

Candidate Number:

Room No.:

Seat No.:

<p style="text-align: center;">Section II Short Essay Questions</p>
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HKIA/ARB Professional Assessment 2006

Paper 2 – Part B

Building Contracts and Professional Practice

14 December 2006
10:45 am to 1:45 pm

Venue

Rooms 102 and 402
Hong Kong Examinations and Assessment Authority
17 Tseuk Luk Street
San Po Kong, Kowloon

Section II Short Essay Questions (pages 1 to 3)

Answer 3 out of the 4 questions (10 marks each, total 30 marks)

Time allowed: 1 hour

THIS SECTION IS COMPULSORY

Notes:

1. *In all cases, the term “Building Contract” shall mean the “Agreement and Schedule of Conditions of Building Contract” and “Standard Form of Building Contract” unless stated otherwise. The characters and circumstances in each question are independent of and should not be correlated to those in other questions.*
2. *Answer each question in a separate answer book and mark the question number on its cover page.*

Answer any THREE (3) questions from Question 1, Question 2, Question 3 and Question 4.

Question 1 (10 marks)

- 1.1 Describe the effect of the Certificate of Practical Completion to the following :
- a. Defects Liability Period (1 mark)
 - b. Surety Bond (1 mark)
 - c. Payment Valuation (1 mark)
 - d. Insurance (1 mark)
 - e. Liquidated and Ascertained Damages (1 mark)
- 1.2 During the Defects Liability Period, the Contractor has persistently neglected your instruction of requesting them to make good defective works. Describe what can be done under the Contract. (5 marks)

Question No. 2 (10 marks)

2. Your client has never been involved in construction project before. He has appointed you as the Architect for his single block 30 storey residential with 3 storey car park.
- 2.1 After he has seen your beautiful preliminary design of the project, he expressed that he wanted to tender out the whole project as one package and awarded to one single contractor based on your design to keep things simple. He expected that this may achieve the lowest possible cost without any sub-contracting as well. What will be your recommendation to the client of the contract arrangement taking into consideration the overall development period, cost, quality etc.? (6 marks)
- 2.2 The Client has also asked the pros and cons of using Nominated Sub-Contractors and domestic Sub-Contractors. Please advise your opinions. (4 marks)

Question No. 3 (10 marks)

3. The project is a wholly residential development of medium size, with two towers, at about 30,000m² in total gross floor area. Your client thinks that a project of this scale does not warrant employing a quantity surveyor to prepare bills of quantities, and prefers using a lump-sum contract. On the other hand, you are of the opinion that engaging a quantity surveyor to prepare bills of quantities would be in the best interest of the project. Explain how you would respond to the client on the following aspects:
- a. Engagement of a quantity surveyor would not necessarily add to the eventual total cost of the project. (2 marks)
 - b. The advantage of having bills of quantities prepared prior to tendering and their possible beneficial effects on tender returns. (3 marks)
 - c. The advantage of having a quantity surveyor to certify payments and assessing variations to the contract (2 marks)
 - d. The quantity surveyor's working relationship with the architect and duties to the client. (3 marks)

Question No. 4 (10 marks)

4. You are preparing tender documents for a composite development with 5 high-rise residential towers and a large shopping mall. For the building contract, your client has suggested the deletion of clause 25 (b), relating to extension of time due to inclement weather conditions, in order to set a firm contract completion date.

Discuss the *pros* and *cons* of your client's proposition, based on the following points:

- a. Desirability of the proposed deletion to both parties in the spirit of a fair contract. (2 marks)
- b. Potential problems in enforcing the proposed deletion, in case a prolonged period of bad weather has already caused a serious delay. (2 marks)
- c. The possible effect of the proposed deletion on returned tender prices. (2 marks)
- d. And if your client *agrees to retain* clause 25 (b), what are the essential criteria for assessing delays? (4 marks)

End of Paper 2B