

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 : 13–MAY–05

TIME : 10.00

TIME ALLOWED : 3 Hours

ENVS 3116 CONTRACT ADMINISTRATION AND LAW

Answer FOUR questions.
All questions carry equal marks.

QUESTION 1

At one end of the scale there was the architect in the House of Lords case of *Hickman & Co v Roberts* (1913) who admitted to the contractor that his client would not allow him to issue a certificate, and at the other end of the scale there was the architect in the *Royal Brompton Hospital NHS Trust* (2000) case who was so concerned about any possible accusation of bias in favour of his client, that he refused to hear the client's side of the story at all.

The proper course of action is, for the architect or the contracts administrator to hear both the client's and contractor's side, but not to be unduly influenced by either, acting fairly and impartially following the *Sutcliffe v Thackrah* (1974) principles.

Discuss this situation with reference to the certification process.

(25 marks)

QUESTION 2

"Often a claim will be much easier to settle at an earlier stage with the assistance of a good set of contemporary site records"; Farrer A., Dear Site Diary, Building 8/10/2004, page 34.

Discuss.

(25 marks)

QUESTION 3

A £4.5M project involves the provision of a new health centre/clinic for a National Health Trust client. It is proposed to follow the traditional procurement route, using the JCT 1998 Standard Form of Contract with Quantities with the Architect acting as both designer and contract administrator. Other consultants will be appointed for the structural engineering and services engineering design aspects.

Discuss the requirements of the parties to insure for the project.

(25 marks)

QUESTION 4

“The final review of an estimate and its conversion to a tender is the responsibility of the (main contractor’s) senior management and is a separate commercial function based upon the cost estimate and its supporting reports and documents” – CIOB (1997), Code of Estimating Practice, 6th Edition, Longman, Page 175.

Discuss.

(25 marks)

QUESTION 5

A dispute has arisen between a domestic sub-contractor and the main contractor over the construction package for a timber frame for works being undertaken for a University client to construct a major new student Halls of Residence building. The project is being undertaken under the JCT 1998 with the Contractor’s Design form of contract.

The domestic sub-contractor who alleges that he has experienced delays to his work programme and uneconomic working conditions on site in order to accommodate design changes, submitted 3 months ago, documentary evidence and a financial statement in the form of a contract claim to the main contractor. Despite telephone calls and follow up letters, the main contractor has merely just acknowledged the receipt of the domestic sub-contractor’s claim.

The contract allows for Adjudication and Arbitration as the formal dispute resolution methods, but in order to save costs, the sub-contractor is considering whether to pursue this dispute through a Mediation process.

Appraise these dispute resolution methods relative to this dispute and advise the domestic sub-contractor accordingly.

(25 marks)

QUESTION 6

Using the information in Table A, and Valuation No 16 details hereunder, advise the Architect on the amount of the interim valuation for the end of month 16. In accordance with clause 18.1 the client has taken possession of all the works except the car park areas which are not yet complete.

Note - Within your answer you should provide details of all assumptions made and where necessary also, provide a commentary to illustrate your calculations.

(25 marks)

TABLE A – CONTRACT DETAILS

Conditions of contract JCT 98 Private with Quantities
Contract Sum £5M broken down as set out below:-

	£
Preliminaries	300,000
Substructure (provisional)	300,000
Superstructure	3,550,000
External works	300,000
Drainage (provisional)	100,000
PC Sums	450,000
Contract Period	15 months
Liquidated and ascertained damages	£15,000 per week
Retention	3%
Fluctuations – Clause 38 applies	

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TURN OVER

VALUATION NO. 16 DETAILS

	£
Substructure complete (re-measured and agreed)	315,000
Superstructure complete	3,500,000
External works	60% complete
Drainage (re-measured and agreed)	90,000
PC Sums as follows:-	
Kitchen Equipment – Supply only (Invoice received – net)	40,000
Electrical sub-contractor (Invoice received – net)	120,000
Building Engineering Services sub-contractor (Invoice received)	160,000
Service connections (Invoice received)	50,000
Materials on site	12,000
Materials off site	12,000
Loss and expense claim	18,000
Fluctuation allowance Clause 38 Reduction in Employer's NI contribution	11,000

A claim for a six week extension of time has been submitted by the contractor, but not yet agreed by the Architect.

Certificates up to and including Valuation 15 = £4,400,000.

END OF PAPER