

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



Final Examination – 2006/07

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

Time Allowed : Three Hours

Date: 15th March 2007

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.

Explain the contractual relationship among the Nominated Sub Contractor, the Employer and the Main Contractor in Nominated Sub Contracts. Use suitable examples to illustrate your answer.

(25 marks)

Q2.

Due to reasons beyond the control of both parties the Engineer could not issue the Order to Commence Work for nearly four months after award of the Contract. Discuss the rights of the Contractor under the Contract (SCA/1- January 1989 or ICTAD/SBD 01) arising from this situation.

(25 marks)

Q3.

The General Conditions of Contract used in a Contract in the State Sector is ICTAD/SCA 1 – January 1989 (or ICTAD/SBD 02). If you are responsible for preparing the Conditions of Particular Application for the project (or Contract Data) outline the factors you would consider in drafting same.

(25 marks)

Q4.

Explain the purpose of including a Bill of Quantities in Tendering Documents and in the Contract Document. Discuss any disputes that may arise with examples, when discrepancies or differences occur between the Specification of Work and the item description in the Bill of Quantities.

(25 marks)

Q5.

The Contractor has informed the Engineer that Works have been substantially completed and requests the Engineer to make arrangements to take over. Explain the procedure which the Engineer is expected to follow in terms of the Contract in taking over of Works and issuing the Completion Certificate.

(25 marks)

Q6.

The Contract provides for the adjustment to Contract Sum due to increase or decrease of prices of materials, labour wages, hire charges of plant and equipment etc.

The method of computing the adjustment to Contract Sum stipulated in the Contract is the ICTAD fluctuation formula. All necessary data required for this purpose is included in the Contract Document. The date of closing of tender is 3rd of January 2006. The date of Commencement of Work is 20th February 2006. The Contractor had not submitted Monthly Statements of Accounts (Bills) regularly. The dates of submission of the Bills are as follows;

- | | |
|---|-------------------------------------|
| (i) Bill No.01 | - 20 th of April 2006 |
| (ii) Bill No. 02 | - 7 th of June 2006 |
| (iii) Bill No. 03 | - 15 th of August 2006 |
| (iv) Bill No. 04 | - 5 th of November 2006 |
| (v) Bill No.05 | - 20 th of December 2006 |
| (vi) Final Bill (On Substantial Completion of Work) | - 6 th of February 2007 |

According to procedure recommended by the ICTAD state the applicable month and the year for the following indices

A. The base index

B. Indices for Bill No. 1, Bill No. 2, Bill No. 4, Bill No.5, and the Final Bill.

State your reasons in support of your answer.

(25 marks)