

## **Construction Operations-Summary Definition**

“Construction operations” means operations of any of the following descriptions:

1. The construction, alteration, repair, extension, demolition or dismantling of buildings or structures;
2. The construction, alteration, repair, extension or demolition of any works forming, or to form, part of the land, including walls, road-works, power lines, telecommunication apparatus, aircraft runways, docks and harbours, railways, inland waterways, pipelines, reservoirs, water mains, wells, sewers, industrial plant and installations for purposes of land drainage;
3. The installation in any building or structure of systems of heating, lighting, airconditioning, soundproofing, ventilation, power supply, drainage, sanitation, water supply, burglar or fire protection;
  1. The installation in or on any building or structure of systems of telecommunications;
4. The external cleaning of buildings (other than cleaning of any part of a building in the course of normal maintenance) or the internal cleaning of buildings and structures, in so far as carried out in the course of their construction, alteration, extension, repair or restoration;
5. Operations which form an integral part of, or are preparatory to, or are for rendering complete such operations as are described in paragraphs (1) to (4), including site clearance, earth-moving, excavation, tunnelling and boring, laying of foundations, erection of scaffolding, site restoration, landscaping [1] and the provision of roadways and other access works;
6. Operations which form an integral part of, or are preparatory to, or are for rendering complete, the drilling for or extraction of minerals, oil, natural gas or the exploration for, or exploitation of, natural resources;
7. The haulage for hire of materials, machinery or plant for use, whether used or not, in any of the construction operations referred to in paragraphs (1) to (6).

**Note 1:** An example of when landscaping is a construction operation is when a house is being built or renovated and the gardens are landscaped as part of the overall work; landscaping is not in itself a construction operation.

## **Construction operations-Detailed Definition**

“Construction operations” means operations of any of the following descriptions:

- (a) the construction, alteration, repair, extension, demolition or dismantling of buildings or structures**

This definition includes the erection of “structures” such as gates, traffic lights, road signs, parking meters and garden sheds. It also includes the repair of such structures and the repair of any part of a building or of any system that has become a part of the fabric of the building. It does not include routine maintenance.

Contracts for repair work or for repair *and* maintenance would be included but not contracts for maintenance only. Repair includes the replacement of constituent parts e.g. the repair of a window by installing a new pane of glass or the repair of a tiled floor by replacing one or two broken tiles. This definition also includes works to alter a building or structure e.g. painting walls, replacing doors windows or kitchen presses but the alteration must be “material” to bring the work within the definition. Minor changes such as painting one wall or replacing one door in a building would not be considered sufficient.

**(b) the construction, alteration, repair, extension or demolition of any works forming, or to form, part of the land, including walls, road works, power lines, telecommunication apparatus, aircraft runways, docks and harbours, railways, inland waterways, pipelines, reservoirs, water mains, wells, sewers, industrial plant and installations for purposes of land drainage**

This definition includes work relating to telecommunication apparatus but this only extends to masts, underground cabling, telephone poles etc. For other aspects of the telecommunications industry see paragraph (ca).

Also included is the building of new roads and footpaths and repairs to existing ones. However routine road maintenance, clearing blocked drains and cleaning of roads and paths (including the removal of chewing gum) would not be included. Payments by builders to ESB Networks to facilitate the connection of newly built properties to the electricity network do not come within RCT as there is no construction operation involved in this transaction.

**(c) the installation, alteration or repair in any building or structure of systems of heating, lighting, airconditioning, soundproofing, ventilation, power supply, drainage, sanitation, water supply, burglar or fire protection**

This paragraph applies to the installation, alteration or repair of *systems*, it would not cover the installation of “add- ons” or stand alone packages to systems already in place in a building or structure. For example, while the installation of a fire alarm system would be covered, the placing of a few fire extinguishers in a building would not be. Any alteration or repair work to a fire alarm system or a system of water supply (including the installation of a meter on such a system) would, of course, be considered a construction operation.

**(ca) the installation in or on any building or structure of systems of telecommunications**

This paragraph covers the installation of systems to facilitate two-way communication by phone, whether mobile, landline or via the internet. As with paragraph (c) it only applies to *systems*. The installation of equipment which is added on or attached to a telecommunications

system and which would not be capable of providing telecommunications on its own without being connected to an existing system would not be considered to be a construction operation. Examples of this type of equipment would include equipment to monitor internet usage, to block viruses or to provide back up data for security purposes.

**(d) the external cleaning of buildings (other than cleaning of any part of a building in the course of normal maintenance) or the internal cleaning of buildings and structures, in so far as carried out in the course of their construction, alteration, extension, repair or restoration**

Cleaning is only a construction operation when it takes place in the context of an overall construction operation i.e. the cleaning that is necessary after a building or structure is erected, altered, repaired etc. Normal routine cleaning operations are not construction operations nor are specialist cleaning jobs such as the removal of graffiti from buildings or structures. However if the removal of the graffiti involves a repair to the building or structure this repair would be a construction operation.

**(e) operations which form an integral part of, or are preparatory to, or are for rendering complete such operations as are described in paragraphs (a) to (d), including site clearance, earth-moving, excavation, tunnelling and boring, laying of foundations, erection of scaffolding, site restoration, landscaping and the provision of roadways and other access works**

This paragraph brings a whole range of activities within the definition of construction operations. Not just the specific activities mentioned in the legislation are covered but any activities that could be considered to be integral to an overall construction project. For example the hire of a crane with a driver, or where the subcontractor erects and dismantles the crane, would be covered by this definition, as would the erection of scaffolding and the hire of skips to remove waste material related to construction activity.

Site investigation operations, except where these are imposed on the builder by regulation (such as archaeological investigations or environmental impact studies) would normally be considered to be construction operations where they involve a considerable degree of labour intensive fieldwork. If the investigations carried out are such that without them the design/construction of the building (leaving aside investigations which are imposed on the contractor by regulation) could not actually proceed, these investigations are considered to be an integral part of, or preparatory to, the construction operation. Work that is ancillary to the project or imposed on the contractor would not be considered construction operations. If the work is more of a professional services nature and the fieldwork is a very minor part of the investigations then RCT would not apply to any part of the contract. Where there is a significant amount of fieldwork (i.e. drilling, excavation etc) involved and the activity is integral, or preparatory, to the construction operation then RCT charge will apply to the full consideration where a single invoice is issued for the fieldwork and professional services.

**Examples of site investigations:** Archaeological digs are not considered an integral part of, or preparatory to the construction operation and are therefore not subject to RCT.

Geo-technical work involving excavation, drilling and other fieldwork to provide information necessary for the design and/or construction of a building or structure would generally be considered an integral part of, or preparatory to, construction. A contract for geo-technical services may involve significant fieldwork with some laboratory work and consultancy. Where the fieldwork is the significant part of the contract the full contract is subject to RCT.

A number of other activities also come within this definition. Where a new building is under construction or an existing building is being refurbished all the activities necessary to render the building complete would be considered to be construction operations. These would include plastering, painting, fitting kitchens and bathrooms, tiling, laying carpets and the installation of certain types of fitted blinds. Some of these activities would not necessarily be considered to be construction operations if they took place outside the context of “rendering complete” for example certain painting jobs and the installation of blinds.

It should be noted that landscaping is only a construction operation when it is carried out as part of rendering complete a construction project. Contracts for landscaping work entered into by principals such as local authorities where the landscaping is not part of an overall construction project are not within the RCT remit.

**(f) operations which form an integral part of, or are preparatory to, or are for rendering complete, the drilling for or extraction of minerals, oil, natural gas or the exploration for, or exploitation of, natural resources**

This paragraph is similar to paragraph (e) above. It brings within the definition of construction operations activities that are a necessary part of drilling for and extracting minerals etc for example site investigation, earth moving, site clearance, erection of scaffolding etc.

**(g) the haulage for hire of materials, machinery or plant for use, whether used or not, in any of the construction operations referred to in paragraphs (a) to (f)**

This paragraph includes all haulage operations related to the construction industry carried out by self-employed haulage operators. It includes the transportation of construction materials and machinery or plant used in construction operations. It would extend to the haulage of raw materials such as sand or gravel from sandpits to a production plant. The delivery of ready to pour concrete to a building site by an employee of the manufacturer or distributor (irrespective of where or how it is placed at the site) is not considered to be a construction operation. It is considered to be the supply of building materials. However, where either the supplier or the builder hires a self-employed haulier to deliver the concrete, this operation is considered to be a construction operation.