

## CONTRACT ADMINISTRATION

DACA600, New Zealand Diploma in Architectural Technology

### ASSIGNMENT 2, 2020

**Issued:** Monday 25<sup>th</sup> May 2020

**Due:** **midnight Monday 22<sup>nd</sup> June 2020**

#### Instructions:

- Answer all questions
- This is an open book assessment. You may refer to your notes and any publications.
- Upload your assignment files to the assignment drop box on Moodle. Ensure your files are **named after yourself** – e.g. Smith, Bob assignmt.pdf
- Written answers should be **word-processed A4** and **page numbered**. The proper use of paragraphs, sentences, punctuation and spelling is important.
- Use the Excel spreadsheets provided for completing the payment claims
- Adjustment of provisional allowances, provisional quantities and contingency sum, along with the final account, may be completed in **either** a word document **or** a spreadsheet – whichever you prefer.
- The cover page should include the following authenticity statement, signed and dated:

*I declare that this assignment is all my own work and that all sources used in its preparation have been acknowledged.*

*I also declare that I have not copied, in part or whole or otherwise plagiarised, the work of other students and/or persons.*

Typing your name and the date is the equivalent of signing this statement

You are encouraged to ask questions through the Moodle forum (on the communications section of the Moodle site for this course).

Should you be unable to complete this assignment by the due date due to sickness, or other circumstances outside your control, an extension of time may be granted. In all cases, if you are unable to complete the assignment by the due date you must advise the tutor in writing **before** the due date.

Assignments which are submitted late without extension arranged in advance in writing with your tutor will incur a 20% penalty.

#### Marks

Total 90 marks. Assessment weighting 60% of final grade

### Definitions of instructional terms:

**Describe:** to write in detail the main points or characteristics in a logical sequence without interpreting the information.

**Explain:** to clarify the issue or situation looking in particular at reasons, causes and effects.

### Context

You have been asked to carry out the contract administration for the Architectural practice where you work. You have been assigned a junior architectural technician (named Timmy) to assist you, and it is expected that you will assist with his training, including explaining various aspects of administration.

1. Timmy is helping with the receiving and opening of tenders. He opens one of the tender envelopes and starts reading out loud the tender submission. The submission lists a large number of tags. **Explain** the meaning of 'tag' and how tags are dealt with during the tender evaluation process. (4 marks)

2. After analysing a group of tenders received (*in question 1*) you have asked Timmy to write the tender acceptance letter to the 'winner'. **List** the information which he must include in this letter (4 marks)

3. **Describe** the considerations made by the architect when they decide which code to assign to a Variation Order – A, B or C (4 marks)

4. You take Timmy on a site visit. While you are there the client arrives on site and begins to walk around. The client stops to talk to the painter who is setting up to the basement. During this conversation the client decides she would like the ceiling paint in the penthouse to be changed to a metallic gloss (not painted yet).

**Explain** to Timmy the proper **communication protocols/processes** between a Client and any sub-contractor, giving reasons for these protocols. (I.e. whether the Client can talk directly to the painter, why/why not, and how any communication should occur.) (6 marks)

5. You have received a payment claim from the main contractor which includes unfixed materials stored on site as well as materials stored in a sub-contractor's warehouse.

**Write two check lists** for your office junior: Things to be checked for a claim for

a. Materials stored on site e.g. plywood

b. Materials stored off site e.g. ceiling tiles

(5 marks)

6. You have received a claim for an extension of time (EOT) of four working days due to **vandalism** of the partially constructed building. You would like Timmy to review the information supplied by the contractor, and ensure it is complete, so you can make a decision.
- List the **general** five requirements an Architect must check when he/she receives **any** claim for an extension of time under NZIA Conditions of Contract.
  - Briefly describe** the **specific** evidence/information required for **this** claim
  - Assume that Timmy has received all of the above evidence, and you decide to grant an extension of time for four working days.  
Will you allow a claim for preliminary and general costs for this extension of time? (Yes/no?). **Briefly explain** why/why not.
- (7 marks)

7. Practical and Final Completion are important dates in a construction contract.
- List the actions/documents which take effect from the date of Practical Completion
  - List the actions/documents which take effect from the date of Final Completion
- (7 marks)

8. **Calculate** the Liquidated Damages for a contract under NZS3910 given:
- The contract for the project stated 4<sup>th</sup> February 2020 as the completion date.
  - The contract states that liquidated damages apply at \$2,200 per working day
  - An extension of time for 4 working days was granted
  - Certificate of Practical Completion was certified on 19<sup>th</sup> February
- (3 marks)

9. **Create a table** (in Word, Excel or equivalent) and **calculate** the retentions that would be held by the Architect for the following values. Remember to release retentions when appropriate.

Calculations are to be based on NZIA Conditions of Contract:  
10% on first \$200,000, 5% on the next \$800,000, 1.75% thereafter, with the maximum retention able to be held of \$200,000

Ensure your table includes the information below (7 marks)

Claim		Value of Work Completed to Date	Value of Retentions held
1		\$ 156,800.00	
2		794,300.00	
3		1,943,200.00	
4	Practical Completion achieved	2,445,600.00	
5	Final Completion achieved	2,445,600.00	

10. Prepare a **schedule of adjustments** (deletions and additions) for expenditure of the Provisional Allowance as a result of the variation VO 4.

Margin required by the contractor on expenditure of Included Sums is 14%

(3 marks)

<p><b>VARIATION ORDER No. 6</b></p> <p><b>Reconditioning of Distribution Board DB2</b></p> <p>Confirming site meeting with Electrical Engineer and Contractors, scope of reconditioning work required to the distribution board is as attached document from Scottie Structures &amp; Services.</p> <p>Cost to be expended against \$12,000 Provisional Allowance</p>	B
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Invoice No. <i>1234</i>	Ref: <i>2020/95</i>
To: <i>Khan Construction</i>	From: <i>Switchboard Specialists</i>
Project: <i>Spock Tower</i>	Date: <i>21<sup>st</sup> May '20</i>
Details:	Value:
<i>Refurbishment work carried out to DB2 as instructed</i> <i>VARIATION No 6</i>	<i>\$10,785.00</i>
<i>+ GST</i>	<i>1,617.75</i>
	<i>\$12,402.75</i>

11. Prepare a **schedule of adjustments** for the following provisional quantities

(4 marks)

<b>PROVISIONAL QUANTITIES IN THE SCHEDULE OF QUANTITIES</b>			
<i>Item</i>	<i>SoQ Ref</i>	<i>Quantity</i>	<i>Rate</i>
90 x 45 bottom plates	17/3/D	20 m	\$11.80
90 x 45 top plates	17/3/E	20 m	\$11.80
90 x 45 studs	17/3/F	80 m	\$11.90
90 x 45 dwangs	17/3/G	60 m	\$12.00

<b>VARIATION ORDER No. 7</b>			<b>B</b>
<b>Remeasure of Provisional Quantities of Wall Framing</b>			
The provisional quantities included in the Schedule of Quantities have been re-measured by <i>Fair As Qs</i> as follows:			
90 x 45 bottom plates	17/3/D	18 m	
90 x 45 top plates	17/3/E	23 m	
90 x 45 studs	17/3/F	93 m	
90 x 45 dwangs	17/3/G	48 m	

12. Prepare payment claims 4, 5, 6 and 7 for the contract. Use the **payment claim spreadsheets** supplied. Deduct appropriate retentions.

(20 marks)

<b>PROJECT SUMMARY SHEET</b>	
Project	Alterations & Additions to Spock Tower
Location	Corner Final St + Frontier Lane, Christchurch
Client	G. Roddenberry
Contractor	Khan Construction Ltd
Architect	McCoy Creative Design
Construction period	6 months
Conditions of Contract	NZIA

<b>TRADE SUMMARY</b>	
Preliminary and General (including \$60,000 Contingency Sum)	\$ 126,600.00
Carpentry	\$ 786,400.00
Electrical Services	\$ 352,700.00
Plasterboard Linings	\$ 34,900.00
Painting	\$ 18,000.00
<b>TOTAL CONTRACT SUM</b>	<b>\$ 1,378,600.00</b>

<b>LIST OF AGREED/APPROVED VARIATIONS</b>		
V.O. No	Variations	Agreed Value
1	Revise specification of AV system	(280.00)
2	Exterior signage	31,750.00
3	Revise specification of foyer light fittings	(360.00)
4	Furniture to executive boardroom	28,540.00
5	Revise specification of staffroom heating	(870.00)

<b>PREVIOUS PAYMENTS</b>	
Total value of previous payments (1 – 3)	\$341,970.00

<b>PROGRESS REPORT FROM SITE – FOR CLAIM No. 4</b>	
Preliminary and General	time related
Carpentry	60%
Electrical Services	35%
Plasterboard Linings	10%
Painting	-
Materials on site      Light fittings	\$ 58,300.00
Variations      VO 1   100%      VO 2   60%	

<b>PROGRESS REPORT FROM SITE – FOR CLAIM No. 5</b>	
Preliminary and General	time related
Carpentry	90%
Electrical Services	75%
Plasterboard Linings	65%
Painting	10%
Materials on site      Hardware	\$ 2,800.00
Materials on site      Plasterboard	\$ 9,400.00
Variations      VO 1   100%      VO 2   80%	
VO 3   100%      VO 4   -	
VO 5   100%	

<b>PROGRESS REPORT FROM SITE – FOR CLAIM No. 6</b>	
Practical Completion certified	All 100%

<b>PROGRESS REPORT FROM SITE – FOR CLAIM No. 7</b>	
Final Completion certified	All 100%

13. Prepare a **schedule of adjustments** for the contingency sum and then prepare a **final account** statement for the contract.

(6 marks)

<b>PROJECT SUMMARY SHEET</b>	
Project	Alterations & Additions to Spock Tower
Location	Corner Final St + Frontier Lane, Christchurch
Client	G. Roddenberry
Contractor	Khan Construction Ltd
Architect	McCoy Creative Design
Construction period	6 months
Conditions of Contract	NZIA

<b>RELEVANT VALUES</b>	
Contingency Sum	\$ 60,000.00
Adjustment of Provisional Allowance	Use your answer from Question 12
Adjustment of Provisional Quantities	Use your answer from Question 13
<b>TOTAL CONTRACT VALUE</b>	<b>\$ 1,378,600.00</b>

<b>LIST OF AGREED/APPROVED VARIATIONS</b>		
<b>V.O. No</b>	<b>Variations</b>	<b>Agreed Value</b>
1	Revise specification of AV system	(280.00)
2	Exterior signage	31,750.00
3	Revise specification of foyer light fittings	(360.00)
4	Furniture to executive boardroom	28,540.00
5	Revise specification of staffroom heating	(870.00)