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Higher National Diploma in Quantity Surveying		
NVQ Level 06 –Semester I		
Contract Administration-II	F45C002M15	Three Hours
Answer any five (05) questions only		

INSTRUCTIONS:

1. This question paper consists of Six (06) questions.
2. Answers Five (5) questions only.
3. It is extremely important not to remove the question paper or any part of the paper from the examination hall.
4. Students able to use the un marked FIDIC 1999 condition of contract

Q1.While a “Contract” is an agreement between two or more parties to perform a specific function, there may be instances where as essential and specific aspects of the said function is required to be performed by a separate individual or organization who need not necessarily be a party to the “Contract”. In such situations, the individual or the organization performing the specific aspect would enter into a Contract with the party for whom the service is being rendered. It has to be noted that, there are two Contracts and the second Contract depends on the existence on the first. In such situations, the first contract is referred to as the “Main Contract” and the second as the “Sub-Contract”.

- (i) Can the employer make direct payments to the nominated sub – contract and explain your answer about the payment procedure. (5 Marks)
- (ii) Compare and contrast Nominated sub-contractor and Domestic sub-contractor under the following terms.
 - a) Liability
 - b) Selection
 - c) Negotiation of terms
 - d) Payment & Approval
 - e) Contract between the parties (15Marks)

Q2.

- (i) Briefly explain the construction contract agreement? (3 Marks)
- (ii) Discuss the procedure how the parties enter into a contract agreement according to Conditions of Contract. (4 Marks)
- (iii) Differentiate four (04) major types of contractual bonds considering the purpose, validity period and value. (8 Marks)
- (iv) Examine the situations that give rise to extend the defect liability period and how do you manage the performance bonds in case of removal of defective items? (5 Marks)

Q3.

- (i) What are the major factors to be considered for creating a construction program using a sketch? (4 Marks)
- (ii) “Cash flow is the major monitoring technique in the construction industry”. Defend the statement with giving advantages and disadvantages. (8 Marks)
- (iii) Compare and contrast Traditional court method and Arbitration method (8 Marks)

Q4.

- (i) Write down five (05) occasions where Extension of Time shall be considered in construction. (05 Marks)
- (ii) How do you advise project management team on claim procedure using widely use FIDIC 99 Condition of Contract in a Construction industry. Your answer should include the critical path and float relevant to delays. (15 Marks)

Q5.

- (i) What is meant by “material reconciliation”? (3 Marks)
- (ii) Briefly explain content of a material supply agreement? (3 Marks)

(iii) Your company receives the following letter:

Dear Sir,

Alterations and refurbishment of Green Palace Residence, Matara

It is our intention to accept your tender in the sum of LKR 18,500,675.35 for the above works and we will, upon completion of the necessary evaluations and other formalities, instruct our company legal officer to prepare the contract for signature.

In the meantime, would you please arrange to order all necessary materials and procure all necessary subcontracts in order that work may commence without delay as soon as the contract has been signed.

Would you also please carry out preliminary scaffolding works to the main elevations in order that a detailed inspection of the existing damaged concrete cladding may be carried out.

Yours faithfully,
Ruwan Builders

Advise your employer, making the necessary references to legal cases, concerning the possible contractual implications of this letter. (14 Marks)

Q6.

Write short notes on any 05 of the followings (5 x 4 = 20 marks)

- (i) Three classes of delays
- (ii) Final Payments & Interim payments
- (iii) Statement at Completion
- (iv) Variations and Price Fluctuations
- (v) Value for money and methods of value evaluation
- (vi) Preliminaries and Provisional sums