



**Brighton
Council**

POLICY NAME: **Subdivision, Building - Defect Liability Guarantee** **POLICY No: 6.3**

POLICY:

- 1.00 This policy is to cover engineering works during the defect liability period for which a bond and guarantee has previously not been taken.
- 2.00 The minimum amount of the guarantee is \$5,000.
- 3.00 The guarantee for the duration of the defect liability period shall be 10% of the total value of the works. Total value of the works includes the agreed estimated cost of works, plus a 10% contingency sum, plus 5% Council engineering fees.
- 4.00 The Final Survey Plan will not be sealed until the guarantee is in place.
- 5.00 The cost of establishing the bond and bank guarantee to be the sole responsibility of the Developer.

ADMINISTRATIVE DETAILS:

Policy compiled: August 1993

Adopted by Council: 16/08/1993

To be reviewed:

GENERAL MANAGER

LOCAL GOVERNMENT ACT 1993

Section 467

BOND

1. Before approving the scheme of a building estate a Corporation may, pursuant to the provisions of Section 467 of the *Local Government Act 1993* (hereinafter called 'the section'), require security for payments and the execution of works **AND WHEREAS** in pursuance of the section the Warden, Councillors and Electors of the Municipality of Brighton (hereinafter called 'the Corporation') hereby required

 (hereinafter called 'the owner') to provide security for the execution by the owner of works listed in the Schedules hereto in accordance with the said section before approving the owner's scheme of **AND WHEREAS** the owner hereby agrees to provide such security by lodging with the Council a bank guarantee for the sum of \$ such document being annexed hereto and marked "C".

2. **NOW BY THIS BOND I** the owner, hereby bind myself to the Corporation as follows:-
 - a) execute completely the works listed in Schedule "A" hereto within six months (or such further time as the Corporation may allow) of the completion of the extension of the Corporation's water main, common sewer and common stormwater drain to the boundary of the building estate/subdivision;

 - b) execute completely the works listed in Schedule "B" hereto within six months (or such further time as the Corporation may allow) of the scheme taking effect, and

 - c) lodge the said bank guarantee with the Corporation;

and the owner agrees that if he fails within the aforesaid times to complete the works or any part of the works listed in Schedules "A" and "B" hereto he shall within fourteen (14) days of demand pay to the Corporation, in the case of none of the works having been completed, the sum of \$ and in the case of part of the works having been completed, a sum certified by the Corporation's Municipal Engineer to be the cost of completing the works.

3. For the purposes hereof any works required to be completed hereunder shall only be deemed completed when the Corporation's Municipal Engineer for the time being has certified that they have been completed to his satisfaction.

4. The above delegation is conditioned to be void if the owner has completed the work stated in Schedules "A" and "B" hereto to the satisfaction of the Corporation's Municipal Engineer or the sum of \$ or such other sum as certified by the Corporation's Municipal Engineer to be the cost of completing the works has been paid to the Corporation, but in the event of the above bounded Owner failing to perform such delegations or any part of them the bond shall remain in full force and effect notwithstanding no demand by made by the Corporation.

SCHEDULES

'A'

'B'

Dated this day of 20

SIGNED, SEALED AND DELIVERED

by the said

in the presence of

NOTE: Government Stamp Duty Required.