

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



**Final Examination – 2009**

CEX7105 - Construction Contracts and Claims

Time Allowed : Three Hours

Date: 12<sup>th</sup> March 2010

Time : 0930-1230 hrs.

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

- (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 salient differences in the Dispute Resolution procedure as stipulated in ICTAD – SCA1 (January 1989) Form of Contract and ICTAD –SBD/01 Form of Contract.

**Q2.**

What are the types of Insurances Policies the Contractor is required to obtain and maintain according to the Standard Forms of Contract used in Sri Lanka?  
 Explain the risks the Contractor is obliged to cover under these types of Insurance Policies.

**Q3.**

A contract has provisions for employing other contractors for work within the 'Site of Works' in the main Contract. If the work to be given out to the other contractor is identified in the Bidding Document as 'Plumbing and Drainage Work' which is to be carried out within the same period of Contract for the main works, explain the duties and responsibilities of the Parties, the Engineer and the other Contractor to ensure smooth performance of the Contract.

**Q4.**

Discuss the circumstance under which the Contractor is entitled to terminate his services under the Contract and the Engineer's obligations in certifying payments upon termination.

**Q5.**

Write a short account on "Memorandum of Understanding" entered into by the parties with the intention of making it a part and parcel of the Contract.

**Q6.**

In a piling contract the Contractor is obliged to carry out 'Maintained Load Tests' on three identified piles. The Contractor carried out these tests and results were found to be satisfactory. Before handing over of work the Engineer decided to test another pile and ordered the Contractor carry out a similar test. Discuss the rights and obligations of the Parties in complying with the Engineer's order.

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