

The **C2C PRO Fixed Price Domestic Construction Management Contract (C2C PRO Contract)** offers all the usual benefits of standard residential contracts but with a crucial difference: the Project Owner manages the project funds jointly with the builder, reducing the risk associated with the builder's financial viability, compared to conventional arrangements where builders control a significant portion of funds.

Industry leaders, and builders, recognise that builders who use standard residential contracts control over 80% of the project funds - funds that are owed to trades and suppliers. This does not work for anyone, and David Chandler, NSW Housing Commissioner says it so well. Listen [here](#).

The **C2C PRO Contract** has at its centre the implementation of a Joint Security Account that answers that call.

Key points of the C2C PRO Fixed Price Domestic Construction Management Contract:

1. Only a construction management contract provides transparency of parties, services and costs, perhaps the exception of cost-plus contracts, that fail in the delivery of project savings and security.
2. Both standard residential contracts and the C2C PRO Contract places sole responsibility of the engagement and conduct of the trades and suppliers on the builder.
3. Large Project Construction Management Contracts and certainly cost-plus contracts do not provide fixed prices, provisional sum and prime cost items. QBCC also state that in such cases the Home Warranty Protection Insurance may not apply for incomplete works. However, QBCC state: 'Construction management trade contracts however, provided they are for fixed prices and otherwise meet the terms of cover, can be the subject of a non-completion claim in the event the Trade Contractor fails to complete the work.' Refer here.
4. C2C PRO Contract adopts a "Guaranteed Maximum Price" where the Owner is guaranteed that the fixed price components of the Contract is the responsibility of the builder, with the Provisional Sum and Prime Cost Allowances making up the balance of the construction value, not unlike a standard residential contract.
5. C2C PRO Contract provides the security of payment for all parties including the project owner, through the mandatory use of a Joint Security Account where payments to relevant parties are managed by both the project owner and the builder.
6. C2C PRO Contract requires the payment of the QBCC Insurance and any other relevant mandatory insurances and fees required in standard residential contracts.

Lending body RAMs recognises that the C2C PRO Contract is the way forward to ensure security of project funds in the residential market. Check out an interview with a RAMs representative [here](#).