



Cover Page - Type B

University of Technology, Sydney

This paper must not be removed from Exam Centre  
To be returned at the end of the examination

Surname: \_\_\_\_\_  
First Name: \_\_\_\_\_  
Student No.: \_\_\_\_\_  
Course: Bachelor of Construction Project Management

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## SPRING SEMESTER EXAMINATION, 2011

TUESDAY, 15<sup>th</sup> November

9.30 – 12.40 PM

### PROCUREMENT AND CONTRACT MANAGEMENT

**SUBJECT 16423**

**BACHELOR OF CONSTRUCTION PROJECT MANAGEMENT**

Instructions:

Time Allowed: **3 hours plus 10 minutes reading time**

All questions are to be attempted.

The value of each question is noted on the examination paper.

The questions should be answered in the examination booklet provided (any rough work can be done on the blank pages at the end of the booklet).

No aids are permitted to be taken into the examination centre by candidates.

Reference should be made to the attached AS4000: 1997 General Conditions of Contract where indicated in the Question paper.

**QUESTION 1 :** (25 marks total)

- a) Flowchart the contractual provisions under **AS 4000:1997** (attached) for Notification of Delay and EOT. Cite all relevant clauses. (15 marks)
- b) As a contractor, list and describe all documents, records and information which would be required to produce in order to fully justify and substantiate an EOT claim. (10 marks)

**QUESTION 2 :** (25 marks total)

- a) Explain what "scope creep" is and the main problem it creates. Set out the key recommendations that you would make to a client to effectively control scope creep on their project. Your answer should incorporate the procurement system, key elements of the contract documents, design management and contract administration. Assume that a Design and Construct contract is employed. (15 marks)
- b) Three of the most common procurement systems are Construct Only (lump sum), Design and Construct, and Costs Plus. Set out the following for each of these procurement systems: (10 marks)
  - i) When to use;
  - ii) Benefits; and
  - iii) Risks.

**QUESTION 3 :** (25 marks total)

- a) Contract Administration is critical to the success of a construction company. Explain the key reasons why this is the case and set out the procedures that you would recommend for contractors to adopt to ensure their success. (15 marks)
- b) Under **AS4000:1997** General Conditions of Contract (attached) list and describe the contractual events that arise: (10 marks)
  - i) leading up to Practical Completion; and
  - ii) upon achieving Practical Completion.

Over / .....

**QUESTION 4 :** (25 marks total)

- a) Assume you are a Contract Administrator for a head contractor on a project in excess of \$100 million. You have approximately 20 subcontracts to administer. There have been many design changes to the project which has caused significant cost increases. You are acutely aware of the *Building and Construction Industry Security of Payment Act*. Set out the steps that you would take to ensure that: (15 marks)
- i) The head contractor avoids unnecessary adjudication claims.
  - ii) Is in the best possible position in the event that an adjudication claim is made.
- b) List and describe the main dispute resolution mechanisms employed in the building industry. (10 marks)

**END OF QUESTION PAPER**