

UNIVERSITY COLLEGE LONDON

University of London

EXAMINATION FOR INTERNAL STUDENTS

For the following qualifications :-

B.Sc.

ES3107: Contract Procedures and Administration

COURSE CODE : ENVS3107

UNIT VALUE : 0.50

DATE : 03-MAY-02

TIME : 10.00

TIME ALLOWED : 3 hours

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TURN OVER

ENVS3107 CONTRACT PROCEDURES AND ADMINISTRATION

ANSWER FOUR QUESTIONS

ALL QUESTIONS CARRY EQUAL MARKS

1. A property developer is to develop a site bounded by a motorway slip road, an access road and existing properties. The project consists of warehousing and shops at ground floor level, two levels of office accommodation above the shops and residential accommodation on the top two floors. The contract is to be the JCT Standard Form of Building Contract, 1998 edition, Private with Quantities, with the clients Architect leading the consultant team. A main contractor has yet to be appointed, although the contract is currently out to tender.

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

(25 marks)

2. 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, the employer has taken possession of part of the works, valued at £350,000.

Note: Within your answer you should provide details and commentary on all assumptions made.

Contract details

JCT 98 Conditions of Contract, private edition with quantities
Contract Sum of £5m, broken down as follows:

Building works	£4,050,000
External works	£ 500,000
Preliminaries	£ 450,000

Contract period – 12 months
Retention 3%
Fluctuations clause 38

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

Valuation item	Value/£
Measured contractors work	1,700,000
Structural Steel Frame	400,000
Electrical (NET)	125,000
Heating	100,000
Mechanical/Engineering Services	150,000
Services connections	25,000
Materials on site	20,000
Fully glazed windows/door sets off site	65,000
Adjudicators award of loss and expense claims for Substructure changes	17,500
Fluctuations, in Employer NI contributions	500
Previous payments up to and including valuation 6	2,300,000

(25 marks)

3. The new methods of resolving construction disputes often occur while the contract works are on-going and as such, substantially modify the levels of information now required and their timing for presentation and consideration. The timetable is now usually very tight. A party that has good records is obviously going to be able to immediately demonstrate on paper the extent and strength of their position. This will always put them at a considerable advantage over the party whose records are messy, incomplete or non-existent.

As the Construction Manager for a main contractor undertaking a £5m traditional contract for a commercial client, explain the records that you would keep and discuss how this information might be used to support a contract claim or construction dispute.

(25 marks)

4. A prospective tenant for the 4th floor of a 5 storey commercial office development has informed the client that he would like changes to the designed internal floor layout of the building. The building is currently being constructed for the client under the JCT 98 Standard Form of Contract, Private Edition with Quantities. Advise the client on the procedures that have to be followed in order to vary the works and explain alternatives A and B as a means of valuing the variation.

(25 marks)

5. (a) As the Contracts Administrator, the main contractor has written to you to request an extension of time under clause 25 because it has become reasonably apparent that the progress of the works will be delayed as a result of exceptionally adverse weather. Explain the procedures to be followed and discuss the circumstances that you would take into consideration in making any decisions regarding awarding the contractor an extension of time.

(15 marks)

- (b) Much to the annoyance of the employer, who had wanted to take advantage of the float time (or contingency time) included in the main contractor's original contract programme, the main contractor during the early stages of the contract has re-programmed the work and used up this float time. Advise the employer.

(10 marks)

6. It is management's responsibility within a Contractor's organisation to convert an estimate into a tender. Describe the process to be followed and explain the decisions to be made.

(25 marks)

END OF PAPER