



## Contract Checklist & Disclosure Statement



---

A requirement of legislative changes that affect how building contractors work with clients. Contractors must provide a Disclosure Statement.

The changes are the result of a comprehensive review of the Building Act 2004 aimed to improve the performance of the building and construction sector, and provide greater consumer protection; and, also serve to protect practitioners by providing clearer regulatory controls for those who undertake building work or administer building contracts.

These changes are designed to encourage a professional, no-surprises relationship between contractors and clients.

Tenmax Construction have systems in place that achieve the intent of the new regulations and we look forward to making simple adjustments, to use the prescribed forms and continue doing what is a requirement for all practitioners.

When you engage Tenmax Construction for your building project you will receive these documents specific to your project. We will help you achieve your desired result from concept sketch to full construction plans to define your requirements, working through the many elements to be considered, building size, form and materials; also we determine whether specialist consultants are needed, such as structural engineers, surveyor or geotech engineers. Following a comprehensive contract and specification construction would proceed to completion of your new property.

At the completion of works we provide information relating to any guarantees/warranties that apply and information about maintenance requirements including a Maintenance Schedule guideline that will ensure you have the needed knowledge about how to look after your buildings elements, and Building Code durability requirements will be met.

### **Standard checklist**

Statutory obligations require contractors provide a standard checklist to any client whose building work costs \$30,000 or more or who asks for a copy of this before you sign a contract.

The standard checklist has been prepared by the MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT and includes information on how the building project will be structured and managed, having a written contract, and resolving disputes. This is a standard document and has been attached here, for more information, you may like to go directly to [www.mbie.govt.nz](http://www.mbie.govt.nz)

### **Disclosure statement**

Statutory obligations also require contractors provide a written disclosure statement to any client whose building work costs \$30,000 or more or who asks for a copy of this before you sign a contract. The disclosure statement includes:

- Contractor full legal name; whether trading as an individual, partnership or limited liability company; the address of the business and when it was formed; and contact information, including phone numbers and email address.
- Information about the key contact person (eg the project manager or site foreman) who will be involved in carrying out or supervising the building work, including: their relevant qualifications, skills and experience; their LBP number (if applicable); and their contact phone numbers.
- Information about insurance policies contractor has, or intend to have, for the building work. This must specify the amount of the cover and any relevant exclusions on policy coverage.
- Information about any guarantees or warranties offered in relation to the building work. This must include the period of time the guarantee or warranty is offered for and any limits or exclusions. If it is a product warranty, it must specify what products are covered.

The following pages of this document contain the MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT standard Check list and Disclosure Statement forms.

## PREScribed CHECKLIST

### About this checklist

A building contractor is required to provide you with this checklist and other prescribed information under the Building Act 2004 before you sign a contract for the building work if -

(a) you request this checklist and the prescribed disclosure information; or

(b) the building work is going to cost \$30,000 or more (including GST).

The building contractor is the person or company you have asked to do building work for you.

The building contractor may not be an actual builder. The building contractor could be a plumber, an electrician, or any other tradesperson who is doing some building work for you and whom you are dealing with directly.

Steps (See notes below)	Completed (Tick when completed)
1 Become informed	<input type="checkbox"/>
2 Agree on project structure and management	<input type="checkbox"/>
3 Hire competent building contractors	<input type="checkbox"/>
4 Agree on price and payments	<input type="checkbox"/>
5 Have a written contract	<input type="checkbox"/>
6 Take control	<input type="checkbox"/>
7 Resolving disputes	<input type="checkbox"/>

### Notes

#### Step 1 – Become informed

All building work must comply with the provisions of the Building Act 2004. You can find a copy of the Building Act 2004 on the New Zealand Legislation website: [www.legislation.govt.nz](http://www.legislation.govt.nz)

Building work is any work done in relation to the construction or alteration of a building. This includes any work done on your home or other structure, such as a garage, retaining walls, and fences. It also includes work like painting, decorating, and landscaping if it is part of the construction or alteration of a building.

However, if the only work you are getting done is redecorating and there is no construction or alteration work involved, it is not building work. If landscaping work does not include any structures (eg, pergolas or retaining walls), it is also not building work.

All building work requires a building consent unless it is exempt under the Building Act 2004.

Generally, only simple or low-risk work is exempt from the requirement to have a building consent. Certain gas and electrical work is also exempt. For more information, go to [www.mbie.govt.nz](http://www.mbie.govt.nz)

Building work that is significant or of higher risk (such as structural alterations) requires a building consent and must be carried out or supervised by a licensed building practitioner. For more information on these requirements, go to [www.mbie.govt.nz](http://www.mbie.govt.nz)

#### Step 2 – Agree on project structure and management

Building projects do not run themselves. Decide how you want to manage the building project.

A few different roles are needed on a building project. You need someone to -

- manage timelines and costs:
- manage subcontractors:
- liaise with the local council:
- make decisions about the design of the work.

You can do some of this yourself, but if you are not knowledgeable about the building work process, you should get help from an architect, an independent project manager, a building company, or a licensed building practitioner who is licensed to co-ordinate the building work involved.

You should be really clear about the scope and size of the project and get detailed plans up front.

Be clear with your building contractor about who is doing the building work and who is responsible for making design and change decisions during the project.

### Step 3 – Hire competent building contractors

*Ensure that your building contractor has the skills and resources to carry out the project.*

You should –

- ask around about the building contractor and get references for other work that the building contractor has done;
- find out if the building contractor is a licensed building practitioner or has other appropriate qualifications. For more information about licensed building practitioners, go to [www.mbie.govt.nz](http://www.mbie.govt.nz)
- determine whether the building contractor has sufficient insurance to cover the work while it is being carried out;
- ask about the building contractor's employees and what subcontractors the building contractor will use on the project;
- if the building contractor is a company, look up its company records on the Companies Office's Internet site. If your search raises concerns, ask the building contractor to explain.

### Step 4– Agree on price and payments

*The contract should clearly state what payments are required and when. Where possible, a fixed price is preferable. The lowest price is not always the best price.*

You should –

- get detailed quotes (not estimates) for the building work;
- when comparing quotes, ensure that the scope of the building work and the materials and fixtures that you are comparing are the same across quotes so that you are “comparing apples with apples”;
- make sure you have the funds to pay for the project before the work begins and that you understand the payment terms agreed with the building contractor;
- think carefully before agreeing to pay more than the cost of the work that has been completed and the costs of any materials that have been supplied at the time you make the payment.

### Step 5 – Have a written contract

You should have a written contract. The contract should include items such as –

- a description of the building work;
- the start and completion dates for the building work;
- how variations to the building work will be agreed;
- the payment process, including dates or stages for payment and how payments will be invoiced, made and receipted;
- the dispute resolution processes to be followed.

You should obtain legal advice to ensure that you understand your rights and obligations and that the contract complies with all legal requirements.

**Note:** The Building Act 2004 requires that there must be a written contract for residential building work with a value of \$30,000 or more (including GST), and the Building (Residential Consumer Rights and Remedies) Regulations 2014 prescribe matters that must be included in every contract for residential building work with a value of \$30,000 or more. You can find a copy of the Building Act 2004 and the Building (Residential Consumer Rights and Remedies) Regulations 2014 on the New Zealand Legislation website: [www.legislation.govt.nz](http://www.legislation.govt.nz)

### Step 6 – Take control

All residential building work is covered by implied warranties prescribed by the Building Act 2004 that address matters such as workmanship and building work being fit for purpose. For more information, go to [www.mbie.govt.nz](http://www.mbie.govt.nz)

You should –

- make sure there is a clear line of communication with the building contractor through the site foreman, the project manager, or any other person who has authority to speak on behalf of the building contractor. (This person should be identified as the “key contact person” in the prescribed disclosure information that the building contractor has provided along with this checklist);
- when you are making decisions along the way, be clear as to whether those decisions will affect your contract and costs. If you do decide to make a change, keep track of the effect of that change.

### Step 7 – Resolving disputes

*It is in both your interests and the building contractor's interests to keep the building project running smoothly and to deal with any disputes as they arise.*

If you have concerns about the building project, raise them with the building contractor (or the key contact person) as soon as possible.

Raise your concerns in good faith and use the dispute resolution processes agreed to in your contract. For information on your options, go to [www.mbie.govt.nz](http://www.mbie.govt.nz)

If you have received an invoice that you have concerns about, clearly outline your concerns to the building contractor in writing.

If you fail to make a payment when it is due, the building contractor might start dispute resolution proceedings before you have a chance to explain why you have not paid. (Simply withholding payment when there is a dispute will often make the situation worse.)

### Further information

For more information, go to [www.mbie.govt.nz](http://www.mbie.govt.nz) or call the Ministry of Business, Innovation, and Employment on 0800 242 243.

**Prescribed disclosure information**  
**Section 362D, Building Act 2004**

---

**Information about the building contractor**

<b>Name of building contractor</b> (full legal name):	
<b>Type of business:</b> individual/partnership/limited liability company: *	
<b>Date partnership/company*</b> formed, if applicable:	
<b>Postal address:</b>	
<b>Telephone number:</b>	
<b>Email address:</b>	

\*Select one.

**Key contact person** (if identified at the time when this information is provided)

(Information about the key contact person, being a person who will manage or supervise the building work and who is available to the client to discuss any aspect of the building project)

<b>Name of key contact person:</b>	
<b>Telephone number:</b>	
<b>Mobile telephone number:</b>	
<b>Role in the building project</b> (for example, "project manager", "site foreman"):	
<b>Relevant qualifications, skills, and experience:</b>	
<b>Licensed building practitioner number</b> (if any):	

**Note:** The building contractor must notify the client if the key contact person changes.

**Insurance policies**

(Details of every insurance policy or policies that the building contractor has, or intends to obtain, in relation to the building work)

Complete for each policy:

<b>Type of policy:</b> [specify: eg, contract works, professional indemnity, public liability]	
<b>Amount of cover:</b>	
<b>Relevant exclusions on policy coverage, (if any):</b>	

<b>Type of policy:</b> <i>[specify: eg, contract works, professional indemnity, public liability]</i>	
<b>Amount of cover:</b>	
<b>Relevant exclusions on policy coverage, (if any):</b>	

<b>Type of policy:</b> <i>[specify: eg, contract works, professional indemnity, public liability]</i>	
<b>Amount of cover:</b>	
<b>Relevant exclusions on policy coverage, (if any):</b>	

### Information about any guarantees or warranties

*(Information about any guarantees or warranties the building contractor offers in relation to the building work)*

Complete for each guarantee or warranty:

<b>Nature or type of guarantee or warranty:</b> <i>[specify: eg, guarantee, product warranty, completed work warranty]</i>	
<b>If guarantee or warranty is a product warranty, specify the product:</b>	
<b>Period of guarantee or warranty cover:</b>	
<b>Limits or exclusions on cover, (if any):</b>	

<b>Nature or type of guarantee or warranty:</b> <i>[specify: eg, guarantee, product warranty, completed work warranty]</i>	
<b>If guarantee or warranty is a product warranty, specify the product:</b>	
<b>Period of guarantee or warranty cover:</b>	
<b>Limits or exclusions on cover, (if any):</b>	

<b>Nature or type of guarantee or warranty:</b> <i>[specify: eg, guarantee, product warranty, completed work warranty]</i>	
<b>If guarantee or warranty is a product warranty, specify the product:</b>	
<b>Period of guarantee or warranty cover:</b>	
<b>Limits or exclusions on cover, (if any):</b>	