

THE OPEN UNIVERSITY OF SRI LANKA
 Department of Civil Engineering
 Construction Management Programme - Level 7
CEX7105 - CONSTRUCTION CONTRACTS AND CLAIMS
FINAL EXAMINATION -2015/2016



Time Allowed: Three Hours

Date: 27-11-2016 (Sunday)

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.

All forms of contract for construction works make it obligatory on the part of the contractor to obtain and submit guarantees conforming to the samples given in the bidding documents. Explain the purpose of submitting bonds or guarantees and write notes on the following;

- i. Bid Security
- ii. Performance Security.

(Marks 25)

Q2.

The employer intends nominating a sub-contractor for partitioning work and supply and installation of fixed furniture of an office building.

- (i) State the procedure to be followed by the employer in appointing the sub-contractor for this purpose.
- (ii) What are the main contractor's rights and obligations regarding, employing the nominated sub-contractors and sub-contract work?

(Marks 25)

Q3.

Conditions of Contract require that the contractor shall insure in the joint names of the contractor and the employer and stipulates the coverage of the insurance policies. Briefly describe the following;

- i. Standard Insurance Policies the contractor is required obtain and name things and persons to be insured under each policy.
- ii. Duration of Insurance Policies.
- iii. Explain the risks the Contractor is obliged to cover under these types of Insurance Policies

(Marks 25)

Q4.

Changes in Legislation may entitle the contractor to claim, extension to time for completion and also claim for additional cost. Explain the circumstance under which a claim could be made under change in Legislation and the procedure to be followed by the Contractor in making the claim.

(Marks 25)

Q5.

(a) State the things to be considered in recommending payments for materials purchased and delivered to site by the contractor in an Interim Payment Certificate.

(Marks 15)

(b) The Engineer delays issuing the Interim Payment Certificate as a result of which no payments for work done during the relevant period, is received by the Contractor. Outline the course of action the Contractor is entitled to take under such circumstances

(Marks 10)

Q6.

(a) Contractually, who is empowered to issue Variation Orders? State the purposes for which Variation Orders are necessary.

(Marks 10)

(b) One of the main draw backs of the Contract administration at-site level as it is generally practiced at present is the Variation procedure. Consultant/Engineer as well as the Contractor, rarely follows the procedures stipulated in the applicable Conditions of Contract. Outline the procedure stated in SBD/ 02 for Major works, in issuing and pricing of Variations with special reference to Standard Forms for variation orders, verbal orders etc.

(Marks 15)