UNIVERSITY OF BOLTON

SCHOOL OF ENGINEERING

BSC (HONS) CONSTRUCTION MANAGEMENT

SEMESTER ONE EXAMINATION 2018/2019

CONTRACT PROCEDURES AND PROCUREMENT

MODULE NO: CAS5011

Date: Friday 18th January 2019   **Time: 10:00 – 12:00**

INSTRUCTIONS TO CANDIDATES: There are **SIX** questions.

Answer **FOUR** questions.

Marks for parts of questions are shown in brackets.

This examination paper carries a total of 100 marks.

An original or photocopy of the JCT Standard Form of Building Contract may be taken into the examination. Notes and any form of annotating are not allowed in this document, but highlighting is permitted.

If you answer question 6, please be sure to return Table 1 with your answer book.

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1. A Letter of Intent is a very usefulness tool for a client who needs to carry out construction works in an emergency, but does not have sufficient time to prepare and agree a full legally binding contract using for example, a standard form. However, it can lead to disputes. Citing relevant case laws, critically analyse the pros and cons of Letters of Intent and what parties can do to prevent disputes.

(25 marks)

2. Poor quality of finished construction works has been one of the top concerns of clients of the industry, according to key government reports. While there are a number of ways to dealing with this problem, critically discuss what and how, binding contractual mechanisms in a standard form of contract in the United Kingdom, such as the JCT SBC/Q 2016 can be used to address this issue.

(25 marks)

3. A contractor can use the Prevention principle to argue against a client's claim for Liquidated and Ascertained Damages (LAD) where the client's actions or omissions have caused a serious delay to agreed completion date despite the contractor's prior notifications.

   Critically analyse, this statement using relevant case laws and the JCT SBC/Q 2016.

(25 marks)

4. Many authoritative sources argue that (i) integrated teams, (ii) partnership or alliance working, and (iii) single-point responsibility, are keys elements of procurement processes, that drive successful outcomes. Discuss why these themes are thought to be important in procuring construction projects.

(25 marks)

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5. (a) A contract is agreed between a client and contractor in the sum of £12,000,000.00. The agreed duration of the works is 50 weeks, with liquidated and ascertained damages of £50,000.00 per week. The contractor's preliminaries are valued at £20,000.00 per week. The contract is the JCT SBC/Q 2016 edition.

The project actually finishes after 56 weeks. Two weeks of the delay is the contractor's fault, two weeks is due to exceptionally adverse weather conditions, and two weeks is due to variations initiated by the client.

Calculate the cost of this six-week delay to (i) the contractor, and (ii) the client.

(13 marks)

(b) Delays on construction sites may emanate from the actions or inactions of clients, designers, contractors or contractor supply chains. Other delays may be force majeure. Analyse the record keeping role of construction site managers, in protecting their employer from claims by others, and in ensuring that any claims that contractors may make against others, are successful.

(12 marks)

Total 25 marks

6. Examine the following cases, which may result in delays on construction projects. Assume the 'traditional' or 'lump-sum bills of quantities' procurement method is used in all cases, with the JCT SBC/Q 2016 edition.

a. For each case, using the Contract, in columns 'A' and 'B', insert where relevant, the clause numbers that may permit a contractor to claim for an extension of time and loss and expense. If in a particularly case there is no relevant clause (the contractor is not able to claim for an extension of time and/or loss and expense), you must clear insert the word 'NIL' to obtain a mark. **(13 marks)**

b. For each case, in columns 'C' and 'D', insert the word 'CLIENT', or 'CONTRACTOR' to indicate which party to the contract will pay for the delay. where relevant, the clause numbers that may permit a contractor to claim for an extension of time and loss and expense. If in a particularly case there is no relevant clause (the contractor is not able to claim for an extension of time and/or loss and expense), you must clear insert the word 'NIL' to obtain a mark. **(12 marks)**
Total 25 marks

Question 6 table 1 over the page….
PLEASE TURN THE PAGE….

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Table 1: to be returned with answer scripts

Student ID number:_____

	A	B	Who pays – client or contractor?	
			C	D
	Extension of time clause	Loss and expense clause	Client's lost profits	Contractor's preliminaries
A project in a remote location is delayed due to an outbreak of foot and mouth disease.				
A bomb hoax closes a site.				
There is a shortage of skilled bricklayers.				
There is a very long winter frost				
The architect provides drainage drawings to the contractor two weeks after the date requested				
The design depth for the strip foundation is 900mm below ground level. The client's quantity surveyor measures 900mm as the firm quantity, but also includes for 100mm extra depth as a provisional quantity. The actual depth averages 1400mm across the site.				
There is a strike by drivers delivering fuel and diesel – material deliveries to site are delayed.				
The carpenters go on strike.				

Table 1 continues over the page….

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Table 1 continued….

Student ID number:_____

	A	B	C	D
			Who pays – client or contractor?	
	Extension of time clause	Loss and expense clause	Client's lost profits	Contractor's preliminaries
There is a long hot summer – bricklaying and concreting operations are affected.				
The installation of the site underground electrical supply is delayed by the statutory body				
The employer suspends work on the project for one month because of sudden organisational problems and world market uncertainties.				
There are several hundred minor variations on the project.				
There is extensive flooding				

END OF QUESTIONS