



The South African Institution of Civil Engineering

GENERAL CONDITIONS OF CONTRACT FOR CONSTRUCTION WORKS

FREQUENTLY ASKED QUESTIONS (FAQ)

FAQ COLLECTION 3

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ABOUT THIS DOCUMENT

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FREQUENTLY ASKED QUESTIONS ABOUT THE SAICE GENERAL CONDITIONS OF CONTRACT FOR CONSTRUCTION WORKS

GENERAL DO THE RESPONSES TO THESE FREQUENTLY ASKED QUESTIONS APPLY TO EACH PUBLICATION IN THE SAICE SUITE OF GENERAL CONDITIONS OF CONTRACT FOR CONSTRUCTION WORKS?

Q: Do the responses to these frequently asked questions apply to each publication in the SAICE Suite of General Conditions of Contract for Construction Works?

Ans: No, these responses do not apply to the editions published by SAICE prior to the General Conditions of Contract for Construction Works, Third Edition 2015. These responses however do apply *mutatis mutandis* to each publication in the SAICE Suite of General Conditions of Contract for Construction Works published between January 2015 and December 2019.

CLAUSE 1.1.1.14 WHAT IS THE EXACT MEANING OF “DUE COMPLETION DATE”?

Q: What is the exact meaning of meeting or achieving the “Due Completion Date”?

Ans: The meeting or achievement of the “*Due Completion Date*” has a very specific meaning in a SAICE GCC contract and cannot be interpreted outside the contract as having a general layman’s meaning of:

(a) “*a date whereon the contract is complete with all construction work done,*”

or

(b) “*when the contract has come to an end,*”

or

(c) “*when all payments have been made to the contractor*”.

In fact, meeting or achieving the “*Due Completion Date*” means something totally different. It means a date when not even the construction work is complete. All that has happened on this date, by meeting or achieving the “*Due Completion Date*”, is that the construction work has reached a state of near-completion. On this date, the permanent works, the structure or even only one section of the entire project has merely reached a state of readiness for occupation by the Employer with some minor construction work that may still be outstanding, which minor construction work does not affect the functionality of the safe occupation by the Employer. The Contractor is still present on the construction site while the Employer has already taken occupation of the part of the works that is suitable for occupation. That is what meeting or achieving the “*Due Completion Date*” means in a nutshell.

A closer formal study of the term “*Due Completion Date*” will lead to the discovery of its formal definition in the text of the standard construction contract published by the South African Institution of Civil Engineering (SAICE), with the publication popularly known in the South African construction industry as the “General Conditions of Contract” or “GCC”. The published standard construction contract or GCC is published by the *South African Institution of Civil Engineering* under the publication title “*General Conditions of Contract for Construction Works Third Edition (2015)*” with ISBN Number 978-0-6399234-0-6.

The definition of “*Due Completion Date*”: appears in Clause 1.1.1.14. This publication remains

endorsed as a national standard for construction projects in terms of the *Construction Development Regulations* of the *Construction Industry Development Act*, and which requirements and regulations, in turn, are enforced by the *Municipal Finance Management Act*, Clause 21. (a) (iii) of the *Supply Chain Regulations* as promulgated in *Government Gazette No 27636* of 30 May 2005.

It is therefore important that auditors, procurement practitioners and anyone else who holds an interest in construction procurement, and even the public, and also users of social media, be well-informed of the meaning of the term “*Due Completion Date*” under the GCC and what the criteria is for achieving the Due Completion in terms of Clause 1.1.1.24, as read with Clause 1.1.1.33 of the GCC, and that it has a healthy pedigree and a strong link to the Municipal Financial Management Act (MFMA). The publication is endorsed by the *Construction Industry Development Board*, as promulgated in terms of the *Construction Industry Development Board Act*, as published in the *CIDB Standard for Uniformity* by means of *Board Notice 136 of 2015 as published in Government Gazette 38960 of 10 July 2015*. Every auditor may benefit by knowing this.

Lastly, the precise definition of “*Due Completion Date*” reads as follows (Sub-Clause 1.1.1.14 of the GCC):

“Due Completion Date” means the date of expiry of the time stated in the Contract Data for achieving Practical Completion of the Works, calculated from the Commencement Date and as adjusted by such extensions of time or acceleration as may be allowed in terms of the Contract.

The definition of *Practical Completion* appears in Clause 1.1.1.24 of the GCC and reads as follows:

““Practical Completion” means that the whole or portion of the Works has reached a state of readiness, fit for the intended purpose, and occupation without danger or undue inconvenience to the Employer, even though some work may be outstanding.”

It is hoped that the above provides an answer to the question of the meaning of “*Due Completion Date*”.

The *South African Institution of Civil Engineering* is confident that its publication “*General Conditions of Contract for Construction Works, Third Edition (2015)*”, also popularly known as the GCC, will remain the mainstay of the model construction contract of the South African construction industry.

The document remains the most popular form of construction contract in the South African construction industry, is well-understood, and since its first forerunner was published in 1958, has grown into a world-class document and remains the best South African standard contract with extensive support through training seminars, supplementary resources such as a separately published guide and a highly-skilled committee which runs a well-maintained support system for the GCC.

This response was prepared by Benti Czanik, a professional civil engineer, and chairperson of the SAICE Contractual Affairs Subcommittee of the SAICE Project Management and Construction Division.