

AS 4305—1996
(Incorporating Amendment No. 1)

Australian Standard[®]

Minor works contract conditions

This Australian Standard was prepared by Committee OB/3, General Conditions of Contract. It was approved on behalf of the Council of Standards Australia on 24 April 1996 and published on 5 July 1996.

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Australian Chamber of Commerce and Industry
AUSTROADS
Construction Industry Engineering Services Group
Construction Policy Steering Committee
Electricity Supply Association of Australia
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Project

Principal

..... (ACN)

Contractor

..... (ACN)

Date of Agreement

This Contract is
signed for and on
behalf of the
Principal by
(signature)

.....
Full Name (print)

Witness
(signature)

.....
Full Name (print)

This Contract is
signed for and on
behalf of the
Contractor by
(signature)

.....
Full Name (print)

Witness
(signature)

.....
Full Name (print)

PREFACE

This Standard was prepared by the joint Standards Australia/Standards New Zealand Committee OB/3, General Conditions of Contract, and issued as an Australian Standard. This Standard is part of the suite of contracts based on AS 2124—1992, *General conditions of contract*.

This Standard incorporates Amendment No. 1 (October 2000). The changes required by the Amendment are indicated in the text by a marginal bar and amendment number against the clause, note, table, figure or part thereof affected.

This form of Contract is intended to be used for construct only projects of a simple nature.

It is not suitable for projects of a complex or long term nature or where a bill of quantities has been prepared. There is also no provision for Separable Portions or nominated subcontracts.

This Standard is not meant to be used as a short form of AS 2124—1992. Certain obligations and risks are dealt with differently from the way they are dealt with in AS 2124—1992, by reason of the simple nature of the projects for which this form of Contract is intended to be used.

Generally, this form of Contract is intended for projects of value up to \$250,000.

NOTES:

- 1 The parties to this form of Contract must clearly define the scope of the work under the Contract and allocate responsibilities for the payment of fees and the obtaining of approvals.
- 2 Where the Principal effects insurance policies under Clause 9 or 10, copies of such policies should be made available to tenderers.

A1

WARNING

Legislation has come into force in some jurisdictions dealing with security of payments. Parties intending to use this Standard should seek expert advice as to their rights and obligations under such legislation.

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STANDARDS AUSTRALIA

Australian Standard

Minor works contract conditions

1 INTERPRETATION

In the Contract, except where the context otherwise requires—

- 'Certificate of Practical Completion' means the certificate referred to in Clauses 25 and 26; 15
- 'Contract' means the agreement between the Principal and the Contractor;
- 'Contractor' means the person stated in Item 3; 20
- 'Contract Documents' means the documents listed in Item 7;
- 'Contract Sum' is the amount stated in Item 8; 25
- 'Date for Practical Completion' means the date stated in Item 11(a) or the last day of the period of time stated in Item 11(b);
- 'Date of Acceptance of Tender' means the date which appears on the written notice of acceptance of tender; 30
- 'Date of Practical Completion' means—
 - (a) the date certified by the Superintendent in a Certificate of Practical Completion to be the date upon which Practical Completion was reached; or 35
 - (b) where another date is determined in any arbitration or litigation as the date upon which Practical Completion was reached, that other date;
- 'day' means calendar day; 40
- 'direction' includes agreement, approval, authorization, certificate, decision, demand, determination, explanation, instruction, notice, order, permission, rejection, request or requirement; 45
- 'Item' means an Item in the Annexure;
- 'Principal' means the person stated in Item 1;
- 'Practical Completion' is that stage in the execution of the work under the Contract when the Works are complete and ready for use except for minor omissions and minor defects; 50
- 'Site' means the lands and other places to be made available and any other lands and places made available to the Contractor by the Principal for the purpose of the Contract; 55
- 'Superintendent' means the person stated in Item 5;
- 'work' includes the provision of materials; 60
- 'work under the Contract' means the work which the Contractor is or may be required to execute under the Contract and includes variations, remedial work, constructional plant and temporary works;
- 'Works' means the whole of the work to be executed in accordance with the Contract, including variations provided for by the Contract, which by the Contract is to be handed over to the Principal. 65

The clause headings and sub-clause headings shall not form part of this Contract or be used in its interpretation.

Words in the singular include the plural and words in the plural include the singular, according to the requirements of the context.

2 NATURE OF CONTRACT

2.1 Performance and Payment

The Contractor shall execute and complete the work under the Contract.

The Principal shall pay the Contractor—

- (a) for work for which the Principal accepted a lump sum, the lump sum; or
 - (b) for work for which the Principal accepted rates, the sum of the products ascertained by multiplying the measured quantity of each item of work actually carried out under the Contract by the rate accepted by the Principal for the item,
- adjusted by any additions or deductions made pursuant to the Contract.

2.2 Quantities

Quantities in a schedule of rates are estimated quantities only.

A direction shall not be required to be given by the Superintendent by reason of the actual quantity of an item required to perform the Contract being greater or less than the quantity shown in the schedule of rates.

3 SECURITY AND RETENTION MONEYS

If security is to be provided, it shall be provided in the form and the amount stated in Item 12 and within the time stated in Item 13.

If no security is stated in Item 12, the Principal may retain 10 percent of each progress payment up to a maximum of 5 percent of the Contract Sum.

The Principal may have recourse to security or retention moneys where the Principal has become entitled to exercise a right under the Contract in respect of moneys owing to the Principal and at least 5 days have elapsed since the Principal has notified the Contractor of an intention to have such recourse.

Upon Practical Completion, the Principal's entitlement to security and retention moneys shall be reduced to 50 percent thereof.

The Principal shall release security and retention moneys in excess of the entitlement within 14 days of the entitlement being so reduced.

Within 14 days of the issue of a Final Certificate, the Principal shall release to the Contractor any security or retention moneys then held by the Principal.

4 CONTRACT DOCUMENTS

The Principal shall supply to the Contractor the number of copies of the Contract Documents stated in Item 7.

In the event of an ambiguity or discrepancy being discovered in or between the Contract Documents or documents prepared thereafter for the purpose of executing the work under the Contract, the Superintendent shall direct the Contractor as to the interpretation. If the direction causes the Contractor to incur more or less cost than the Contractor could reasonably have anticipated at the time of tendering, a reasonable amount including overheads shall be allowed and added to or deducted from the Contract Sum.