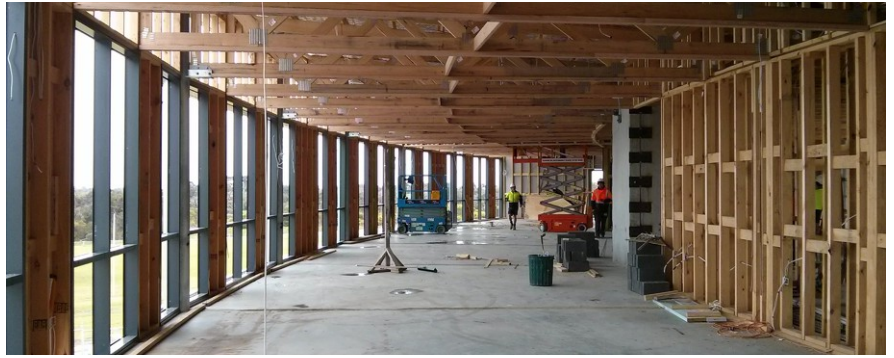


Mission and Buildings - Selecting a Building Contractor

Every good project needs a good architect, a good client and a good builder. How do you find and engage that good builder? Pitfalls to avoid include delay in completion, cost blowout, poor workmanship, overpayment, non-compliance and many others. Building projects involve very large expenditure, often on behalf of members that have contributed sacrificially. Having a watertight ethical framework is essential.



Construction is costly and needs to be managed responsibly

These risks are controlled by selecting tenderers carefully and taking references, conducting interviews with nominated staff, providing a fully described set of drawings for the work and having a clear building contract that is applied and enforced.

Hugh Watson of Moores Legal says *There are steps you can take to maximise the value of your investments and to help deliver your building projects on time, on budget and without costly and time wasting disputes.* He advises:

1. **Select your professional team.** To find the right person for the right job check for experience on projects similar to your project and seek people who understand and reflect your values, priorities and objectives.
2. **Select your project delivery model:** There are a range of project delivery models out there, but unfortunately clients often run their procurements the same as their previous ones, not realising that there may be ways to achieve better value and efficiencies. You need to carefully think about your procurement priorities and select the model that will deal most effectively with the complexities and risks on your project. Australian Standard form contracts, such as the AS4000-1997 construction contract, do not work “off the shelf” and they need a number of amendments to address recent legislative changes, to improve their clarity and operation and to provide some additional protections to the client.
3. **Engage competitive tension.** Best practice procurement would have you run a competitive tender. So, rather than using the contractor you used last time, or only getting a price from the contractor who worships at your church, you ask a number of people to bid. Competitive tension between tenderers helps achieve better value for money and a better risk allocation for you.
4. **Retain ownership of your building project.** It is essential that you retain ownership of how your building projects are set up and run. Contractors and consultants are only required to build or deliver what the contract specifies they must. If the technical requirements or service description does not detail exactly what you want, there is unfortunately not much you can do about it as that is the legal bargain the parties struck.
5. **Manage the building project after contract signing.** For your building project to be delivered on time, on budget and without costly and time wasting disputes your professional team should:
 - know and use the contract you have signed rather than leaving it in the “bottom drawer”;
 - apply sensible and pragmatic contract administration; and
 - have considered communications with contractors

Whether you use the Australian Standard contract or the Australian Building Industry Contract each of which would be tailored to your project, it is important to have the protection of a contract that is tried and tested in law. Any disputes can often be quickly resolved from existing case law. Otherwise, trying to mount a legal claim from first principles on a fully bespoke contract can be so daunting and costly that it is not worth starting.

Next time: Being that Good Client.

Hugh Watson can be contacted at 03 9843 2185. Fred Batterton’s book [“Making Property Serve Mission”](#) is available worldwide as [ebook or paperback](#)