

THE OPEN UNIVERSITY OF SRI LANKA
 DEPARTMENT OF CIVIL ENGINEERING
 CONSTRUCTION MANAGEMENT PROGRAMME - LEVEL 7
 POST GRADUATE DIPLOMA / STAND ALONE COURSES



Final Examination - 2005

CEX 7105, CEP 2105/CEE 7105 - Construction Contracts and Claims

Time Allowed : Three Hours

Date: 20th March 2006

Time : 0930-1230 hrs.

Candidates may answer the questions in accordance with any one of the Conditions of Contract stated below.

- (i) ICTAD publication no. SCA/1 (Revised Edition January 1989)
- (ii) ICTAD/SBD/01 – Standard Bidding Document for Procurement of Works.
- (iii) ICTAD/SBD/02 – Standard Bidding Document for Major Contracts.

The candidates must state explicitly the Conditions of Contract in accordance with which he has answered the questions.

Candidates are NOT permitted to refer to the above publications at the Examination Hall.

Candidates are required to provide comprehensive answers using relevant examples from the industry for clarity.

Answer any four (04) questions. All questions carry equal marks.

Q1.

The standard Form of Bid included in ICTAD/SCA/1 (January 1989) and in ICTAD/SBD/01 states among other things that, " Unless and until a formal Agreement is prepared and executed, the Bid together with your write Acceptance thereof shall constitute a binding Contract between us." Describe comprehensively the meaning of this statement using relevant examples.

(25 marks)

Q2.

In a competitive Tender, the lowest evaluated Bid is not fully acceptable to the Employer, for the following reasons;

- (i) The Tender Sum as stated in the Form of Tender is Rs. 75,340,000.00 whereas the correct tender total is Rs. 75, 876, 840.00
- (ii) The Tenderer states the construction period of 270 calendar days could be achieved if construction work is permitted to be carried out on Sundays and public holidays. But the employer is not willing to permit work on Sundays due to the proximity of the work site to a Christian Church.

- After negotiation the Tenderer agreed to effect the necessary adjustment to the rates quoted, to absorb the error in the tender total and also agreed to refrain from doing any construction work on Sundays.

Explain in detail the course of action to be taken by the Employer in awarding the Contract. (25 marks)

Q3.

Explain the loss or damage covered 'Under' the Insurance as required by the 'Insurance Clauses' in the Conditions of Contract, excluding the insurance cover on Contractors' Personnel.

Illustrate your answer with examples.

(25 marks)

Q4.

Under the ICTAD Conditions of Contract SCA/1 (January 1989), SBD/01 & SBD/02, the Contractors' Bills of Quantities form a part of the Contract.

Explain its relevance in valuing variations citing examples commonly encountered.

(25 marks)

Q5.

Describe the procedure to be followed in referring disputes for Arbitration according to ICTAD/SCA/1 (January 1989) or ICTAD/SBD/01

Comment on the procedure.

(25 marks)

Q6.

Write short notes on the following:

- (i) Force Majeure
- (ii) Unforeseeable physical conditions
- (iii) Time for payment
- (iv) Provisional Sums

(25 marks)

(equally distributed)