

JOINT PRACTICE COMMITTEE

(WESTERN CAPE)

CONSTITUENTS:
CAPE INSTITUTE OF ARCHITECTURE
SOUTH AFRICAN PROPERTY OWNERS' ASSOCIATION
ASSOCIATION OF SOUTH AFRICAN QUANTITY SURVEYORS
SOUTH AFRICAN ASSOCIATION OF CONSULTING ENGINEERS
MASTER BUILDERS & ALLIED TRADES ASSOCIATION, W.CAPE

Practice Note 05/2009

INTEREST ON UNCERTIFIED MONIES AFTER THE DATE OF PRACTICAL COMPLETION

The content of clause 31.10 of the Principal Building Agreement produced by the Joint Building Contracts Committee (JBCC) is incorrectly perceived by many Employers as a penalty for late certification. This is not the intention, since the underlying reasoning behind the inclusion of this clause is that the Contractor should be reimbursed at least a portion of the financing costs which the Employer has freely enjoyed, arising from monies which clearly should have been paid at some earlier date.

During the negotiations between the various bodies forming the JBCC, there were many areas of disagreement which were ultimately resolved on a compromise basis, as is to be expected in any negotiating process.

The final wording and inclusion of Clause 31.10 is the result of such negotiations, and the practice of omitting this clause from contract documentation results in the creation of an imbalance to the negotiated standard document.

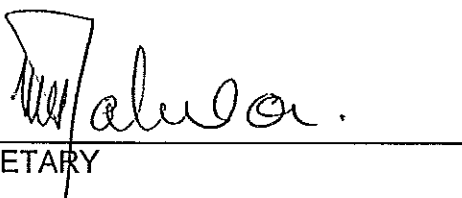
Clause 31.10 as contained in the standard JBCC document should not therefore be omitted or amended under any circumstances.



CHAIRMAN

18 June 2009

DATE



SECRETARY