

UNIVERSITY COLLEGE LONDON

University of London

EXAMINATION FOR INTERNAL STUDENTS

For The Following Qualification:-

B.Sc.

ES3116: Contract Administration and Law

COURSE CODE : **ENVS3116**

UNIT VALUE : **0.50**

DATE : **27-MAY-03**

TIME : **14.30**

TIME ALLOWED : **3 Hours**

ENVS3116 CONTRACT ADMINISTRATION AND LAW

Answer FOUR questions
All questions carry equal marks

QUESTION 1

“The accepted role of an architect is to design the building, advise on the selection and appointment of other consultants, manage the design, select and appoint the construction contractors and nominated sub-contractors and to generally represent the client’s interests as far as possible. Coupled with these responsibilities is the duty to act as an independent certifier where the architect has to judge certain issues impartially.” Murdoch J, Hughes W, (2000) Construction Contracts, Law and Management, 3rd Edition, Spon Press

Discuss what appears to be a conflict of interest in these responsibilities.

(25 marks)

QUESTION 2

Discuss the factors influencing the adjudication of costs by the main contractor’s management at tender final bidding stage for a proposed contract including assessing the profit mark-up and evaluating the risk and uncertainty.

(25 marks)

QUESTION 3

“A party to a dispute, particularly if there is adjudication, arbitration or litigation, will learn three lessons (often too late): the importance of records, the importance of records and the importance of records.” Abrahamson M.W., Engineering Law and ICE Contracts, 4th edition.

Discuss.

(25 marks)

QUESTION 4

- a) Using the information below, advise the main contractor on the amount of the interim valuation due at the end of month 7. In accordance with clause 18.1 of JCT 1998, the University client has taken possession of part of the works, the Sports Complex.

(20 marks)

Note: Within your answer, you should provide details of all assumptions made.

Contract Details

JCT 1998 Conditions of Contract, private edition with quantities Contract sum of £6.9m, broken down as follows:

Halls of Residence	£2,400,000
Faculty of the Built Environment	£2,050,000
Sports Complex	£ 700,000
Student Union facilities	£ 650,000
External works	£ 450,000
Preliminaries	£ 650,000

Contract period 18 months
Retention maximum 3% of contract sum
Fluctuations clause 38

Value of works completed at the end of month 7 as follows:

Valuation Item	Value/£
Measured builders work	£1,800,000
Electrical sub-contract (NETT)	60,000
Heating sub-contract	50,000
Sports complex specialists works	150,000
Service connections	28,000
Materials on site	30,000
Materials off site	5,000
Substructure clause 26 Loss and Expense claim	19,500
Fluctuations, increase in NI Contributions	750
Previous payments up to and including valuation 6	£1.8m

- b) Explain the contractual implications of the University client taking possession of the Sports Complex as part of the contract works.

(5 marks)

QUESTION 5

“Claims for loss and expense (JCT 1998 clause 26) and for extensions of time to contract durations (JCT 1998 clause 25) are a familiar feature of construction. This is hardly surprising since the construction process, with its scope for the introduction of various changes, allows construction to proceed in circumstances which are quite often, vastly different from those originally envisaged at tender stage”. Brown J.C. (1995) Prolongation and Disruption, CIOB Construction Paper No.56.

Discuss the requirements relative to clauses 25 and 26.

(25 marks)

QUESTION 6

A dispute has arisen between a sub-contractor and a main contractor over the design and construction of the foundations, basement car park and substructure works for a commercial multi-storey office block, being undertaken under JCT 1998 with Contractors Design.

The sub-contractor alleges that in order to accommodate design changes, instructions and ground difficulties he has experienced uneconomic working and delays to his work programme. The sub-contractor has provided documentary evidence and a financial statement in the form of a contract claim to the main contractor. The main contractor denies responsibility stating that the so-called changes and difficulties were in fact part of the sub-contract package and should have been allowed in the sub-contractors tender, and in turn has responded with a claim against the sub-contractor for his failure to complete the sub-contract works package on time.

The contract allows for Adjudication, but the sub-contractor is considering the ADR method of mediation as an alternative. Critically appraise these two dispute resolution methods relative to the dispute outlined above and advise the sub-contractor accordingly.

(25 marks)

END OF PAPER