

UNIVERSITY OF BOLTON

**SCHOOL OF THE BUILT ENVIRONMENT &
ENGINEERING**

BSc(HONS) ARCHITECTURAL TECHNOLOGY

**BSc(HONS) BUILDING SURVEYING AND
PROPERTY MANAGEMENT**

BSc(HONS) CONSTRUCTION MANAGEMENT

**BSc(HONS) QUANTITY SURVEYING AND
COMMERCIAL MANAGEMENT**

SEMESTER TWO EXAMINATION 2009/2010

CONTRACT PROCEDURES & PROCUREMENT

MODULE NO: BLT 2009

Date: Tuesday 1 June 2010

Time: 10.00 am – 1.00 pm

INSTRUCTIONS TO CANDIDATES:

This paper contains **SIX** questions.

Answer **ALL** questions in Section A and **ANY TWO** questions from Section B.

NOTE: Candidates may take an unmarked copy of the SBC/Q 2005/7 and the NEC Standard Forms into the examination room.

SECTION A

1. Appendices 1, 2 and 3 attached show the tender submission details and actual progress achieved on site up to valuation No. 8, on a typical construction project. Clearly set out your assumptions as necessary.

Question (1a) Allocate the preliminaries to “time related” and “lump sums” sections with justifications for your percentage allocation on each prelim item. (Use form Appendix 3).

(10 marks)

Question (1b) Produce a valuation for work executed up to 31/05/2010 ((Valuation No. 8) assuming a contract duration of 12 months.

(30 marks)

Total 40 marks

2. Discuss whether procuring major projects using collaborative or traditional competitive techniques , is likely to give clients best value.

20 marks

Please turn the page

SECTION B

3. A letter of intent from a national contracting plc to a sub-contracting company for the carrying out of prefabricated modular toilet units to a high profile corporate building for a Broadcasting company reads as follows:

“we confirm that it is our intention to enter into a Sub-contract with you to provide all labour, plant material, and supervision necessary to carry out and complete the design, fabrication, supply, transportation, installation and testing of the prefabricated modular toilet units at the above contract and in accordance with the documentation listed hereto. The approximate Sub-contract Sum will be £950,000.00 . The terms and conditions of the Sub-contract to be entered into will be the Domestic Sub-contract DOM/2. The formal Sub-contract will be forwarded to you in due course, but in the meantime, please accept this letter as authority to proceed with the Sub-contract Works which are to be carried out and completed in accordance with the sequences, dates and/ durations shown on the Contractor’s Programme for the Main Works. Please sign and return to us as acknowledgment and receipt, the copy of this letter as attached”

Discuss the possible ramifications of such a letter.

20 marks

Please turn the page

- 4a. The services engineer on a multi-storey car park project has verbally instructed the mechanical and electrical foreman to effect some essential changes to the layout. The main contractor has given effect to the verbal instruction.

Assuming that the project is run under SBC/Q 2005/7, discuss the implications of this scenario in all its ramifications with reference to relevant clauses and case laws.

(10 marks)

- 4b. You are a project manager in charge of a site for APC contracting plc. The contract administrator for the project gave a variation instruction for the construction of an additional lift shaft which, based upon the programme of work is on the critical path and the activity is already in danger of running late. You are reluctant to commence the additional work as you are concerned for the recovery of the additional cost resulting from the instruction. The contract administrator is losing patience. Discuss the options which in your opinion are open to the contract administrator and yourself on the basis of the SBC/Q 2005/7.

(10 marks)

Total 20 marks

5. Critically discuss the concept of fraud in the context of the period of limitation.

20 marks

6. Discuss the advantages of employing the NEC 3 for the running of a major construction project over the SBCQ 2005/7.

20 marks

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APPENDIX 1**TENDER SUBMISSION DETAILS****Bill No. Preliminaries**

A	Supervision	£ 14,000.00
B	Plant	1,200.00
C	Scaffolding	1,200.00
D	Welfare Facilities	2,100.00
E	Site Huts	1,000.00
F	Site Telephones	400.00
G	Temporary Lighting & Power	400.00
H	Programme	200.00
J	Watching	1,250.00
K	Site Hoarding	1,800.00
L	Temporary Roads	950.00
M	Setting Out	400.00
N	Drying the Works	500.00
O	Cleaning Away Rubbish	500.00
P	Water for the Works	727.00
Q	Insurance Against Injury to Person and Property	3,401.00
	Total Bill No. 1	£30,028.00

Bill No. 2 Measured Work

A	Demolition	£ 1,200.00
B	Excavation and Earthwork	11,526.16
C	Concrete Work	29,526.41
D	Brickwork and Blockwork	31,416.12
E	Roofing	14,112.16
F	Woodwork	35,516.44
G	Plumbing and Mechanical Installations	18,642.12
H	Electrical Installations	9,216.14
J	Floor, Wall and Ceiling Finishings	17,316.18
K	Glazing	4,127.13
L	Painting and Decorating	12,011.14
		£184,610.00

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Bill No. 3 External Works

A	Soiling and Seeding	£ 4,082.16
B	Paths and Pavings	6,111.27
C	Retaining and Screen Walls	2,017.33
D	Drainage	9,127.16
E	Fencing	1,812.19
	Total Bill No. 3	£ 23,150.11

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Bill No. 4 Prime Cost Sums
Nominated Sub-Contractor

A	Piling		£ 8,500.00
B	Profit	5%	425.00
C	General Attendance	item	170.00
D	Specialist Landscaping		27,000.00
E	Profit	5%	1,350.00
F	General attendance	item	600.00
<u>Nominated Suppliers</u>			
G	Kitchen Equipment		18,000.00
H	Profit	5%	900.00
J	Sanitary Fittings		12,000.00
K	Profit	5%	600.00
L	Ironmongery		5,000.00
M	Profit	5%	250.00
<u>Statutory Undertakings</u>			
N	Water Main Connection		1,200.00
O	Profit	5%	60.00
P	Gas Main Connection		500.00
Q	Profit	5%	25.00
R	Electrical Main Connection	5%	500.00
S	Profit	5%	25.00
T	Sewer Connection		1,400.00
U	Profit	5%	70.00
		Total Bill No. 4	£78,575.00

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Bill No. 5 Daywork

Labour	£ 1,000.00
Addition of 125% to nett cost of labour	1,250.00
Materials	800.00
Addition of 15% to nett cost of materials	120.00
Plant	800.00
Addition of 10% to nett cost of materials	80.00
Contingencies	5,000.00
Total Bill No. 5	£ 9,050.00

Tender Summary

Bill No. 1	Preliminaries	30,028.00
Bill No. 2	Measured Work	184,610.00
Bill No. 3	External Work	23,150.11
Bill No. 4	Prime Cost and Provisional Sums	78,575.00
Bill No. 5	Daywork	9,050.00
	TOTAL TENDER SUM	£325,413.11

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Date of Valuation No. 8 - 31/05/10

Bill No. 2

Item A complete
Item B complete
Item C complete
Item D complete
Item E complete
Item F 50% complete
Item G 40% complete
Item H 40% complete
Item J 20% complete
Item L 10% complete

Bill No. 3

Item A 20% complete
Item B 20% complete
Item C 40% complete
Item D 40% complete

Bill No. 4

Item A complete
Item D £8,600
Item G £8,000
Item J £6,000
Item L £2,000
Item N complete
Item P complete
Item R complete

Bill No. 5

Daywork - as daywork voucher No.1 (as Appendix 3)

Variations £9,000.00 agreed.

Materials on Site £6,237 agreed.

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APPENDIX 2: Dayworks Voucher No. 1 (duly signed and agreed)

Plant & equipment

Total hire cost @ £632.50

Labour (Productively engaged on the work)

Total amount paid @ £2459.99

Site QS and clerk of works timesheets

Total amount paid @ £655.00

Materials (various)

Total invoice @ £487.05

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APPENDIX 3

SBC/Q 2005

Breakdown of Preliminary Items

	Time Related	Lump Sums		Total
		Start	Finish	
Supervision				
Plant				
Scaffolding				
Welfare Facilities				
Site Huts				
Site Telephones				
Temporary Lighting & Power Programme				
Watching				
Site Hoarding				
Temporary Roads				
Setting Out				
Drying the Works				
Cleaning Away Rubbish				
Water for the Works				
Insurance Against Injury to Person and Property				
TOTALS				

END OF QUESTIONS