

# JBCC ADVISORY NOTE: EDITION 6.2

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## DOCUMENT/S

### Nominated/Selected Subcontract Agreement

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**DISCLAIMER** *The purpose of this publication is to give advice on the most effective use of the JBCC documents. Advice is given in good faith and JBCC disclaims all liability for any loss, damage or expense that may be incurred through acting on such advice*

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## PRELIMINARIES - Definition

The **JBCC** General Preliminaries and/or items listed in the preliminaries section of the **subcontract priced document**

### 14.0 NOMINATED SUBCONTRACTORS - Appointment

14.1 The **principal agent** and/or **agents** shall:

14.1.1 Prepare tender documents in conformity with this **subcontract agreement** for work intended to be executed by a nominated **subcontractor**

### 15.0 SELECTED SUBCONTRACTORS - Appointment

15.1 The **principal agent** and/or **agents** shall:

15.1.1 Prepare tender documents in conformity with this **subcontract agreement** for work intended to be executed by a selected **subcontractor**. Such preparation shall be carried out in consultation with and to the reasonable approval of the **contractor**

## INTERPRETATION

The JBCC makes provision for both *nominated* and *selected* **subcontractors**. This concept of two categories of subcontractors whose appointment is instigated by the **employer/employer's agent** is unique to JBCC forms of contract. The form of subcontract to be used is specified (14.1 and 15.1) and it is identical to both. The main differences are in the procedure leading to appointment and the degree of risk that the **contractor** and **employer** may carry in respect of performance by the **subcontractor**

There is currently a lack of consistency between the various quantity surveying practices when compiling tender documents for work to be executed by either nominated or selected **subcontractors**. This is further complicated by the scope of the work to be executed by the respective **subcontractors**. In certain instances, the scope of the **subcontractor's** work will be quite extensive, say the installation of the electrical work forming part of a major project that can amount to many millions of rand and be part of the construction **programme** of the main **contractor** from almost the start of the **works** up to **practical completion** and beyond. Compare this to the installation of say a revolving entrance door of a hotel project where the **subcontractor's** scope of works will be for a very limited period only towards the end of the **construction period** and with a **subcontract value** of less than a million rand

The ASAQS's Preliminaries Committee has taken cognisance of this situation and has met on several occasions to prepare a model preliminaries trade bill for such smaller **subcontractor's** works that does not require a full, almost *mutatis mutandis* version, of the preliminaries trade to be found in the **priced document** prepared for the main **contractor**. In some instances, it might still be advisable to follow

this procedure, but the committee has decided to prepare a model bill that could be used for both the short (for small and/or less complex installations) and long versions (for larger and/or more complex installations). This is preferable to creating two separate Model Preliminaries Bills No 1. A single priceable item would suffice for most subcontracts, but for larger and/or more complex subcontracts (particularly MEP installations but also facades and the like) it is recommended that an expanded list of priceable items be included

Further items that are specific to M&E installations, such as Testing & Commissioning, Operating and Maintenance Manuals, 12 months Maintenance, Guarantee, Instruction/Training and Handover, would generally be covered by the Specification and should rather be included in a "General Items" Bill at the end of the measured Bills (this is what the Standard System calls for as well)

For indicative purposes an extract is provided to show the abbreviated format that can be used for the N/S Subcontract Agreement Edition 6.2 Preliminaries Bill No 1. The full document can be found on the JBCC's website under DOCUMENTS >>>Free Forms

Item No		Quantity	Amount
	<p><u>User Note</u></p> <p><i>Where the subcontract works are not complex, it is recommended that limited items be included for pricing purposes as set out hereunder. Where the subcontract works are complex and/or large, it is recommended that the items be expanded to provide a more extensive breakdown of the preliminaries, as indicated by the "?" items hereunder</i></p>		
1	<p><b>Allow for all costs and other provisions involved in complying with any clauses and conditions for these subcontract works as set out in the N/S Subcontract Agreement and Preliminaries referred to above</b></p> <p>F: ..... V: ..... T: .....</p>		
2	<p><b>? Submission of design documentation (shop drawings)</b></p> <p>F: ..... V: ..... T: .....</p>		
3	<p><b>? Insurances and Securities</b></p> <p>F: ..... V: ..... T: .....</p>		
4	<p><b>? Administrative and supervisory personnel</b></p> <p>F: ..... V: ..... T: .....</p>		
5	<p><b>? Programming of the subcontract works</b></p> <p>F: ..... V: ..... T: .....</p>		
6	<p><b>? Subcontract construction equipment and temporary works</b></p> <p>F: ..... V: ..... T: .....</p>		

7 ? Enclosure and protection of the subcontract works

F: ..... V: ..... T: .....

8 ? Compliance with the health and safety requirements of the works

F: ..... V: ..... T: .....

? Any other items that the subcontractor may wish to add - to be listed below:

9 ? Additional item 1:

F: ..... V: ..... T: .....

10 ? Additional item 2:

F: ..... V: ..... T: .....

11 ? Additional item 3:

F: ..... V: ..... T: .....

Carried to Final Summary

**COMMENT**

It is hoped that a simplified Preliminaries Bill No 1 for nominated or selected subcontract works will lead to a more uniform and practical approach when compiling tender documents for the wide variety and scope of such works in the building industry. Statistics have shown that for each N/S Subcontract Agreement (NSSA) sold four Principal Building Agreements (PBA) are sold – this should be the other way round! To increase the sales of the NSSA JBCC has reduced the price thereof compared to what it sells the PBA for, but unfortunately this has resulted in only a minor increase in the sales of the NSSA

Should the use of a more uniform and simplified Preliminaries Bill No 1 for subcontract works based on the NSSA and Preliminaries become the norm it can have a further advantage in that main contractors will (hopefully) desist from adding so many onerous and one-sided special conditions in their appointments with specialist (and domestic?) subcontractors. This problem has been in existence for some time now and subcontractors are bearing the brunt of conditions added such as 'pay if paid', 30-day payment period and unfair contra charges