



CONSUMERS ASSOCIATION OF SINGAPORE

MODEL AGREEMENT

ON

HOME RENOVATION



CONSUMERS ASSOCIATION OF SINGAPORE

170 Ghim Moh Road, #05-01, Ulu Pandan Community Building, Singapore 279621

Hotline: 6100 0315 Fax: 6467 9055

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I RENOVAION OF HOMES

It has always been important to select a good and reputable contractor for the job. Track record is exceedingly important and it would be useful to see photographs of existing works done by the proposed contractor or even see their works in progress if the opportunity permits. Whilst cost is always a factor to consider other factors like quality, time taken, defect liability period must also be considered. For HDB dwellers, it is important to engage a HDB approved contractor and evidence should be shown of such. During works in progress it is essential to monitor the work as sometimes inferior products can be "buried" by contractors within their works and when such begins to act up it is beyond the defect liability period and proof will be difficult. Have a camera ready to take snapshots of unsatisfactory works and if possible have another person accompany you during inspections which should be done periodically. The time invested in such inspections may save a lot of heartache in the future and will definitely increase the chances of avoiding future disputes with the contractor. Diary any dissatisfactions and write to the contractor to make amends. If progress of work is not satisfactory, raise the issue early, do not wait till the last minute or you may be faced with unfinished or shoddy workmanship when you entertain your guests during the festivities.

CASE has meanwhile come out with a model agreement which can be obtained by their members free of charge should they wish to have some guideline on how they can negotiate terms with their contractors. Members of the public can buy it from CASE office at \$5 per copy. The model should be taken as a guide and modified as may be appropriate. It should not be taken as an end all.

Meanwhile CASE would advise:

1. Do not be pressurised by any contractors particularly to sign any agreements, this applies to interior designers as well as CASE has seen situations where high pressure sales were used and the small claims tribunal used to "enforce" such contracts.
2. Plan in advance, do not make last minute discussions on such a big issue like renovation or you will be unnecessarily pressurising yourself. Pressured consumers do not make good decisions.
3. Check credentials of renovation contractors, ask for a list of works done.



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4. Be mindful that renovation contractors also have their field of specialty i.e. those good at HDB renovation may hold true for other properties and vice versa. In this regard, consumers must be mindful that their contractors must have enough expertise to guide them through the slew of permits required in a renovation job.
5. Make progress payments and only after satisfactory completion of the job agreed upon.
6. Never advance money to a contractor particularly in large amounts unless you are prepared to risk losing it.
7. Be vigilant during works and take down your misgivings meticulously.
8. Recognise when you must give up on your contractor and notify such immediately before appointing a new one in place.

The above are some guides which we believe that consumers can follow to ensure their renovation works will not go too far astray should they embark on them this festive period.

Model Agreement
On
Home Renovation and Decoration

THIS AGREEMENT is made the _____ day of _____ between:
(1) _____ (NRIC No. _____) of
_____ (hereinafter called the "Employer/Owner") of
the one part;

and

(2) _____ (a company with limited
liability incorporated under the laws of Singapore/a sole proprietorship registered in
Singapore/ a partnership registered in Singapore), of
_____ (hereinafter called the "Contractor") of the other part.

WHEREAS:

- (1) The Employer/Owner requires renovating and/or decorating the premises known as
_____ (hereinafter called the "Premises") and engaging the services of the Contractor for
this purpose.
- (2) The Contractor accepts such appointment and is willing and able to carry out the
work described in the Scope of Works attached and in accordance with the plans,
drawings and specifications annexed (hereafter called the "Works").

NOW IT IS HEREBY AGREED as follows:

1. For the consideration below, the Contractor agrees and undertakes to carry out and
complete the Works to the satisfaction of the Employer/Owner in accordance with the
terms and conditions of this Agreement.
2. For the performance of the Works, the Employer/Owner agrees to pay to the Contractor
the sum of Singapore Dollars _____ (S\$ _____)
(hereinafter called the "Contract Sum") in the manner specified in **Appendix B**.

3. The Contractor shall carry out and complete the Works diligently and in accordance with the said plans, drawings and specifications on or before the Date for completion of the Works referred to in Appendix A. In this connection, the Contractor shall supervise the work of its agents and servants accordingly and that all finishes, furnishing and furniture are of specified or satisfactory quality and finish.
4. The Contractor warrants that any materials supplied by the Contractor will be of specified or satisfactory quality, suitable for their intended use and shall correspond with their description and sample (if any).
5. Where laying of floor finishes forms a part of the Works to be carried out by the Contractor under this Agreement, the Contractor shall ensure that such floor finishes are laid in accordance with the instructions and advice of the suppliers.

Where the materials for floor finishes are furnished by the Employer/Owner, the Contractor shall adhere to the instructions of the manufacturers of such materials.

6. The Employer/Owner shall permit the Contractor, his servants or agents free access to the Premises (at all reasonable hours) to carry out the Works.
7. The Contractor shall commence the Works on the Date for commencement of the Works referred to in Appendix A hereto and shall diligently proceed with the Works and shall complete Works on or before the Date for completion of the Works as stated in Appendix A, subject to changes agreed according to the provisions of Clause (10) below.
8. If without reasonable cause, the Contractor shall fail or neglect to commence or complete the Works on the dates referred to in Clause 7, he agrees to pay the Employer/Owner (by way of damages, and not by way of penalty) the sum of Singapore Dollars _____ (S\$ _____) daily or part thereof as may be agreed during which the commencement or completion of the Works is delayed.
9. The Contractor shall, at his own expense, remove all tools, surplus materials and rubbish from the premises and leave it in a clean and tidy condition, upon completion of the Works or the termination of the Agreement whichever the earlier.
10. No variation of the Works described in Clause (3) shall invalidate the Agreement, but any such variation, whether by addition omission or substitution, together with the cost and effect on the Date for commencement and completion of the Works, shall be agreed in writing between the Employer/Owner and the Contractor before the variation is carried out, and the contracts sum stated in Clause 2 and the Date for commencement and /or completion of the Works stated in Appendix A shall be altered accordingly.
11. The Contractor shall be liable for and shall indemnify the Employer/Owner against any liability, loss, claims or proceedings arising out of or in the course of the execution of the

Works, unless such is due to any act of the Employer/Owner, his servants or agents, and for all costs (on a full indemnify basis) incurred in relation to such claims.

12. The Contractor shall be liable for and shall indemnify the Employer/Owner against any damage or any property or economic loss caused by him, his agents or his employees.
13. Any defects, shrinkage or other faults arising from materials supplied by the Contractor or workmanship not in accordance with the Agreement which may appear within the defects liability period stated in Appendix A and which are notified by the Employer/Owner in writing to the Contractor from time to time but not later than fourteen (14) days from the expiration of the said defects liability period or such time may be agreed by the parties shall be made good by the Contractor at his own expense within five (5) days after receipt of such notification.
14. If the Works are not of an acceptable standard, or if the Contractor ceases work on the Premises without reasonable explanation for more than three (3) consecutive days, the Employer/Owner may terminate the Agreement by paying the Contractor only the value of the Works already performed, less compensation for inconvenience or additional expense caused as a result thereof or the Employer/Owner may exercise and enforce their strict legal rights for such stoppage.
15. The Contractor shall not assign, transfer, sub-contract or in any other manner make over to any third party the benefit and/or burden of this Agreement without the prior written consent of the Employer/Owner.
16. Any notice or demand under this Agreement may be sent by certificate of posting to the Employer/Owner or Contractor (as the case may be) at his address as stated herein.
17. Any dispute arising out of or in connection with this Agreement shall be first referred to the **Consumers Association of Singapore (CASE) Mediation Panel** for resolution by mediation.

AS WITNESS the hands of the parties hereto the day and year first above written.

SIGNED by the abovementioned) _____

EMPLOYER/OWNER in the presence of) _____

SIGNED by the abovementioned) _____

CONTRACTOR in the presence of) _____

APPENDIX A

1. Drawings (attached)
2. Stages of Renovation (to identify) including dates of completion
3. Defect/ liability period (to specify)

APPENDIX B

PAYMENT SCHEDULE

GENERAL RENOVATION WORK (BUILDERS' WORK; MECHANICAL, ELECTRICAL, PLUMBING, ETC)		
	% payable of various stages	Amount to be paid at various stages (\$)
1. Immediately on signing this Agreement	10%	
2. On practical completion of each stage of works including all finishes etc. If the Works are of the specified standard, the Employer/Owner will make payment on receiving the Contractor's account.	*80%	
3. 14 days after satisfactory completion of all Works.	10%	
Total	100%	

* to be paid in stages as may be negotiated.

OPTIONAL

CONTRACTOR'S WORKS PROGRAMME

	% of overall works	No. of weeks from commencement date
1. Date of Commencement		
2. Completion of fabrication at factory		
3. Delivery of Supplies		
4. Installation		
5. Delivery of Supplies for wall/ floor		
6. Complete furnishings for wall/ floor		
7. Delivery of Woodwork		
8. Complete Installation of Woodwork		
9. Delivery of furniture/ soft furnishings		
10. Complete Installation of furniture/ soft furnishings.		