



## EXPLANATORY NOTES

Adjudication under the BIA Minor Works contract, BAQS Standard Form of House Building Contract, JCT Building contract for a home owner/occupier, BIA Small Works Contract and JCT Consultancy agreement for a home owner/occupier

### A WHAT IS ADJUDICATION?

Adjudication is a procedure whereby a dispute between the parties is resolved by the binding decision of an impartial third party called an adjudicator. The adjudicator is an expert who decides a dispute using specialist expertise. The adjudicator will also base their decision on the results of their own personal investigations, and this is likely to include an inspection of the works. An adjudicator will consider matters brought to their attention by the parties, but they are not bound by them and will come to their own decision. The decision of an adjudicator is final and binding subject to any later decision made by the court.

### B WHO WILL BE THE ADJUDICATOR?

Either party can apply to one of the three appointing bodies named in the contract. The appointing bodies are the Barbados Institute of Architects (BIA). The adjudicator will be appointed from an approved panel of adjudicators. The adjudicator will be an expert in the subject matter of the dispute e.g. quality of work and/or materials.

### C WHAT WILL THE ADJUDICATOR DO WHEN THEY ARE APPOINTED?

When an adjudicator has been appointed, both parties will be notified, in writing, by the appointing body. They will be told who the adjudicator is, and advised that the adjudicator will contact both parties directly. The adjudicator will invite both parties to give their personal views as to what the dispute is about and what decision they think the adjudicator should reach. This will usually take the form of brief written statements. The adjudicator will consider the written and verbal statements put forward by the parties. They may require to inspect the works and to put questions directly to the parties.

### D HOW LONG WILL THE ADJUDICATION TAKE?

The objective of the adjudication procedure is to resolve the dispute within 28 days from the day an application for the adjudicator is received by the appointing body. Once an application is received by the appointing body, an adjudicator will normally be appointed within 7 days (including weekends but excluding bank holidays). Once the adjudicator is appointed they will reach their decision within 21 days (including weekends but excluding bank holidays). In many cases the adjudicator may be able to make their decision sooner, particularly if the issue in dispute is straightforward.

### E WHAT HAPPENS AFTER THE ADJUDICATOR MAKES THEIR DECISION?

The adjudicator will write to both parties informing them of his decision and asking for payment of his/her fees. The adjudicator's decision will be binding on the parties subject to the right of either party to refer the issue in dispute to the courts.

**F HOW MUCH WILL IT COST?**

An application fee of Bds\$500 is charged by the Barbados Institute of Architects to appoint an adjudicator. The person who applies for an adjudicator pays this application fee. The application fee may be reimbursed by the other party if the adjudicator decides in favour of the applicant. The fees of the adjudicator will be based on the time spent dealing with the dispute and will not exceed \$300 per hour (exclusive of VAT), up to a maximum of 20 hours spent dealing with the dispute. The adjudicator can decide who pays their fees. It is possible for a party who loses to be responsible for all of the adjudicator's fees as well as the application fee. If a losing party fails to pay their portion of the adjudicator's fees, the adjudicator cannot order the other party to pay them. They may, however, bring an action against the party who has not paid their fees.

**G WHERE CAN I GET FURTHER ADVICE?**

Further advice can be obtained from the appointing bodies.

Application forms to appoint an adjudicator are available from:

Barbados Institute of Architects - Email: [admin@bia.bb](mailto:admin@bia.bb)

END OF EXPLANATORY NOTES

# ADJUDICATION RULES

For use with the BIA Minor Works, BAQS Standard Form of House Building Contract, JCT Building contract for a home owner/occupier and JCT Consultancy agreement for a home owner/occupier.

## 1.0 GENERALLY

1. These adjudication rules apply to disputes which arise between the customer and the contractor (sometimes referred to as the parties) under the Building contract for a home owner/occupier ("the building contract"). These adjudication rules also apply to disputes between the customer and the consultant under the Consultancy agreement for home owner/occupier. Where this is the case the rules shall be read with 'the consultancy agreement' being substituted for 'the building contract' and 'consultant' or 'Architect' being substituted for 'contractor'.
2. The customer or the contractor can apply for adjudication on any dispute which arises under the building contract from the date the work starts until 6 years after it has finished.
3. An adjudicator can be appointed by the Barbados Institute of Architects (BIA). This is called an appointing body.

## 2.0 APPLYING FOR AN ADJUDICATOR

1. If the customer or the contractor wants to have a dispute decided by an adjudicator they must complete the application form and send it with a payment of \$500.00 to the BIA. (The payment covers the appointing body's administration costs).
  - a) Prices may vary. Please contact the relevant body.
  - b) See restriction in the building contract as to the choice of appointing body.
2. Within 48 hours of receiving the application the appointing body will confirm receipt in writing to both customer and contractor.
3. The appointing body will appoint an adjudicator within 7 days of giving written confirmation of receipt of the application.
4. If the customer and the contractor have each applied for adjudication about the same dispute, but each has applied to a different appointing body, the adjudicator will be appointed by the appointing body whose date of confirmation of receipt of the application is the earlier.
5. If either the customer or the contractor applies for adjudication but the other person starts court proceedings about the same dispute, the adjudication can still go ahead pending settlement of the dispute by the court.
6. Once an adjudicator is appointed the role of the appointing body is at an end, and all further communications must be made directly to the adjudicator.

## 3.0 COSTS OF ADJUDICATION

1. The adjudicator will charge an hourly fee for their services. They will tell the customer and the contractor, before they begin the adjudication process, what the fee will be. The amount of fee will depend on the complexity of the issues in dispute, but will not exceed Bds\$300 per hour (exclusive of VAT) up to a maximum of 20 hours. This is regardless of how many additional hours the adjudicator actually spends on the adjudication.

2. When they make their decision the adjudicator will state whether the customer or the contractor is to be responsible for paying their fees, or whether payment is to be divided between them in a proportion that the adjudicator decides.
3. The adjudicator can also order that the application payment of \$500 made by one party should be reimbursed by the other party.
4. If the party responsible for paying any or all of the adjudicator's fees does not pay them, the adjudicator can take court proceedings against that party to recover the amount not paid. The adjudicator will not claim that unpaid amount from the other party.
5. The customer and the contractor will be responsible for their own costs in preparing for the adjudication, e.g. costs for professional advice and getting documents together.

#### **4.0 POWERS AND DUTIES OF THE ADJUDICATOR**

1. As soon as possible after their appointment the adjudicator will notify the customer and the contractor that he/she will be carrying out the adjudication. At this point he/she may ask them for information about the dispute.
2. The adjudicator will act fairly between the customer and the contractor, and will carry out the adjudication by reference to the terms of the building contract.
3. If they wish, the adjudicator can visit the premises where the work has been carried out. The visit will be at a time when both the customer and the contractor are expected to be present. During the visit the adjudicator can examine the work and ask questions about the dispute. The customer and the contractor will co-operate with the adjudicator and give any information they need.
4. If either party chooses not to be present when the adjudicator visits the premises, the adjudicator can go ahead in their absence.
5. If the dispute is about payment, the adjudicator can order the customer to pay the contractor, with interest, any amount which they decide is appropriate. The adjudicator can also order the contractor to repay the customer, with interest, any money which they decide is appropriate.
6. The rate of interest will be no more than 5% per annum above the official dealing rate of the Central Bank of Barbados current at the date when the adjudicator considers that interest should apply and will run for such period as the adjudicator thinks fit.

#### **5.0 THE ADJUDICATOR'S DECISION**

1. The adjudicator will give their decision in writing no later than 21 days after being appointed. They will send a copy of their decision to the customer and the contractor.
2. The adjudicator is not required to give reasons for their decision.
3. The customer and the contractor must follow the adjudicator's decision as part of their obligations under the building contract, unless and until either party obtains a court judgment about the dispute which is different from the decision of the adjudicator.

END OF ADJUDICATION RULES