

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



**Final Examination – 2010**

CEX7105 - Construction Contracts and Claims

Time Allowed : Three Hours

Date: 11<sup>th</sup> March 2011

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.**

The role of the Engineer may differ according to 'Type' and 'Form' of contract. Compare and Contrast the duties and responsibilities of the Engineer under Design and Build Contracts and Re-measurement Contracts (measure and Pay Contracts) during the Post-Contract Phase. The relevant Forms of Contract are General Condition of Contract for Building & Civil Engineering Work (ICTAD /SCA /1 – January 1989 ) and Standard Bidding Document For Design and Build Contract (ICTAD / SBD/04) (25 marks)

**Q2.**

Discuss the circumstances that may lead to termination of the services of the Contractor under the Contract, and the procedure for determining the payments due to the Contractor on termination. (25 marks)

**Q3.**

Generally, the Standard Forms of Contracts do not permit the Employer to omit any part of the work originally included in the Scope of the Contract with the intension of entrusting same to another Contractor. In case the Employer deletes a substantial portion of work thereby reducing the Scope of the Contract discuss the contractual rights of the Contractor and obligation of the Employer, arising from such omissions. (25 marks)

**Q4.**

ICTAD Publication ICTAD/ID/07 deals with calculation of adjustments to the Contract Sum due to fluctuation of prices of material labour etc. According to the stipulations therein the Contractor would be penalized if interim and final claims for work executed are not submitted on or before the due dates for submission. Explain with examples how late submission of claims affect the claims for escalation of cost. (25 marks)

**Q5.**

Subsequent to the submission of tenders the Employer may need to seek clarifications on or suggest amendments to the offer made by the successful tenderer before the Acceptance of the Tender. If the parties agree to effect certain amendments to tender submitted, explain clearly the procedure to be followed prior to issuing the Letter of Acceptance. (25 marks)

**Q6.**

Explain in detail advantages of using a Standard Bidding Document such as ICTAD / SBD / 02, in preparing bidding documents. (25 marks)