

## When verbal agreements lead to enormous

**PROBLEMS**



Use the Standard Form of Building Contracts (SFC) when embarking on any building project.

While verbal agreements for building work are legal, they often cause huge problems. Uwe Putlitz, CEO of the Joint Building Contracts Committee (JBCC), says that problems arise when building projects don't run smoothly.

"When matters do go wrong, the parties could conveniently forget what was agreed upon. The employer could maintain that the builder is not getting on with the job, the product is not as envisioned by the employer, and the builder is overcharging. On the other hand, the builder could say the employer is continuously making changes but does not want to pay for them or allow more time, and the employer has not paid for months," says Uwe.

When embarking on any building project, the JBCC advises use of the Standard Form of Building Contracts (SFC), which has been developed to fairly balance the contractual risk, obligations and rights between the employer and the contractor. This contract generally defines the obligations of the parties – what the contractor must do, how to deal with unforeseen events or changes after the award of a tender and how the builder will be compensated for additional time and/or costs.

"The employer's obligations, simplistically, are to define the scope of work and to provide a specification of the quality of work to be provided as part of the construction information (approved by the local authority) for the builder to work from, and also to make payments at regular intervals," says Uwe.

Depending on the SFC chosen, the employer may have to appoint a principal agent to administer the contract. Appointing a principal agent will result in an additional cost, but this will be worthwhile if serious problems occur in the contractual relationship that could have been prevented with a little foresight and implementation of the SFC. ■

For more information, contact the JBCC on Tel: +27 (11) 482 3102 or via [www.jbcc.co.za](http://www.jbcc.co.za).

## Me-tail vs retail is imperative in 2018



The annual branded *conneXtion* meeting for key brands from CCA Global Partners (including Flooring America, Flooring Canada and The Floor Trader) took place in Dallas at the beginning of January. According to presenters and feedback from the industry, diversification and innovation remain key themes for flooring retailers this year.

"Product diversification and selling the project not the product to our customers allows us to be a one-stop design centre and ultimately capture a larger share from each consumer," said President of Flooring America, Flooring Canada and Floor Trader, Keith Spano.

"It's imperative to remain relevant and help our members be focused on me-tail vs retail, offering customers more personalisation in the buying process. We know consumers today expect the process of researching, reading reviews, receiving advice and purchasing products via the many touch points they use such as websites, mobile, social media and in-stores, to be integrated," added Keith.

Frank Chiera, Marketing & Advertising at Flooring America/Flooring Canada and The Floor Trader, also announced the launch of My Design Finder, which is a way to connect with consumers searching for floors, at the *conneXtion* meeting.

"My Design Finder is a visual way for consumers to select their design style based on a project need, with beautiful Pinterest-like room scene photography, and then identifies their persona based on that preference. We're essentially flipping the way customers search for flooring on its head," said Frank. ■

For more information, visit [www.businesswire.com](http://www.businesswire.com), to which full thanks and acknowledgement are given.