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CERTIFICATE OF PRACTICAL COMPLETION EFFECTIVE DATE OF CERTIFICATE DESCRIPTION OF PART OF WORKS TO BE HANDED OVER BY THE CONTRACTOR IN ACCORDANCE WITH THE CONTRACT DOCUMENTS: OUTSTANDING, UNACCEPTABLE AND EXTRA WORK Attached: • Addendum A is a list of items which are either incomplete or unacceptable and should, in accordance with GCC CLAUSE 54(4) be completed or rectified in accordance with the specifications, drawings and relevant instructions not later than the date stated in the Addendum. • Addendum B lists extra items that are required to be completed by the stated date. If these items are not complete or have not been rectified by the aforementioned date, the effective date of this certificate shall be extended by the amount of additional time taken by the Contractor to complete the work specified. FOR ROADS AND STORMWATER DIVISION: However, if you would like to share the information in this article, you may use the link below: 0 ratings0% found this document useful (0 votes)4K viewsThe document provides pro forma practical completion certificate templates for different construction contract forms including NEC, FIDIC, JBCC, and GCC. It contains 9 sections that outline ...Al-enhanced title and descriptionSaveSave Practical completion certificate Profromas v4-0 For Later0% found this document useful, undefined There have been numerous disputes which have centred on the issue of whether the construction Works have achieved Practical Completion or not. This is not at all surprising as most of the Standard Forms used in Malaysia of rely upon the issuance of a Certificate of Practical Completion to record when a project has indeed reached Practical Completion. The fact that the Certificate of Practical Completion is the document which also initiates such events as the release of the first moiety of retention, exclusion of liability for Liquidated and Ascertained Damages and changes in obligations in respect of insurance for the Works is by no means a coincidence in the frequency of disputes which question the date the works did indeed reach practical completion. For example it would not be difficult to understand the Employer's willingness, or not, to accept the Works which may be dependent upon whether he has a party to occupy them. Indeed why would he take on the cost of maintaining, securing and insuring the Works when the Contractor is in a position to do these works at no cost and he may be able to recover Liquidated and Ascertained Damages in addition through the Architect or Engineer not certifying that the works are indeed practically or substantially complete. Taking into account the significance attached to the term Practical Completion it is very surprising that standard forms do not define the term practical completion rather than leave the matter to the discretion of the Architect or Engineer charged with administering the Contract. The Agreement and Conditions of PAM Contract 2006 (with or without quantities) fails to provide a clear definition of Practical Completion, it merely states that Practical Completion or Practically Completed means the state of completion described in Clause 15.1 of the Conditions of Contract and that a Certificate of Practical Completion means a certificate issued under Clause 15.2 of the Conditions of Contract. Clause 15.1 of the Conditions of Contract state that the Works are practically complete when in the opinion of the Architect, the Employer can have full use of the works for their intended purpose, notwithstanding that there may be works and defects of a minor nature still to be executed and the Contractor has given to the Architect a written undertaking to make good and to complete such works and defects within a reasonable time specified by the Architect; and other requirements expressly stated in the Contract Documents as a pre-requisite for the issuance of the certificate of practical Completion have been complied with. The I.E.M Conditions of Contract for Works Mainly of Civil Engineering Construction fails to define Practical Completion or Certificate of Practical Completion at all. Clause 39 (b) States when the whole of the Works have reached practical completion according to the provisions of this Contract and to the satisfaction of the Engineer, the date of such completion shall be certified by him and such date shall be the date of the commencement of the Defects Liability Period as provided in Clause 45 hereof. The Certificate issued under this sub-clause shall be referred to as the Certificate of Practical Completion. Thus unless Practical Completion is defined in one of the other documents stated as being contract documents which the Conditions define as a Contract then there is indeed no provisions in the contract and the issuance of a Certificate of Practical Completion is reliant on the Engineer being satisfied as to something but what is not stated. The FIDIC Red book 4th Edition refers to Taking Over Certificate rather than Practical Completion Certificate as the document which signifies the Works have reached substantial completion. FIDIC fails to define what Substantial Completion is it does however define that a Taking Over Certificate is a certificate issued pursuant to Clause 48 of the Conditions of Contract and that Tests on Completion are test specified in the Contract or otherwise agreed by the Engineer and Contractor which are to be made by the Contractor before the Works or any Section or Part of the Works thereof are taken over by the Employer. Sub-Clause 48.1 of the Conditions of Contract states that the Engineer shall within 21 days of the date of delivery of the Contractors notice (that he considers the works complete and any test on completion complete) either issue to the Contractor with a copy to the Employer a taking over certificate stating the date on which in his opinion the Works were substantially completed in accordance with the Contract or give instructions in writing to the Contractor all Works which in his opinion is required to be done before the issuance of such a certificate. So in all three standard forms quoted above it can be seen that whether it be substantial completion of practical completion the term is not defined and in all cases it is at the Engineer or Architect discretion. The nearest we come to a definition is PAM's reference to the Employer having full use of the Works for their intended purpose. The courts have given a number of definitive opinions on what practically complete or substantially complete. In the case of Westminster Corporation v J. Jarvis & Sons [1970] it was the Courts opinion that the obligation on the Contractor under to complete the works by the date fixed for completion must, be an obligation to complete the Works in the sense in which the words 'practically completed' are used in the Contract. The Court took these words to mean completion for practical purposes, i.e. for the purpose of allowing the Employer to take possession of the works and use them as intended. If completion meant down to the last detail, however trivial and unimportant, the liquidated and ascertained damages clause would be a penalty clause and unenforceable. The Court further stated that the Contract did not define what was meant by Practical Completion. One would normally say that was practically completed when it was almost but not entirely finished, but practical completion suggests that this was not the intended meaning and what is meant is the completion of all the construction that has to be done. In the case of HW Neville v William Press and Sons [1982] the Court was of the opinion that the word practically gave the Architect a discretion to certify that the Contractor had fulfilled its obligation where very minor de minimis work had not been carried out, but that if there were any patent defects in what the Contractor had done the Architect could not have given a certificate of Practical Completion. The Court in the case of Emson Eastern v EME Developments [1991] further reinforced this view where it was of the opinion that because a building can seldom if ever be built as precisely as required by drawings and specification, the Contract, realistically refers to Practical Completion and not Completion, but they mean the same. If contrary to my view, completion is something which occurs only after all defects, shrinkages and other faults have been remedied and a certificate to that effect has been given, it would make the liquidated damages provision unworkable. Keating and Hudson have both given their interpretation of the meaning of practical completion. Keating presents that the following characterises are to be implied in the meaning of Practical Completion: 1. The Works can be Practically Complete notwithstanding that there are latent defects; 2. A Certificate of Practical Completion may not be issued if there are patent defects. The Defects Liability Period is provided in order to enable defects not apparent at the date of Practical Completion to be remedied; 3. Practical Completion means the completion of all the construction work that has to be done; 4. However, the Architect is given discretion under the Contract to certify Practical Completion where there are very minor items of work left incomplete, on 'de minimus' principles." Hudson follows similar principles, stating: It is desirable to be clear as to the precise meaning of 'completion' in a time obligation. There is surprisingly little English authority on the point, but it is clear that the requirement will be less rigorous than in other contractual contexts. Usually it will mean bona fide completion free of known or patent defects so as to enable the owner to enter into occupation. The words 'practical' or 'substantial' in the English standard forms probably do no more than indicate that trivial defects not affecting beneficial occupancy will not prevent completion (the more so, of course, if the contract provides for a maintenance or defects liability period). It is clear from the case-law and the definitions provided by both Hudson and Keating that the interpretation of the terms practical or substantial completion still remain at the discretion or opinion of the Engineer or Architect unless of course the Employer is enjoying beneficial occupancy and the Works are being used as could be determined from the Contract for what it was intended. 0 ratings0% found this document useful (0 votes)456 viewsThis certificate certifies that Prima Penchala Sdn Bhd achieved practical completion for the temporary power supply sub-contract for the proposed construction of the University Sultan Zainal...Al-enhanced title and descriptionSaveSave CPC-Template For Later0% found this document useful, undefined