**NZS 3910: Conditions of contract for building and civil engineering construction**

**Completion Process** [simplified]

1.. The Principal applies for a *code compliance certificate* when the work is sufficiently complete by

the *building consent* [**s92 Building Act 2004**]

2.. The Contractor applies for a Practical Completion Certificate when the work is complete except

for “*minor omissions and minor defects*” [**10.4.2**].

3.. When the Practical Completion Certificate is issued by the Engineer a defects notification period

starts [**10.4.4**]. By default its’ duration is “*3 months*” [**11.1**].

4.. The Principal releases defects liability retention in the first progress payment to the Contractor

after issue of the Practical Completion Certificate that is not held back to cover the costs of

defects and omissions detailed in the Practical Completion Certificate [**12.3.2(b)**].

5.. During the defects notification period “*the Contractor shall remedy defects and damage…resulting*

*from defective workmanship or Materials*” [**11.2.1**].

6.. “*Within 5 Working Days*” of the end of the defects notification period the Engineer provides the

Contractor with a list of “*defects or damage*” that still needs to be remedied [**11.2.1**].

7.. “*Within 5 Working Days*” of receiving the list, or a “*reasonable time*” agreed by the Engineer, the

Contractor shall remedy the “*defects or damage*” [**11.2.1**].

8.. The Engineer has the power to “*direct others to undertake the work*” if the Contractor cannot or

will not comply [**11.2.2**].

9.. A Final Completion Certificate is issued when all work is remedied [**11.3.1**]. This includes the

balance of any retention monies [12.3.2(b) and (c)].

10.. Within “*one Month*” of the Final Completion Certificate being issued the Contractor must serve

a “*final payment claim*” on both the Engineer and the Principal [**12.4.1**].

11.. The Engineer issues a “*Final Payment Schedule*” [**12.5.1** & s21 Payment schedules **Construction**

**Contracts Act 2002**]

12.. The Principal has “*30 Working Days*” to consider the “*Final Payment Schedule*” which it can

amend, and if it does so, the Engineer must act as the Principal’s agent i.e. not act in his/her

independent role, and must issue a “*replacement Final Payment Schedule*” [**12.5.2** & **3**].

13.. The Principal pays the Contractor the amount of the “*Final Payment Schedule*” [the original or

the “*replacement*” if there is one] including all retention monies [**12.6.1**].