



Mid Year 2006 Final Examination
University of South Australia

If you are required to use a calculator during your exam please note the following details:

Calculator Make: _____

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DIVISION OF INFORMATION TECHNOLOGY, ENGINEERING & THE ENVIRONMENT
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SCHOOL OF NATURAL & BUILT ENVIRONMENTS
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Subject Area:	BUIL	Catalogue Number:	3010
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CONTRACT ADMINISTRATION 2

Examination Day: Monday	Examination Date: 19 June 2006
Examination Time: 9.00am	Length of Exam: 10 min reading time plus 3 hours (3.5 hours for ENTEXT students)

Examination Venue:	Ridley Centre
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Instructions to Candidates Answer <u>any Five</u> Questions All Questions are of equal value Closed Book Exam



Question 1.

1.1 Describe and discuss the propositions put forward by Max Abrahamson regarding the allocation and management of Risks in construction contract documents.

1.2 Review the following types of construction contract, and discuss the risks accepted by the Principal and the Contractor in each case.

- Traditional Lump Sum Contract
- Design and Construct Contract
- Construction Management Contract.

Question 2.

Review the facts of the case, "Mathew Hall Pty Ltd v The Gunnedah Municipal Council", and the judgement provided by the Judge in that case. In particular, describe:

- The tender offer by Mathew Hall Pty Ltd
- The amended tender offer by Mathew Hall Pty Ltd, which was accepted by Gunnedah Municipal Council
- The claims made by Mathew Hall Pty Ltd
- The reasons provided by the Judge in the Judgement.

Question 3.

3.1 On what basis, in most building contracts, is the Principal entitled to order, through the Architect, Variations to the contract?

3.2 What alternative methods are available for calculating the amount payable to the Contractor for a Variation ordered under a construction contract?

3.3 How are the time-related effects of delays arising from Variations managed so that the provisions of Liquidated and Ascertained Damages are preserved for the benefit of the Principal?



Question 4.

4.1 What factors are relevant in the application of Liquidated and Ascertained Damages in circumstances where a Contractor has completed the work under the contract later than the Date for Practical Completion?

4.2 If there is no Liquidated and Ascertained Damages Clause in the Contract, what rights does the Principal have in recovering his losses in circumstances where the Contractor completes the work under the contract later than the Date for Practical Completion?

Question 5.

5.1 List the typical circumstances where a Contractor can be in breach of a contract with the Principal, and which may lead to the termination of the contract by the Principal?

5.2 Many construction contracts provide a two stage Notice provision where one party to a contract alleges that the other party is in breach of the contract. What purpose does the Notice provision in these contracts serve in allowing the innocent party to terminate the contract where a breach of the contract has been committed by the other party? Give an example in your answer.

Question 6.

6.1 Describe and discuss the process of Arbitration, commencing with the reference to arbitration until the provision of a Final Award being published by the Arbitrator.

6.2 Describe and discuss the significance of an "offer to settle", issued by one party in an Arbitration, issued to the other party.

Question 7.

Describe the roles of the following Officers within the construction process.

7.1 The Certifier employed by the Principal.

7.2 The Project Manager employed by the Principal.

7.3 The Construction Manager employed by the Principal in a Construction Management contract.