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



**Final Examination – 2014/15**

CEX7105 - Construction Contracts and Claims

Time Allowed : Three Hours

Date: 28<sup>th</sup> August 2015

Time : 0930-1230 hrs.

Candidates may answer the questions in accordance with the ICTAD Conditions of Contract as per the Standard Bidding Documents, stating the document number. 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.**

Unforeseeable ground conditions may entitle the Contractor to make claims for 'time' and 'cost'. State the events which may be cited as unforeseeable ground conditions and explain the procedure stipulated in the Conditions of Contract (ICTAD/ SBD/ 02) for making such claims. (25 marks)

**Q2.**

State and explain the documents forming the Contract in Design & Build Contracts (ICTAD / SBD / 04) and describe the Engineer's role in dealing with Variations in this type of Contracts. (25 marks)

**Q3.**

Generally all Conditions of Contract have provision for employing other contractors within the same construction and site. If the work to be entrusted to another contractor is to be carried out within the same period of the Main Contract Work explain the duties and responsibilities of the Contractor and the Engineer in ensuring smooth performance of the Contract. (25 marks)

**Q4.**

The scope of the Contract for construction of a factory complex includes the Factory building Administration building, Facilities building and infrastructure. When the construction works were nearing completion the Employer decides to take over the Administration building for occupation. Describe the contractual procedure for taking over of the Administration building and the rights and obligations of the parties to the contract, and the responsibilities of the Engineer. (25 marks)

**Q5.**

In making an application for adjustment of the Contract Price due to fluctuation in prices of materials, labour and equipment cost under ICTAD Formula Method (ICTAD/1D/07) the Contractor is expected to submit monthly statements (Bills) for payments. In a case when the Contractor submits an interim statement or the final statement of account during a subsequent month (without submitting monthly statements) the Contractor may be penalized. Explain with examples how late submission of claims may affect claims for escalation of cost. (25 marks)

**Q6.**

ICTAD/SBD/01 – Standard Bidding Document – Procurement of Works and ICTAD/SBD/02 – Standard Bidding Document – Procurement of Works Major Contracts, include provisions for termination of the services of Contractor under the Contract. Explain the circumstances under which the Employer will be entitled to terminate the services of the Contractor with particular reference to these documents. (25 marks)

