PAM PRACTICE BUREAU

CATEGORY G: CONTRACT ADMINISTRATION

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1.	23 August 2025	Context: PAM Contract Without Quantities. Project nature: Interior refurbishment without any major structural element. Therefore, the project team does not include a PE. Contract Documents: Drawings, BQ, Tender Statements, PAM Contract, LOA, and a full copy of the JKR Standard Specifications bound together. The Contractor acknowledged during the Tender Stage that the BQ is to be used only as guidance for pricing and certification valuations. Where an item is not spelled out in the BQ, the Drawings and Specifications shall take precedence. Issue: Stiffener details were not indicated in the drawings for the AAC Block. However, the JKR Specification states that *"The AAC Block shall be constructed strictly in accordance with the manufacturer's recommendations. Any extra cost in connection therewith shall be borne by the Contractor."* The manufacturer's Method of Statement (MOS) also required stiffeners to be provided at certain spans, subject to PE details. The Employer subsequently engaged a PE to produce the details, and the Architect issued the drawing. The Contractor erected the AAC block walls without stiffeners. A Site Memo was issued instructing reconstruction in accordance with the MOS. The Contractor complied. Later, however, the Contractor issued a letter requesting a formal AI for the stiffener works, with the intention of claiming them as Variations. The Architect refused to issue the AI, on the grounds that the works were already included in the	We refer to your enquiries received on 23 August 2025 and respond as follows: A. Architect's Instruction (AI) Your question: *Is the Architect's refusal to issue an official AI valid, as the Architect claims drawings, minutes, or letters can be considered as AI?* Clause 2.2 of the PAM Contract (Without Quantities) requires all Architect's Instructions to be in writing, expressly entitled *"Architect's Instruction" (AI)*. Other written forms (drawings, minutes, letters) only become AIs if: • Confirmed by the Contractor as a *Confirmation of Architect's Instruction (CAI)*; or • Subsequently confirmed by the Architect as an AI. Hence, unless the above is complied with, such documents cannot automatically be treated as AIs. The Architect must ensure proper issuance if the Works are to be carried out as intended. Where no AI is issued, the Contractor should submit a CAI (with attachment) before executing the works to avoid disputes. It should be noted that not every AI or CAI results in a Variation; this will depend on compliance with the Conditions of Contract and the Architect's assessment. B. Stiffener Works as Variation Your question: *Are stiffener works a variation if not detailed in the PE drawings during tender, but required under JKR Specification?* Clause 3.1 of the PAM Contract sets out the priority of Contract Documents. Whether stiffeners are included or a Variation

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		contract, particularly as this is a lump sum contract. The Architect responded that the Contractor may issue a CAI for confirmation, but this does not necessarily mean it would be considered a VO. In the Contractor's series of letters, they failed to acknowledge that the JKR Specification forms part of the contract. Questions: 1. Is the Architect's action and refusal to issue an official AI in line with the conditions of contract? The Architect's justification is that any written form (e.g., drawings, site meetings, letters) can be considered an AI, and the Contractor may issue a CAI for clarification. 2. From your understanding, should the stiffener works be treated as Variations due to the absence of a PE detail drawing during tender, even though the requirement was clearly spelled out in the JKR Specification?	depends on the actual content and consistency across the Contract Documents (Letter of Award, Agreement, Conditions, Drawings, Bills, Specification, etc.). As the full Contract Documents are not available to us, we are unable to conclude. We recommend you review the relevant documents to determine if stiffeners are contractually included or constitute a Variation.
2.	12 August 2025	Perlantikan Kontraktor Penyelamat Dan Penyiap: Cadangan Skim Perumahan yang mengandungi 766 unit Perumahan Rakyat 1Malaysia dan kerja-kerja berkaitan di atas Lot (AAA) dan PT (AAA) untuk Tetuan XYZ. Merujuk perkara di atas, bersama ini dilampirkan surat berikut. Pihak kami amat menghargai sekiranya pihak tuan dapat memberikan nasihat serta pandangan berhubung perkara yang dinyatakan dalam surat tersebut. *Correspondence: Certificate of Practical Completion (CPC) vs. Certificate of Completion and Compliance (CCC) vs. Vacant Possession (VP)*	Kindly note that we have difficulty in advising you as your correspondence is not clear on the areas upon which you seek advice. Nevertheless, we also note that you have submitted the same request for advice to various authorities, including the Board of Architects Malaysia (LAM). In accordance with the internal policies of the PAM Practice Bureau, once a matter has been officially submitted to LAM, PAM will refrain from providing formal feedback. This is to avoid any perception of interference, duplication, or conflict with LAM's statutory role as the regulatory body under the Architects Act 1967.

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		Our Ref: 123ABC Date: 04/08/25 We write to remind you of the following: 1. Outstanding Correspondence From March 2025 to July 2025, several correspondences require immediate attention/response. a) These are prerequisites for the issuing of the Certificate of Practical Completion (CPC). b) With reference to 123ABC letter, Date: 21/05/25. 2. Inspection Prior to CCC a) Inspections were carried out over two (2) days, with houses selected at random. b) The purpose of the inspection was to validate claims by XYZ/ZYK that non-compliance works had been carried out. c) Consequently, all forms were submitted to the relevant authority for the Certificate of Completion and Compliance (CCC). d) The inspection confirmed that non-compliance works had not been satisfactorily rectified. 3. Certificate of Completion and Compliance (CCC) a) WXY issued the CCC conditionally, subject to the terms mentioned in our letters: i) *Penarikan CCC*, Our Ref: WXY/187, Date: 30/04/25. ii) *CCC – 02*, Our Ref: WXY/183, Date: 23/04/25. iii) *CCC*, Our Ref: WXY/180, Date: 24/04/25. 4. XYZ formally handed over Vacant Possession (VP) on 02/05/25 (input via contractor, without any notification to	Nevertheless, we wish to share the following general observations based on the contents of your letter: 1. CPC, CCC, and VP While these terms are often mentioned together, they serve different and distinct functions. They may be complementary and inter-connected, but they are not in opposition or competition with one another, as your letter appears to suggest. Please note that we are also unsure of what is meant by the issuance of the "CCC conditionally" as we are unable to find any references to a conditional CCC in the relevant Uniform Building By-Laws. 2. Vacant Possession (VP) and Completion of Works The delivery of VP in relation to the completion of works is governed by the Sale and Purchase Agreement (SPA) under the Housing Development Regulations under the purview of the Ministry of Housing and Local Government. As they are the regulatory body for housing and as you have already contacted them for advice, we advise that you continue to follow up with them for their views.

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		the Consultant) and without a Certificate of Practical Completion (CPC). 5. As of today, three months after handing over VP on 02/05/25, no CPC has been issued, nor has there been any further notification to the Consultant. a) There is also no report/documentation to indicate that efforts are being made to lift the conditions stated in our letters and to request the Certificate of Practical Completion (CPC). 6. In light of the above and other issues raised in our letters, we advise you of the implications of the non-issuance (or breach of issuance) of the CPC. You are also advised to take steps to avoid potential legal action. a) The CPC is a prerequisite for Vacant Possession (VP) (refer Appendix 1). The Consultants have not certified this project as completed. b) Liquidated Damages (LAD) have not been lifted. You are advised to verify whether it is legitimate to continue or stop ZYK paying the penalty. c) The Defects Liability Period (DLP) cannot commence. It shall begin only after the CPC is issued. d) The period from VP until the date of CPC issuance constitutes additional protracted services, enabling Consultants to check and validate that non-compliance works have been rectified in accordance with the contract. e) All Consultants therefore reserve the right to claim for these protracted services under the Memorandum of Agreement (MOA). f) Protracted services shall cease upon the issuance of CPC and commencement of the DLP. g) You are further advised to check the legitimacy of stopping penalty payments to homeowners and of	

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		collecting payments from banks for loans taken by homeowners to purchase the property. Appendix 1 1. In property development, CCC (Certificate of Completion and Compliance), CPC (Certificate of Practical Completion), and Vacant Possession (VP) represent distinct milestones: a) CCC signifies the building is safe and compliant with regulations. b) CPC indicates completion of construction work under a contract. c) VP grants the buyer the right to occupy the property. 2. Certificate of Completion and Compliance (CCC): a) Definition: A statutory document issued by a Principal Submitting Person (PSP), such as an architect or engineer, confirming the building's safety and compliance with regulations and approved plans. b) Purpose: Ensures the building is fit for occupation and meets all legal and safety standards, making it habitable. c) Issuance: Granted after inspection confirms compliance with requirements. d) Relationship to VP: CCC is a prerequisite for Vacant Possession in most cases. 3. Certificate of Practical Completion (CPC): a) Definition: A document issued under a construction contract, signifying that the contractor has completed their contractual obligations. b) Purpose: Marks the point where the contractor's obligations are fulfilled, allowing handover of completed works to the developer or owner.	

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		c) Issuance: Issued by the architect or engineer upon satisfactory completion of works. d) Relationship to VP: While not always a direct requirement for VP, CPC is often an important step toward it. 4. Vacant Possession (VP): a) Definition: The handover of property to the buyer, granting rights of occupation and use. b) Purpose: Represents the completion of sale and the buyer's ability to move in. c) Issuance: Typically after CCC, though in some cases developers attempt to deliver VP based only on CPC - leading to disputes. d) Relationship to CCC and CPC: VP is generally tied to CCC, which confirms safety and compliance. 5. Key Differences and Connections: a) Legal vs. Contractual: CCC is a statutory requirement; CPC is a contractual obligation. b) Occupancy: CCC is directly linked to legality of occupation; CPC reflects contractual completion. c) Buyer's Rights: VP grants occupation rights, usually tied to CCC. d) Example: Buying a new house — the developer requires both CCC (safety compliance) and CPC (completion of works) before handing over keys (VP). 6. Vacant Possession (VP) and CCC: a) In principle, VP refers to the buyer's right to exclusively utilise the property once the sales process is properly completed. 7. Context in Construction: a) CPC is typically issued before CCC.	

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		b) CPC confirms contractual completion of building works. c) CCC confirms statutory compliance and safety for occupation. 8. Interpretation: a) CPC: Issued by the architect or Superintending Officer (SO) to the contractor, confirming practical completion, though minor defects may remain. b) CCC: Issued by a Principal Submitting Person (PSP) to the developer, confirming statutory compliance and safety for occupation. c) Order: CPC is issued first, followed by CCC, enabling VP handover. 9. Fundamentally, CPC is a contractual milestone, while CCC is a statutory requirement for legal occupation. 10. CCC vs CPC: Both CCC and CPC are essential to ensure projects are completed in compliance with statutory (CCC) and contractual (CPC) requirements.	
3.	28 May 2025	Can a contractor claim for an Extension of Time (EOT) for non-gazetted holidays — for example, in State A when a holiday was suddenly declared after a football match victory? In this case, the construction site is located within a gated and guarded neighbourhood, and the Management Committee does not permit construction work on that declared holiday. Based on the PAM Contract 2018, this situation does not appear to fall under the specifically listed Relevant Events, and there is no provision for it in the Letter of Award either.	Thank you for your query regarding the possibility of claiming an Extension of Time (EOT) in relation to a non-gazetted, ad-hoc holiday, specifically, in the context of Johor following a football match victory. We note that the construction site is located within a gated and guarded neighbourhood where the Management Committee prohibits construction on such declared days. Firstly, it is important to reiterate that the occurrence of a relevant event, including a holiday, does not automatically entitle a contractor to an EOT under the PAM Contract 2006/2018. There is no concept of automatic entitlement. In accordance with Clause 23.1, the contractor must:

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			• Provide written notice of the delay; and • Submit a formal EOT application together with supporting particulars for the Architect's consideration. Failure to comply with this procedural requirement may relieve the Architect of any obligation to assess the claim. The term "public holiday" is not expressly identified under Clause 23.8 as a standalone relevant event. However, the effects of such a holiday may potentially fall within the scope of a broader event, such as force majeure under Clause 23.8(a), depending on the circumstances and the supporting evidence submitted. Any impact on site operations due to such holidays must either be grounded in contractually enforceable restrictions (e.g. site-specific covenants) or result from circumstances beyond the Contractor's control. If the holiday is officially declared by a State Government and it materially affects construction work, especially where work is restricted by a Deed of Mutual Covenant, the Contractor may consider applying for EOT under Clause 23.8(a), subject to proper justification and timely notice. Under the PAM Form, it is within the Architect's discretion to determine whether the circumstances qualify as a Relevant Event and what level of substantiation is necessary to support the claim. As such, we recommend that the Contractor provide all relevant documentation and explanations for the Architect's consideration. Should the Contractor be able to demonstrate that the one-day holiday materially affected the critical path or progress of the works, they may proceed to submit their final EOT claim accordingly. The Architect, as the Contract Administrator, will then assess the claim based on the facts and provisions of the contract.

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4.	26 May 2025	Our firm has been appointed to provide design and supervision services for the theming portion of a theme park. The contractor for the theming works is the NSC under the main contractor. In collaboration with the PSP - an architect responsible for submissions to the local authorities and supervision of the overall construction - we provide advice specifically on the theming scope. Two contractual matters have arisen which, to our understanding, are not expressly provided for under the PAM 2006 form of contract. We seek clarification on the following: 1. Is there any circumstance where the CCC may be issued prior to the CPC? We were informed that this may be possible, but we are unaware of any clause or ruling that permits it. 2. Can the CMGD be issued in parts? In practice, two items under the theming works were excluded from the CMGD, which has led to difficulties in coordinating between the main contractor and the theming NSC to resolve the remaining issues. The challenge arises because the main contractor's retention sum has already been released with the CMGD, while the NSC's retention remains withheld. It is unclear under which clause this arrangement is supported.	Thank you for your enquiry regarding the application of the PAM Contract 2006 (with Quantities) in relation to your current theme park project. Please find below our clarification on the two matters raised: 1. Issuance of CCC Prior to CPC The Certificate of Completion and Compliance (CCC) is issued by the Principal Submitting Person (PSP), typically the Architect, under the Street, Drainage and Building Act 1974 and Uniform Building By-Laws. It confirms compliance with statutory and regulatory requirements and is required for legal occupancy. The Certificate of Practical Completion (CPC), on the other hand, is a contractual certification issued under the PAM Contract confirming that the contractor has completed the works in accordance with the contract. Kindly note that it is not uncommon for a single project to be composed of more than a few building contracts with each having their own respective CPCs. While CCC and CPC are related to different frameworks - statutory and contractual respectively - it is possible for CCC to be issued before CPC in certain situations. However, the Architect should assess whether all contractual obligations required for CPC have been fulfilled before its issuance and if the works under the CPCs are required for issuance of the CCC. 2. Issuance of CMGD in Parts or with Exclusions Under the PAM Contract, partial issuance of the Certificate of Making Good Defects (CMGD) is not provided for. Each CPC - whether for the whole works, partial completion, or sectional completion - has one corresponding Defects Liability Period (DLP) and one CMGD. The CMGD should cover all related works,

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			including those carried out by nominated subcontractors (NSCs), unless specific provisions are clearly stated in the contract. Following on from the issuance of the CMGD would be the release of the final balance of the Retention Fund to the contractor. This would also be inclusive of any retention which the architect is obliged to direct the contractor to release to the nominated sub-contractors. We have some difficulty as such, in trying to understand how a main contractor can have his retention released through to him without a corresponding release of retention to the nominated sub-contractors. If there are coordination issues arising from certain theming works being excluded from the CMGD, we recommend that the matter be referred to the Architect as the Contract Administrator, who is best placed to clarify the contractual position and issue appropriate instructions or certifications.
5.	5 April 2025	Re: Inquiry as to avenues to redress unfairness of developer after obtaining sign-off from architect despite remaining unresolved defects. We would like to appeal to your good self, to help us understand so as to resolve a dispute between us (as purchasers of XYZ Residensi) and Company ABC as developers of the said property. We purchased and fully paid for the said property in July, 2023. The Sales and Purchase agreement that was signed, stipulated rectification of defects will be completed by the developer within 30 days from when such defects were reported. Subsequently, we reported defects found to Company ABC but defect rectifications were delayed for a	Thank you for your inquiry dated 5 April 2025 regarding defect rectification and the architect's certification at your property. We provide our feedback as follows: **Rights under the Sales and Purchase Agreement (SPA)** As a copy of the Sales and Purchase Agreement (SPA) was not attached to your query, and based on publicly available information indicating that XYZ Residensi is a high-rise stratified residential development, we assume that the standard Schedule H under the Housing Development (Control and Licensing) Regulations applies. Pursuant to Clause 30 of the SPA, which prescribes timelines and actions for various parties, the Developer is required to rectify any reported defects within 30 days upon receiving written notice from the Purchaser. Should the Developer fail to do so, the Purchaser may appoint a third party to perform the necessary repairs and recover the

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		number of reasons. It is now, more than one and a half years later, there are defects still unaddressed by Company ABC. We were given committed completion dates no less than a dozen times, but each time, Company ABC failed to deliver. There were also many instances where rectification work performed were not done properly requiring multiple reworks. The pattern of commit/ delays/ non-delivery/ recommit/ rescinded commitment went on and on for close to one and a half years causing us great anguish, inconvenience and financial cost. We have full transcripts of our conversations (both e-mails and the official CRM WhatsApp chat) with Company ABC's Customer Relationship Management (CRM) team that can attest to our claims above and available upon request. Recently, after an extended period of defect rectification works, we received a letter dated 22nd, Jan 2025 from Company ABC, stating that quote: *"All rectification works have been completed in full compliance with industry standards and verified as fully completed by the appointed Architect. Please find attached the sign off defect lists from the Architect for your reference. This letter serves as our final communication on this matter. Please be advised that no further complaints, inquiries, or correspondence regarding this issue will be entertained."* However, we have come across defects that were: - Not rectified properly.	cost from the retention sum held by the stakeholder. Clause 30(2) further stipulates that the Developer's architect must certify that the defects have been remedied before the release of the retention. However, this certification does not override your right to dispute unresolved or unsatisfactory rectification works. You are advised to consult your solicitor for further advice based on the specific terms of your SPA. If your property is still within the Defect Liability Period, you retain the right to continue exercising the provisions under Clause 30 to ensure your notices are properly recorded. **PAM Practice Note 4/2022** This Practice Note provides professional guidance to architects on managing defect rectification procedures. It is not a legal document and does not carry authority to limit or override the rights of purchasers under the SPA. **Dispute Resolution Options** If the issue remains unresolved, you may consider lodging a claim with the Tribunal for Homebuyer Claims under the Ministry of Housing and Local Government (KPKT), which addresses disputes related to housing defects and allows claims up to RM50,000. For further information, please refer to the official website of KPKT at https://www.kpkt.gov.my/index.php/pages/view/320. **Independent Inspection and Support** You may wish to appoint a qualified independent building inspector to assess the outstanding defects. A professional inspection report may

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		- Not rectified as per previously agreed. - Not rectified at all - Partially rectified. This is not the first time where we received such notification from the developer, citing and providing a copy of the Architect's sign off. However, as you can see from the attached chronological series of communications between us and the CRM, defects remain unresolved after the architect sign off. Why did the architect sign off the same thing multiple times and why did he/she sign off when the developer acknowledges that defects remain unresolved? Rectification works continued into January 2025. Also, on our insistence, a ponding test was conducted by Company ABC personnel on the three bathrooms after some floor tiles were changed. The test did not complete successfully with water levels in sections of all three bathrooms dropping significantly after 24 hours. Company ABC's staff's explanation of evaporation and absorption by the grouting for the drop in water level was totally unacceptable and proven wrong by the fact that the water levels in some other sections of the bathrooms remains high and the volume of water level drop was large. The architect was also not present at this ponding test at any time. We received no report nor notification on the results of the ponding test but Company ABC insists that all works were completed and signed off. How did the architect sign off without being present at the test initiation nor conclusion?	help substantiate your position in the claim. Should you need assistance in locating a qualified inspector, you may consider contacting Architect Centre Sdn Bhd (https://www.architectcentre.com.my/ or Cik Naza Izana at 019-399 4869). We hope the above clarifies your concerns. Thank you.

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		Company ABC has cited PAM practice note No. 4-2022 as an excuse to use the architect sign-off to force defect closure. We do not feel that this is fair, nor do we believe that the spirit and intention of the cited PAM practice note is to allow for developers to bully and strong-arm purchasers to accepting sub-standard work. Our request for a meeting to discuss this matter with Company ABC and the architect has not had any response. Company ABC cites the architect's sign off and the architect's response when contacted for clarification was that we have no right to talk to them. This merry go round of shirking responsibility has put us in a quandary. Because of this, we are putting in this complaint to PAM to find understanding and address the unfairness of the situation to us as consumers/purchasers. We humbly request for feedback from PAM to discuss, clarify and understand the situation. Thank you for your kind assistance in this matter.	
6.	3 February 2025	Project: Perlantikan Kontraktor Penyelamat Dan Penyiap Bagi Cadangan Skim Perumahan untuk Tetuan ABC. Kontrak: Standard Form of Design and Build Contract, PWD Form DB (Rev. 1/2010) Keadaan semasa:	We refer to your queries regarding the completion of work under the "Standard Form of Design and Build Contract PWD Form DB (Rev. 1/2010)", as we received on the 3rd February 2025. As far as we are aware, all the stipulations for the "Completion of the Works" including;

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		Projek ini telah melewati tempoh kontrak selama 3 tahun. CCC dan CPC amat diperlukan segera. Soalan: 1) Perkara-perkara yang membolehkan CCC dan CPC dikeluarkan walaupun kerja masih belum siap dan belum sempurna. 2) CPC dikeluarkan oleh pihak arkitek atau? 3) CPC perlu di keluarkan dahulu kemudian CCC atau CCC kemudian CPC? Sekian, Terima Kasih.	a) the definition of practical completion as well as the requirements for such completion; b) details of the parties empowered to issue Certificates of Practical Completion (CPC) and; c) the issuance of the CPC relative to that of the Certificate of Completion and Compliance (CCC), are all already contained within the above Standard Form. Nevertheless, we note that there may be additional conditions which may be imposed within the rest of your Contract Documents and we would as such, advise that you refer to the above Standard Form as well as your Contract Documents for the information you require.