of Civil Engineering Contractors (SAFCEC), the Institute of Municipal Engineering of Southern Africa (IMESA) and the Specialist Engineering Contractors Committee (SECC), but that the review committee still required final acceptance by CIDB. CIDB acceptance of the revised document is extremely important as government departments, who are the major users of GCC, need approval from the CIDB before they may implement the new document. Burger (2009) states that the introduction of a "Dispute Board" for dispute resolution is one of the remaining problem areas and that they are currently in discussion with the CIDB and trust that agreement on this and other matters will be reached in the not to distant future.

### **New Engineering Contract (NEC)**

A consultative version of the New Engineering Contract (NEC) was published in 1991, which, after use and feedback, resulted in the issue of the first edition of NEC in 1993. In 1994 Sir Michael Latham's report, *Constructing the Team*, was issued in the UK. This report, inter alia, recommended that NEC should be adopted by clients in both private and public sectors and suggested that it should become a national standard contract to be used across the whole spectrum of engineering and construction work generally in the UK.

ICE published the second edition of NEC in 1995, which incorporated refinements and changes prompted by comments from the industry and feedback from projects which had been executed under the first edition.

The NEC family of contracts is currently in its third edition (NEC3), which was published in July 2005. The family is made up of 23 documents: Contracts, their associated guidelines and flow charts. The contracts can be used to procure any type of project, large and small, across the areas of Works, Service and Supply in the UK and elsewhere in the world.

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### **FIDIC**

FIDIC is the French acronym for the International Federation of Consulting Engineers, founded in 1913 by three national associations of consulting engineers in Europe. Over many years the FIDIC standard forms of contract were used on international projects. These standard forms of contract were:

- Conditions of Contract for Works of Civil Engineering Construction, known as the "red book"
- Conditions of Contract for Electrical and Mechanical Works including Erection on Site, known as the "yellow book"
- Conditions of Contract for Design-Build and Turnkey, known as the "orange book".

During the updating of the red and yellow books, FIDIC noted that certain projects had fallen outside the scope of the existing books. Consequently, FIDIC expanded the range and published a suite of four new standard forms of contract (1999), which are suitable for the majority of construction and plant installation projects world-wide. The new suite of documents comprises:

- Conditions of Contract for Construction for Building and Engineering Works designed by the Employer, First edition (1999)
- Conditions of Contract for Plant and Design-Build for Electrical and Mechanical Plant for Building and Engineering Works designed by the Contractor, First edition (1999)
- Conditions of Contract for EPC/Turnkey Projects, First edition (1999)
- Short Form of Contract, First edition (1999).

FIDIC not only publishes the forms of contract mentioned above, but also publishes a number of supplementary documents for general and specific use. These documents include the various agreements such as the Client-Consultant Agreement, the Joint Venture Agreement and Sub-consultancy Agreements as well as Advice, Procedures and Information documents covering a wide range of aspects.

### **RESEARCH METHODOLOGY**

The primary objective of this paper was to establish the level of use and knowledge of users of standard forms of contract in the South African construction industry and to determine whether users agree or disagree that JBCC has certain advantages when compared with other CIDB-recommended agreements. Furthermore, the objective was to determine whether clients and consultants are sufficiently knowledgeable to make informed decisions on which contract would be the most appropriate for the project in question.

## Research population and response rates

The research population consisted of consultants and contractors operating in the building and engineering industries in South Africa. The research population was restricted to firms

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who are based in the Gauteng region. E-mail addresses of architectural, quantity surveying, project management and contracting firms were obtained from the

Pretoria Institute of Architects, the Gauteng Chapter of Quantity Surveyors, the South African Council for Project and Construction Management Professions and the Gauteng Master Builders Association respectively. The covering letter specifically requested that the questionnaire should be completed by a senior director or partner who has a legal and/or tendering background to ensure that the questions would be correctly interpreted and answered.

Table 2.1 illustrates the composition and the response rates.

**Table 2.1: Sample population and response rates**

MAIN LINE OF BUSINESS	SAMPLE POPULATION		RESPONSE RATE	
	Number	Percentage	Number	Percentage
Architecture	60	18%	5	8%
Quantity surveying	157	47%	28	18%
Project management	65	20%	24	37%
Engineering & Contracting	51	15%	33	65%
Total	333	100%	90	27%

Of the total number of 394 e-mails sent out, 61 failed to deliver. Of the 333 e-mails read, 90 were returned, representing an overall response rate of 27%. This is regarded as a relatively high response rate for e-mail submissions and therefore the findings should provide a reasonably true and accurate reflection on the level of use and knowledge of standard forms of contract in the South African construction industry.

## Research method

The descriptive survey method was used for data generation and analysis (Leedy & Omrod, 2005). Furthermore, the quantitative research method, which relies on measurement of variables to compare and analyse the data, was applied. A short questionnaire that could be electronically completed in less than five minutes was developed relating to the research problems and the required data was gathered via e-mail submissions.

The survey research focused on acquiring information from consultants and contractors regarding their opinions on and previous experiences of the application and choice of standard forms of contract in the South African construction industry. Leedy and Omrod (2005: 183), define survey research as follows:

- The researcher poses a series of questions to willing participants;
- summarises the participants' responses with percentages, frequency counts or more sophisticated statistical indexes; and
- draws inferences about a particular population from the responses of the sample.

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## Analysis of the data

The perceptions of the respondents were measured on the basis of a five-point Likert-type scale. The five points were scaled as: 1 = Very low, never or highly disagree; 2 = low, rarely or disagree; 3 = average, regularly or undecided; 4 = high or agree, and 5 = very high or highly agree.

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The data was analysed firstly by exploring in what way the sectors in which the research participants operate influenced their responses. It was evident from the responses received that respondents who operate in the engineering sector (mainly civil contractors and engineers), and those who were categorised under as was confirmed by the following comments:

- *In our sector FIDIC and NEC are the most commonly used standard form of contract. Both are understood and suit our Client's needs.*
- *We have never used JBCC 2000 in our company.*
- *I have never worked with JBCC 2000 suite at all. Not used at all in road construction.*
- *I am unable to respond to 2.3 as I have no knowledge of the JBCC 2000 suite.*
- *We only deal with the contracts other than JBCC 2000 except when it is prescribed to us in circumstances where the architectural component is subservient to the greater engineering whole and not by choice.*
- *When dealing with large infrastructure projects the contracting party may be international or include an international consortium partner. Similarly lenders may be international banks/institutions. In these cases FIDIC (and to a lesser extent NEC3) is more suitable than JBCC as it is in common use internationally.*
- *JBCC is well suited to building jobs but GCC/FIDIC/NEC is better for engineering projects, EPC etc.*

These comments are understandable as JBCC is designed for use on contracts involving building work only and is therefore not suitable for use in the engineering and mining sectors. Accordingly, the responses of those categorised in the engineering and "other" sectors were not considered when analysing and interpreting the results in Tables 2.2, 2.3 and 2.4.

Secondly, the data was examined through the compilation of descriptive and inferential statistics, which were analysed using MS Excel. In terms of descriptive statistics the variables, namely levels of knowledge and use of standard forms of contract, rating of scale of agreement against assumed advantages of the JBCC, and rating of clients' and consultants' knowledge to select the correct form of contract were examined through a mean = (point total/sample size) and relative index (RI) = mean - 1/k - 1. The findings in terms of the descriptive statistics are presented in the tables hereinafter, which are followed by interpretations of the findings.

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## STANDARD FORMS OF CONTRACT IN THE SOUTH AFRICAN BUILDING INDUSTRY: APPLICATION AND SELECTION

### Level of knowledge of standard forms of contract

**Table 2.2: Users' level of knowledge of standard forms of contract in the SA building industry**

TYPE OF CONTRACT	Mean	RI	Very low	Low	Average	High	Very high
JBCC Series 2000	4.3	.82	0	2	5	31	26
GCC 2004	2.3	.32	22	18	12	9	3
NEC3	2.2	.30	20	23	12	6	3
FIDIC	2.4	.35	19	19	13	8	5

The results in Table 2.2 indicate that the level of knowledge of users' of JBCC is high (RI = 82%) whereas the level of knowledge of the other permissible standard forms of contract is low (RI ranging between 30% - 35%). Cumberlege *et al* (2008), argue that it is vital that both parties (employer and contractor) should have an extensive knowledge of the contract. The research is therefore indicative of the fact that JBCC is, at least for the time being, the most effective form of contract in the

### Level of use of standard forms of contract

**Table 2.3: Users' level of use of standard forms of contract in the SA building industry**

TYPE OF CONTRACT	Mean	RI	Never	Rarely	Regularly	High	Very high
JBCC Series 2000	4.4	.85	1	4	5	12	42
GCC 2004	1.8	.19	30	26	3	3	2
NEC3	1.8	.19	32	26	0	1	5

The results in Table 2.3 likewise indicate that JBCC is the contract of choice in the South African building industry (RI = 85%) and that the other permissible contracts are seldom used for building projects (RI = 20% or less).

### JBCC vis-à-vis other standard forms of contract

Table 2.4: The advantages of JBCC over other permissible standard forms of contract

Assumed advantages of JBCC	Mean	R1	Highly disagree	Disagree	Undecided	Agree	Highly agree
Locally more relevant	4.2	.80	1	2	4	34	23
Wider application, therefore better understood	4.0	.76	3	5	2	31	23
Easier to administer	3.9	.72	3	5	3	39	14
Better availability of technical support	3.9	.72	2	2	9	39	12
More equitable distribution of risk	3.7	.67	3	4	14	34	9
Deals better with specialist subcontracting	3.9	.73	1	3	10	35	15
Suitable for both private and state sectors	3.9	.72	1	5	8	36	14

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The analysis of the results in Table 2.4 shows that respondents generally agreed with the assumed advantages of JBCC over other permissible contracts (RI ranging between 67% - 80%). This outcome is supported by the following two documents from respondents:

- *GCC, NEC3 and FIDIC are engineering contracts drawn up by engineers and as such each has shortcomings in its application to the building industry in SA.*
- *The most important aspect of contracting is the allocation of risk and the management of all risk factors through rights/obligations and the administration thereof. JBCC does this fairly well and knowledge of JBCC is well established in the building industry.*

### Selection of an appropriate standard form of contract

Table 2.5: Clients and consultants are sufficiently informed to decide which contract is the most appropriate contract to use

Assumed advantages of JBCC	Mean	R1	Highly disagree	Disagree	Undecided	Agree	Highly agree
Architects	3.2	.55	0	1	2	2	0
Quantity surveyors	3.2	.54	3	4	7	13	1
Project managers	3.0	.49	1	8	7	7	1
Engineers	2.9	.47	2	6	1	4	2
Contractors	3.1	.51	1	5	4	8	0
Overall totals	3.0	.51	7	24	21	34	4

One can deduce from the results in Table 2.5 that respondents are not fully convinced that clients and consultants are sufficiently informed to make a proper selection of the most appropriate form of contract for the project in question (RI ranging between 47% - 55%). This deduction is supported by comments made by some of the respondents (see below). Another possible reason is that few people and practices in the building industry have the opportunity to use forms of contract other than the JBCC, and *vice versa* for those operating in the engineering industry, who seldom will come across the full range of contracts (GCC, NEC and FIDIC) not to mention JBCC.

- *It will be great if ALL government departments and local authorities use JBCC on their building projects.*
- *Form of contract needs to be widely used and when participants get used to one it benefits everyone due to understanding and ease of application. Most contractors are not that clued up with any form of contract - if there is more than one used then it make matters worse. JBCC is widely known and a refined form of contract.*
- *Clients have very limited knowledge of the contracts. Architects that are appointed as principal agents in many cases don't have sufficient knowledge of the JBCC contract.*
- *With regards to point number 2.4 above the perception exists that most of the clients don't have sufficient knowledge to make the decision on the form of contract and have to rely on the consultants. Most principal*

agents will rely on the QS to advise on the type of contract to use, which means that most of the other consultants are not sufficiently knowledgeable on the different contract types.

12 *The future: What next for standard forms of contract?*

## CONCLUSION AND RECOMMENDATIONS

In conclusion, it is evident from the study that JBCC is the preferred standard form of contract in the South African building industry. There are, however, some reservations judging from comments made by respondents with respect to its effectiveness, which have mainly been brought about by the regular publication of revised editions since its inception in 1991. In order for JBCC to maintain its position as market leader, it needs to take cognisance of this perception and they must ensure that the proposed new, sixth edition would meet all the requirements of a modern contract, address all recognised remaining deficiencies, and that it obtains the sanction and support of CIDB and government. The new edition must, in addition, undergo a rigorous legal vetting process by a firm of lawyers that has appropriate specialisation and experience in the field of construction contract law.

JBCC must further continue to promote and develop its documentation suite as it was clearly illustrated that JBCC is regarded as locally more relevant. Furthermore it is generally recognised that the supplementary documentation and technical support provide constructive assistance to users, and that it deals effectively with specialist subcontracting matters, an issue very prevalent to the South African building industry.

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