



DTP-2025

Handover and Final Account - Stage 5

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1. General

1.1 Application

This Practice Note sets out the communication and reporting requirements for substantial completion, handover of school projects and Final Account. It forms part of the **Design Team Procedures [5th Edition 2025]** and these requirements must be complied with. It also gives guidance on contractual issues and requirements.

The **Design Team Procedures [5th Edition 2025]** and any associated Practice Notes (published at www.education.ie) apply to all schools construction projects funded in part or in total by the Department of Education & Youth unless otherwise stated.

1.2 Management/Co-ordination of Stage

The Design Team Leader **will normally** be the Architect (unless otherwise stated). The Design Team Leader's duties include overall Management /Coordination of the Project Stage and Programme including ensuring that any information, communications documentation and/or reports are channelled through the Design Team Leader

In addition, the Design Team Leader must also ensure effective communications between the relevant DT disciplines, and where such communications or responses are not effective implement corrective action including client notification (if required)

1.3 DoEY Cost Control procedures

The Design Team are also required (individually and collectively) to read and comply with **DTP-2025 Cost Control Procedures** (available at www.education.ie).

1.4 Objectives

The Design Team objectives for **Stage 5 - Handover and Final Account** are to:

- to achieve a satisfactory standard of construction and the **Substantial Completion** of all elements of the Project prior to issuing the Certificate of Substantial Completion
- to prepare and agree the Final Account **in accordance** with the Contract conditions and the requirements of this document (see Final Account below)
- to administer the Defects Liability Period to ensure all defects are remedied and issue a Defects Certificate on expiry of that period

2. Safety File

2.1 The Safety File and Substantial Completion

The ER should check with the PSDP before issuing the Substantial Completion Certificate. All substantive elements (sufficient to allow safe occupation of the building) of the Safety File should be complete before Substantial Completion, and any supplementary information in place within three months of that date.

This requirement applies to each section/phase which may achieve substantial completion, and the Substantial Completion of a phase/section should be treated in the same manner as a project achieving overall Substantial Completion.

2.2 Duties of the Project supervisor Design Process (PSDP)

The Project Supervisor Design Process must arrange for the provision of two copies of the completed Safety File. One copy should be forwarded to the Client and one to the Occupier (i.e. the School principal).

The Safety File should include all relevant information to enable the school to be occupied and maintained safely and future changes to be made with full knowledge of the hazards and risks. Where appropriate it should incorporate details of the building, or the mechanical and electrical services systems, manufacturers' operational instructions, supplier references, checklists, test certificates and other maintenance details.

Where substantive elements of the Safety File are incomplete due to the failure of the Contractor or Project Supervisor (Construction Stage) to cooperate or provide the requisite information, the PSDP should so

advise the Employer's Representative who **should not** issue Substantial Completion until the relevant information is provided.

This requirement applies to each section/phase which may achieve substantial completion, and the Substantial Completion of a phase/section should be treated in the same manner as a project achieving overall substantial completion.

3. Completion and Handover

3.1 Substantial Completion

Substantial Completion is defined in the Contract as occurring when **all the following** have happened:

- the Works or the part of the Works are complete so that they can be taken over and used by the Employer for their intended purpose and there are no Defects other than
 - Defects accepted by the Employer under sub-clause 8.5.4 or
 - minor Defects to which all of the following apply:
 - they do not prevent the Works or the part from being used for their intended purpose
 - the ER considers the Contractor has reasonable grounds for not promptly rectifying them
 - rectification will not prejudice the safe and convenient use of the Works or the part
- all tests that are required by the Contract to be passed before Substantial Completion have been passed
- the Contractor has given the Employer's Representative the Contractor's Documents that the Contract requires be provided before Substantial Completion
- the Contractor has given the Employer's Representative the collateral warranties that the Contract requires for the Works or part
- the details in the Certificate of Compliance on Completion of the Works or a part there of have been included on the Register maintained under Part IV of the Building Control Regulations.

It is the responsibility of the Contractor to tell the ER that the works are ready for Substantial Completion and request that the ER so certifies (**Clause 9.6.2**) and not the other way around.

Within 20 working days after receiving the Contractor's request to certify Substantial Completion of the Works, the Employer's Representative shall give to the Contractor and the Employer:

- a certificate stating the date that Substantial Completion occurred **or**
- the reasons for not issuing the certificate.

If, in the judgement of the ER, the works are not ready for Substantial Completion, the ER must state the reasons. These reasons must be based solely on the Contract i.e. Clause 9.6.2, and may be the subject of conciliation/arbitration particularly if a refusal results in Liquidated Damages becoming due.

- The first test is; are the Works or the part of the Works complete so that they can be taken over and used by the Employer for their intended purpose? A pragmatic approach is required here.
- Minor Defects which do not prevent the Works being used for their intended purpose and will not prejudice the safe and convenient use of the Works should not be used as grounds on which to refuse Substantial Completion.
- However, defects which present a real Health and Safety risk or are self-evidently inconvenient (e.g. no glass in the windows!) are valid reasons to refuse Substantial Completion
- "Tests that are required by the Contract" and Contractor's Documents required (e.g. Safety File, Guarantees, certificates etc) must be specified in the Works Requirements as being required prior to Substantial Completion. Otherwise, it is more difficult to justify refusal to certify Substantial Completion without them!

DTP-2025 Preparation of Tender Documents also advises the Design Team to enter "*The Employer's Representative is required to issue the certificate of Substantial Completion if the Works or a Section reaches Substantial Completion before its Date for Substantial Completion*" in the Schedule Part 1H.

If the Schedule, part 1H, so states, then the ER cannot refuse to certify on the basis of early completion.

The Substantial Completion certificate may include a list of Defects and any outstanding work [but nothing in the certificate, including the failure to list any Defect, relieves the Contractor of any obligations].

It is the responsibility of the Design Team to ensure that all snags have been identified, agreed with the Client and listed for the contractor's attention. (They have 20 days to do so – see Clause 9.6.2)

If the ER has refused to issue a certificate of Substantial Completion (as above) the ER must give a copy setting out the reasons to both the Client, and through the client to the Department. This should be accompanied by a brief summary of the implications of such a refusal, the likely delay to Completion and whether [Liquidated Damages](#) will be applicable.

3.2 Handover

Prior to hand over of the building including a section/phase the Design Team must explain the building and how it operates to the Client and the occupiers (i.e. the School) so that maximum benefit can be gained from the facilities provided.

They must clearly (and in detail) explain how to operate and maintain the building and its engineering services systems at optimum efficiency with particular emphasis on safety and energy conservation.

At the **same time** as the issue of the Certificate of Substantial Completion for a section/phase or overall building completion, the ER and Design Team should:

- issue copies of all certificates of standards, guarantees and commissioning certificates allowed for in the Contract Documents (e.g. Agreement Certificates, Roofing material and installation guarantees, etc.) to both the Client and to the School
 - As stated [above](#) Tests that are required by the Contract and Contractor's Documents required (e.g. Safety File, Guarantees, certificates etc) should normally be specified in the Works Requirements as being required prior to Substantial Completion
 - Where the Works Requirements provided for a later delivery date for some guarantees and certificates, the ER must list those guarantees and certificates, the anticipated delivery date, and provide a note explaining why a later delivery date was called for
- In conjunction with the Project Supervisor for the Design Process must provide comprehensive sets of the latest issue of construction drawings and specifications (architectural, structural and services drawings) to the Client and the Occupier.
 - In addition, copies must also be provided in an acceptable electronic file transfer format. These construction drawings and specifications may be included as part of the Safety File where appropriate.
- Issue to both the Client and the Occupier (the School) the completed Safety File
- The report on embodied carbon during construction as prepared by the Design team in line with the Capital Works Management Framework templates and Guidance.
- Whole Life Carbon Assessments,
- BIM Requirements
- A Report on the Green Procurement Carried out during the lifecycle on the project including an estimated breakdown of the costs expended which should be considered Green Procurement

Likewise at the same time as the issue of the Certificate of Substantial Completion to the Client, the Architect must issue to the Client

- an Architect's Opinion on Compliance of the Works with Planning and Development Acts and with the Building Regulations

The above outlined handover process and requirements should be replicated for the handover of each section/ phase of a project where applicable.

3.3 Liquidated Damages

Clause 9.8.1 states:

If the Works do not reach Substantial Completion by the Date for Substantial Completion of the Works, the Contractor shall pay the Employer [and the Employer may deduct from payments to the Contractor] liquidated damages calculated at the rate stated in the Schedule, part 1G, for the period from the Date for Substantial Completion of the Works to the date of substantial completion of the Works.

The **Date for Substantial completion of the Works** is the date stated in the Contract/tender schedule or as otherwise adjusted by the ER on foot of a Contractor Claim (See **DTP-2025 Construction Stage 4** and

the Contract - **Clause 10.3**) Such Claims are adjudicated on at the time of those claims and additional time cannot be granted retrospectively.

It is not at the discretion of the ER whether to forego part or all of the Liquidated Damages due.

3.4 Anticipated Final Account

During the last month of the construction period prior to Substantial Completion, the Design Team and Employer's Representative shall prepare a **summary of the anticipated Final Account for submission to the client with the Certificate of Substantial Completion**. This **summary of the anticipated Final Account** shall be prepared using the **DTP-2025 Template Summary Anticipated Final Account**

The above outlined anticipated final account process should be replicated for the handover of each section/ phase of a project to allow intermittent financial reporting as important milestones in the project's progression.

Where the **anticipated Final Account** cost is within the original Contract sum **plus** the cost of any Contractor Claims / Change Orders within the limits of the Employer's Representative's Authority **plus** the cost of any Employer approved changes or valid Contractor claims, Department of Education & Youth consultation is not required. This is on the basis all the formal additional funding requests have been administered within the parameters of the requirements outlined within the DTP's and no additional funding is required or needs to be sought.

Where the **anticipated Final Account** cost is outside those limits, the Design Team **must** submit to the Client (and through the client to the Department of Education & Youth) a detailed explanation with the **anticipated Final Account Summary** highlighting any discrepancies between the anticipated Final Account Summary and the monthly Progress Reports/Project Reviews.

The Design Team is reminded that the Contractor must give notice of claims within 20 working days with all relevant facts provided within a further 20 working days, and that the Employer's Representative in turn must process any such claims within the permitted time limits. There should be **no outstanding claims more than a 3-calendar month duration** and any unresolved Contractor's Claims should have been recorded both on the Progress Report and in the anticipated Final Account Summary

Under no circumstances should the Employer's Representative agree to a Final Account or element of the Final Account (including Contractors Claims in excess of the Employer's Representative's authority) outside the limits above without prior Client and Department funding approval.

4. Penultimate Certificate (Final Account)

4.1 Apparent Defects

Prior to the receipt of the Final Statement, and allowing sufficient time for the Contractor to complete the Final Statement, the Employer's Representative shall ensure that all apparent defects have been recorded and brought to the attention of the Contractor in writing (see also [Substantial Completion](#)). The Employer's Representative shall also ensure that any Change Orders required to complete the construction have been issued and where practicable the additional cost (if any) agreed.

The Employer's Representative does not have the authority to issue Change Orders after the receipt of the Final Statement.

4.2 Final Statement

Clause 11.5.1 states:

*Within 2 months after Substantial Completion of the Works is certified, the Contractor **shall** give to the Employer's Representative a final statement. The Contractor shall include in that statement all money that the Contractor considers to be due from the Employer to the Contractor under or in connection with the Contract.*

It also states:

The Employer shall have no liability to the Contractor under or in connection with the Contract for any matter not detailed in the final statement, except under the indemnities in the Contract or Compensation Events occurring after Substantial Completion of the Works was certified. If no final statement is given within the time required, the Employer shall be released from all liability to the Contractor under or in connection with the Contract

Clause 11.5.1 provides a cut-off point for the delivery by the contractor of its final account, including particulars of all claims for any adjustment to the contract sum, **after which the employer will be released from any further liability to the contractor.**

If the contractor fails to submit its final statement within two months of substantial completion, the contracts provide that the employer will have no further liability to the contractor whatsoever i.e. the Contractor is not entitled to any more payments for any reason!

This is an onerous requirement, and the ER should seek to ensure that the Contractor does not forfeit such payment unnecessarily.

At or before Substantial Completion, the Contractor should be advised (in writing) of the consequences of failure to present a Final Statement within 2 months of Substantial Completion, and the ER (and other Design Team members should co-operate fully in assisting the Contractor to present a meaningful and realistic Final Statement.

4.3 Final Account

Within a period of 1 month after the **receipt** of the Final Statement the Design Team **must** submit a **Draft Final Account** to the Client identifying and explaining/justifying any additional costs over and above those already identified in the earlier Anticipated Final Account Summary prepared at Substantial Completion.

The Client (the School Authority) is responsible for any costs above the original Contract sum plus the cost of any Change Orders within the limits of the ER's Authority plus the cost of any Department authorised change orders.

If the adjusted Contract sum is within the original Contract sum **plus** the cost of any Change Orders within the limits of the ER's Authority **plus** the cost of any Department approved changes, the Client may authorise the Design Team to agree the Final Account and issue the Penultimate Certificate without reference to the Department.

If however, the adjusted Contract sum is greater than the above (Department) authorised sum, **and the Client wishes to seek Department funding for the additional costs** (or part thereof) the Client and the Design Team must (after the Client has examined this report and has accepted the content in writing) immediately:

- Forward the Draft Final Account to the Department (with the Design Team's explanation) for consideration
 - Include all costs (outside the ER's authority) for which a request for authorisation has not yet been submitted including costs arising from contractor claims
- Contact the Department to arrange a meeting to discuss funding for these additional costs.
 - Where agreement on funding is reached the Final Account can be agreed and the Penultimate Certificate issued as above. Where agreement is not reached it falls to the School Authority to fund those additional costs

Where there is no reasonable basis for additional costs and the Department has declined to provide funding, those costs must be paid for by the School Authority out of their own resources.

Where these costs arose due to negligence or the failure of the Design Team or a member of the Design Team to exercise reasonable skill and care, the School Authority may seek recompense from the Design Team or their Professional Indemnity Insurance

It is a matter for the School Authority and the Design Team (not the Department) to ensure that the Final Account is resolved in accordance with the Contract within 3 months of receipt of the Final Statement, and that funding is in place to issue the Penultimate Certificate.

4.4 Penultimate Certificate

Clause 11.5.2 states:

Within 3 months after receipt of the Contractor's final statement, the ER must issue to the Contractor and to the Employer a penultimate payment certificate certifying the amount that, in the Employer's Representative's opinion, will be due from the Employer to the Contractor, less any final retention to be paid after the Defects Certificate is issued, or from the Contractor to the Employer.

Payments and certificates, including the penultimate and final payment certificates and the Defects Certificate, will not relieve the Contractor of any obligations, or be evidence of the value of work, or that work has been completed satisfactorily.

4.5 Final Account Report

At the same time as the penultimate payment certificate is issued for payment the Design Team must issue a Final Account Report to the Client and the Department (1 copy each). This Report must be in the following format:

- A copy of the substantial completion cert (Including the Substantial Completion certificates relating to sections/phasing if applicable)
- Agreement of all members of the Design Team to the adjusted Contract Sum
- The summary section only of the Final Account.
- Quantity Surveyor's Final Account Report in the format at **DTP-2025 Template Final Account Report**
- Written Confirmation from the Project Supervisor Design Process [PSDP] and the Client that the completed Safety File (two copies one copy for the Client and one for the Occupier) has been handed over to the Client (and a copy to the School Principal).
- A copy of the Architect's Opinions on Compliance of the Works with Planning and Development Acts and with the Building Regulations.
- Confirmation & evidence that a full set of final construction drawings has been issued to both the client and the Department for record purposes
- Copies of all guarantees & warranties (including Collateral Warranties) provided for in the Contract Documents.
- Completed **DTP-2025 Template Area Reconciliation Sheet** listing the areas of the spaces as built compared with the areas shown in the most recent Department authorised Schedule brief.
- Final Project Review Report from the Design Team
- The report on embodied carbon during construction as prepared by the Design team in line with the Capital Works Management Framework templates and Guidance.
- A Report on the Green Procurement Conducted during the lifecycle on the project including an estimated breakdown of the costs expended which would be considered Green Procurement

5. Defects Period

5.1 Defects

In consultation with the Client and the School, the ER will have prepared a comprehensive list of all defects prior to the receipt of the Final Statement. The ER **must** seek (through the Contract) to ensure that all these defects are remedied promptly.

Clause 8.6 states:

As soon as practicable after Substantial Completion of the Works or any Section, the Contractor shall complete any outstanding work and rectify any Defects that the Employer's Representative directs before the end of the Defects Period.

And Clause 8.5.3:

The Contractor shall comply with any direction under this sub-clause 8.5 [Defects] within the reasonable times, if any, the Employer's Representative directs. If the Contractor fails to begin the work required to comply with the direction within the reasonable time directed, if any, or to complete it as soon as practicable, the Employer may have the work done by others and the Contractor shall, on request, pay the Employer its cost of doing so.

The ER must however remain vigilant to ensure that no direction to remedy a defect can in any way be construed as a Change Order.

The Employer's Representative does not have the authority to issue Change Orders after the receipt of the Final Statement.

During the Defects period and particularly shortly before the expiry of the Defects period the Design Team must consult with the Client and School Authority and satisfy itself that no new defects have become apparent and that defects previously identified have been remedied satisfactorily.

If work remains outstanding or Defects remain uncorrected at the end of the Defects Period, the ER can (and should) extend the Defects Period until such time as the work is fully completed and can be verified to be completed. If an extension of the period does not take place "The Employer's Representative shall issue the Defects Certificate to the Contractor and the Employer within 20 working days after the end of the Defects Period. [Nothing in clause 8, nor any exercise or non-exercise by the

Employer or the Employer's Representative of their rights under clause 8, nor the Defects Certificate, relieves the Contractor of any obligation, except to the extent that a Defect is accepted by agreement under sub-clause 8.5.4"

5.2 Defects Certificate

The ER should not issue a Defects Certificate until all defects (including those notified to the ER by the School) have been satisfactorily remedied

The Employer's Representative **must issue** the Defects Certificate to the Contractor and the Employer within 20 working days after the end of the Defects Period.

As soon as practicable, but no more than 3 months, after the Defects Certificate is issued, the ER must issue a final payment certificate certifying the amount that, in the ER's opinion, is finally due from the Employer to the Contractor, or from the Contractor to the Employer. (if the defects certificate cannot be issued due to outstanding defects the defects period should be extended)

The amount in the final payment certificate must be the same as the amount in the penultimate payment certificate, except for

- the **final payment of retention**
- adjustments to the Contract Sum because of Compensation Events after Substantial Completion
- amounts owed by the Contractor that were not included in the penultimate certificate [for example, for Defects that the Contractor has not rectified]
- deductions under sub-clause 11.4 (obligations that the Contractor has still not complied with), and
- other amounts to be paid after Substantial Completion of the Works [such as payments for testing after Substantial Completion].

If the final payment certificate states that there is a sum owing to the Contractor, the Contractor must issue an invoice to the Employer for that sum, and the Employer must pay the amount due on the invoice within 15 working days after receiving the invoice. If the penultimate or final payment certificate states that there is a sum owing to the Employer, the Contractor must pay the amount due within 10 working days of receipt of the Employer's demand for payment.

5.3 Final Account Report (supplement)

At the same time as the Defects certificate is issued for payment the Design Team must issue a Final Account Report (supplement) to the Client and the Department (1 copy each). This Report must be in the following format:

- **A copy of the Defects certificate which intended to be issued**
- **A copy of the signed and completed stage 5 completion certificate**
- **Written confirmation of both client and Design Team that the work is complete, and all defects have been corrected within the Defects Period.**
- **The summary section only of the Final Account.**
- **Report on quality of the Building Works with contributions from all the Design Team Members**
- **On completion of the Defects Period, (having agreed with the Client that all defects have been rectified), the Design Team are required to submit a Final Project Report to the Client (and through the Client to the Department).**
- **The report on embodied carbon during construction as prepared by the Design team in line with the Capital Works Management Framework templates and Guidance.**
- **An assessment of the Contractor's performance during the Building Contract (using the Department template form Design Team Procedures 2025 5th Edition - Performance Assessment of the Contractor).**