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CLIENT RESOURCE

Single Residential Projects

CLIENT SUPPLIED ITEMS





House in Newtown | Architect George | Photography: Clinton Weaver

CLIENT SUPPLIED ITEMS

In most building contracts the builder is responsible for purchasing and installing all items for a project, however it is not uncommon for clients to elect to or be asked to supply some items for a project.

Client supplied items tend to be off the shelf items which only need installation, for example a light fitting or toilet. They may also be a specialist trade eg. Joinery, where both supply and installation can be handled outside of the contract.

When a builder supplies items for a project the owner will pay builders margin and/or attendance costs on top of the cost of the item or trade. If a builder supplies an item they are responsible for the coordination, installation and performance of the item or trade. If there is a problem with an item during the contract or after practical completion, the builder is obligated to rectify the issue. While this provides security to the owner it should be noted that the client is paying for this arrangement.

BUILDER'S MARGIN AND ATTENDANCE COSTS

The builder's margin is an amount of money that is added to the cost of most items in the contract. This cost covers the time required for a builder to coordinate and oversee a trade or the supply and installation of an item. It also covers the risk a builder takes on when undertaking building works and supplying items or engaging external contractors. An example of this might be coordinating the replacement of a defective fitting and making good the building around it afterwards.

Builder's attendance costs is paid to the builder to coordinate the installation of something that is external to the contract.

The service a builder provides in return for these payments may include the following:

- checking the required quantities of a material
- checking exact measurements for manufacture of an item
- coordinating delivery
- checking the order
- chasing up missing items
- making sure the installers turn up and do their work as specified in the correct location and
- arranging for defects to be rectified.

CLIENT SUPPLIED ITEMS

When a client supplies items for a project the client does not pay builder's margin and often does not pay attendance costs. This is a significant cost saving however it is in exchange for committing to a significant amount of work, work which is typically undertaken by the builder. See list of services noted on previous page.

If there is a problem with an item the client is responsible for fixing it. This includes any repairs or making good to the building fabric around the item that might be damaged, either during the installation process or afterwards such as in the event of a warranty claim for a faulty product after work is complete.

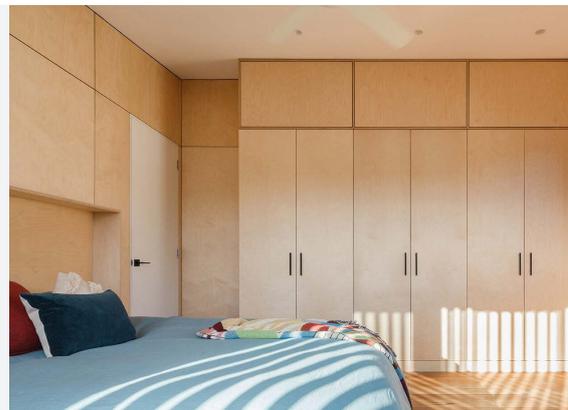
Some downfalls of Clients supplying items include:

- a. **Incorrect items** – If a client purchased an item which varied from the specification it may lead to additional work for the builder. eg. If a client purchased a back inlet toilet rather than a bottom inlet toilet the plumber will need to re-plumb to accommodate this new fitting.
- b. **Time Delays** – If a client's contractor delays the schedule of work the client may need to pay the builder delay costs.
- c. **Over supply or under supply of materials** – For example if a client chose to supply tiles but did not calculate the required amount correctly they would need to purchase more tiles. If the client cannot access tiles from the same batch as the tiles already laid, there may be noticeable variation in colour or texture.
- d. **Warranties** – When a client supplies appliances they are responsible for these items. If the item breaks during the warranty period it is up to the client to coordinate replacement and pay for any re-installation costs.
- e. **Damage** – If the client engages an external contractor to take on some parts of the works and this contract damages something in the builder's scope of works (ie a wall or door) the client is then responsible for negotiating with the external contractor to pay for rectification.

CASE STUDY – BUILDER SUPPLIED JOINERY

Ben and Julie elect to ask the builder to coordinate the supply of wardrobes from their preferred joiner. Because the contract includes builders margin and attendance fees, the builder arranges to meet the joiner onsite to run through the scope and do a check measure. While they are doing this, the builder realises the room is slightly smaller than the drawings intended. The builder calls the architect to confirm where the 30mm of lost space should be removed from. The joiner and the builder work out how to accommodate the change and the joiner sends out revised drawings to be checked by the builder and the architect prior to putting the cabinets into production.

When the cabinets arrive onsite a wall is damaged (although everything is installed and fits well). The builder fixes the damaged wall as the joiner is their sub-consultant, and they have been paid a margin and attendance costs associated with these works.



The Balcony | Bastian Architecture | Photography: Katherine Lu

When the architect inspects the cabinets, a difference in colour is noted between some of the doors. The builder coordinates for the joiner to replace all of the doors with consistently matching doors.

Three years later Ben and Julie notice that the drawers are no longer aligning correctly. They call their builder who then coordinates for the joiner to attend and realign the drawers.

By paying builders margin and attendance fees, Ben and Julie have a single point of contact for any issues that have arise and have saved their time associated with ordering and repairs.

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