

# SSUD71-308-193: Project Contract Administration

## Cast Study Assignment

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Due: 4pm Friday 22/11/2019

### Submission Requirements

- UPLOAD** as a 'Word' document (.doc format) via the 'Assessment' tab in iLearn;
- and* submit in **HARD COPY** to the Assignment Drop Box on Level 2 of Building 3;
- BOTH** with a cover sheet displaying your name and SID.

**Late submissions will be penalized by 10% for every day that the submission is late.**

### Scope

Respond to all nine tasks

### Approach

- Take time to read all parts of this assignment document thoroughly before you start and carefully to ensure you **understand the requirements of each task fully**.
- You are encouraged to refer to external sources, however your responses must represent **your interpretation** and be written **in your own words**.
- Respond to each task strictly in accordance with the task requirements and keep your responses precise.
- Quote **all contract references** wherever directly relevant to any part of the task.
- Provide full APA Standard in-text citations and reference list for Tasks 8 and 9 only (**not required** for other tasks).

### Assessment

Grading will be in accordance with the Assessment Rubric in iLearn. Review the rubric carefully to understand the way in which the assignment will be assessed.

**(Note that comprehensive responses to each task are required for full marks).**

**Your responses to all tasks are to be based on the lump sum building contract described in the assignment "Scenario".**

## Scenario - Part A

Assume that you are employed by a builder as his Contract Administrator for a commercial building project. You have just been given a copy of the executed lump sum contract for construction of the project.

The contract is comprised of the following component documents:

1. Formal instrument
2. AS4000-1997 - General conditions of contract
3. AS4000-1997 - Annexure Part A
4. AS4000-1997 - Annexure Part B
5. Scope of works
6. Tender program
7. Bill of quantities
8. Technical specifications
9. Tender drawings

**Instructions: Respond to Tasks 1 and 2 based on Scenario - Part A above.**

## Task 1 (11.25 marks)

The following component documents have been selected from the nine listed above:

1. Construction drawings
2. Program
3. Bill of quantities

By reviewing and analysing 'real' examples of these three documents, **describe in your own words the:**

- a. appearance of the document;
- b. contents of the document;
- c. purpose for which the document was created; and
- d. role that the document plays in administering the Contract.

You will need to use your initiative to find suitable example documents. Specify the source of each of the example documents reviewed.

*(200-250 words in total for each of the three documents)*

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## Task 2 (6.25 marks)

From the nine documents listed in Scenario-Part A, nominate one that is certain to contain:

1. the person nominated to act on behalf of the Principal
2. details of the Contractor's obligation to notify of a delay
3. the type and amount of security to be provided by the Contractor
4. the requirement for evidence of insurances
5. specific details of the materials to be used in the Works

Explain briefly why you selected the document in each case.

**Note:** List clause references for any item that is found in AS4000-1997.

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## Scenario - Part B

### ADDITIONAL DOCUMENTS

Two of the nine component documents listed in Scenario-Part A are have been issued separately:

- Annexure Part A and B (Version 1)
- Bill of Quantities (Version A)

### ADDITIONAL DETAILS

- A. Date of acceptance of tender: 10/09/2018.
- B. The Contractor's overheads and profit percentage has been agreed: 13%.
- C. The Contractor did not reach practical completion until one week ago: 07/09/2019.
- D. The Superintendent has certified that WUC is complete and that the parties have agreed the quantity of work actually carried out for every item in the Bill of Quantities.
- E. Two months ago the Contractor issued a notice of dispute to the Principal. Despite three conferences between the parties during the first three weeks, the dispute has still not been resolved. (Until last week, the Principal insisted that the dispute would be resolved before practical completion by negotiation between the parties). The Contractor has taken no further action.

**Instructions:** Respond to **Tasks 3 to 6** based on:

- Scenario Part A, Scenario Part B and
  - the additional details above
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### Task 3 (12.5 marks)

- By what date should the Principal have given the Contractor possession of site?
- How many days late was the date of practical completion?
- How much is the contract sum?
- How long did the Principal have to rectify inadequate Contractor's possession of the site?
- How long is the defects liability period?
- What is the value of the security that should have been provided by the Contractor soon after the start of the project?
- In what form should the Contractor have provided security at the start of the project?
- Who is responsible for nominating the arbitrator to resolve the ongoing dispute?
- The units of measure used in the bill of quantities are in the legal units of what jurisdiction?
- At practical completion only 85% of the materials referenced in Item 20 d) of Annexure Part A were consumed; 15% still remains on site as surplus. The Principal wishes to leave this material on site. Who is responsible for protection of the surplus material?

**Note:** Explain your logic, show any workings, and list all relevant references from AS4000-1997.

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### Task 4 (11.25 marks)

- According to AS4000 what actions should the Contractor have taken within 6 weeks of the date of acceptance of the tender (ie. contract date)?
- What is the total amount of security the Principal is entitled to be holding now (one week after practical completion was achieved). Explain your logic.
- To update the Bill of Quantities to include the amount of work measured as 'actually' completed by the Contractor, the quantities for the B/Q items listed must be adjusted to those shown below:

BQ07 = 5,156.0 sq m

BQ11 = 2,497.2 sq m

BQ12 = 0

BQ16 = 4,856.5 sq m

BQ20 = 12,096.4 sq m

BQ21 = 3,618.0 sq m

What amount should be added to or deducted from the contract sum as a result of the adjustments made for the work 'actually' completed?

**Note:** List all relevant references from AS4000-1997 **and** show your workings for items 2 and 4.

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### Task 5 (10 marks)

Calculate the adjustment required to the contract sum if:

- the Contractor receives an invoice to the value of \$94,510.00 for carrying out all the work associated with Bill of Quantities Item B/Q28.
- all the work associated with Item B/Q21 of the Bill of Quantities is **deleted** from the Contract.
- the **total cost** of the work carried out directly by the Contractor to complete all the work associated with Bill of Quantities Item B/Q29 was \$99,120.00
- the **Contractor's costs of using his direct resources** to carry out part of the work associated with Bill of Quantities Item B/Q30 is \$361,450.00 and he receives an invoice for \$531,000.00 from the subcontractor who completes the balance of the work.

**Note:** Show your workings **and** any relevant references from AS4000-1997

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## Task 6 (6.25 marks)

Make the following assumptions in relation to the assignment scenario:

- you are the Superintendent for the Contract.
- today's date is 27/12/2018.
- heavy rain has caused the sides of a deep excavation which is part of WUC to become unstable.
- a residential building on the adjacent lot is likely to be undermined and collapse within hours unless emergency shoring work is carried out urgently.
- it is after midnight and the Contractor's representative has not been contactable for hours since you arrived at the site late this afternoon.

Prepare a notice to the Contractor, informing it that the Principal intends to take the urgent action necessary to prevent collapse of the neighbouring building and advising of the contractual consequences of the Contractor's failure to take action.

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## Task 7 (7.5 marks)

Specify where in AS4000-1997 the following can be found:

- a. identities of the parties to the Contract
- b. the purpose for which the Principal is permitted to copy the documents in CI 8.3 a)
- c. from whom the Contractor is required to take instructions/directions
- d. who is responsible for the cost of rectifying damage classified under CI 15.1 d)
- e. whether the Superintendent has the authority to prevent the Contractor from removing it's own equipment from the site once it is no longer required
- f. risks of loss or damage to WUC for which the Principal is liable

**Note:** Nominate supporting contract references that confirm the validity of each of your responses.

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## Task 8 (10 marks)

**In your own words** describe the purpose of each of the following **and** their impacts on the parties to the Contract:

- a. Novation
- b. Security

**Note:** Use APA Style referencing (including In-text citations and Reference list).

(100-200 words for each item excluding referencing)

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## Task 9 (15 marks)

This task requires **in-depth** research **and** analysis. Your response should draw from at least two recognised external sources (excluding Goldfayl).

Investigate the phrase "**reasonably and in good faith**" and then describe **in your own words**:

- i. what it means when used in AS4000-1997,
- ii. under what circumstances in AS4000-1997 is it applied, and
- iii. any differences in meaning and/or application when used in AS4000-1997 compared with the equivalent phrase(s) in AS2124-1992

**Note:** Use APA Style referencing (including In-text citations and Reference list).

(200-300 words excluding referencing)

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**END OF ASSIGNMENT TASKS**

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