

ARBE3307: Contract Administration

Callaghan and Online
Semester 2 - 2023



THE UNIVERSITY OF
NEWCASTLE
AUSTRALIA

OVERVIEW

Course Description	Investigates the practices and procedures required of a construction professional during the contract administration stages of a construction project.
Requisites	This course replaces ARBE4320. If you have successfully completed ARBE4320 you cannot enrol in this course.
Contact Hours	Lectorial Face to Face On Campus - Tuesdays at 9.00am in HPE203 3 hour(s) per Week for 12 Weeks starting Week 1 Distance learning/Online students will receive equivalent instruction through Canvas.
Unit Weighting	10
Workload	Students are required to spend on average 120-140 hours of effort (contact and non-contact) including assessments per 10 unit course.

COURSE OUTLINE

www.newcastle.edu.au

CRICOS Provider 00109J

CONTACTS

Course Coordinator	Online Dr Marcus Jefferies Marcus.Jefferies@newcastle.edu.au (02) 4921 6737 Consultation: By Appointment M-F between 09.00-17.00
Teaching Staff	Other teaching staff will be advised on the course Canvas site.
School Office	School of Architecture and Built Environment Architecture Building Callaghan archbe@newcastle.edu.au +61 2 4921 5771

SYLLABUS

Course Content	<ul style="list-style-type: none">• The various standard forms of contract and sub-contract used in the industry• Basic contractual mechanisms and procedures applied at various stages of the contract• The roles and responsibilities of the administrator• Issuing instructions• Dealing with payment provisions• Managing change procedures• Dispute avoidance and resolution• Dealing with completion and possession issues• Issuing certificates• Resolving disputes• Assessing entitlement for extension of time• Assessing entitlement for loss and expense• Payment (including sub-contract payments, security of Payment Act)• Variations• Contract conditions in relation to time, cost, quality and risk• The role of BIM in standard construction contracts
Course Learning Outcomes	<p>On successful completion of this course, students will be able to:</p> <ol style="list-style-type: none">1. Demonstrate knowledge and understanding of the legislative and statutory terminology/requirements of a construction contract.2. Analyse and select the standard forms of contract3. Implement and advise on administrative procedures necessary for the successful running of a construction contract.4. Understand the contractual links between the project supply chain stakeholders.5. Analyse, interpret and administer relevant clauses of the selected standard forms of contract with particular reference to time, cost, quality and risk
Course Materials	<p>Other Resources:</p> <p>Suitable resources are provided in Canvas</p>

SCHEDULE

Unless otherwise stated, Face-to-Face Lectorials will take place on Tuesdays at 9.00am in HPE203 (Room 203, Health and Physical Education Building – next to the Forum Sports and Aquatic Centre)

Week	Week Begins	Topic	Learning Activity	Assessment Due
1	17 July	Introduction to ARBE3307	Lectorial	
2	24 July	Construction Contracts: The Basics	Lectorial	
3	31 July	The Home Building Act	Lectorial	
4	7 Aug	Residential Contracts	Lectorial	
5	14 Aug	Issues in construction contracts: legal case studies	Lectorial	
6	21 Aug	Key issues for Assignment 1	Lectorial	
7	28 Aug	Contract Disputes: A PM Perspective	Lectorial	Assignment 1 due by 11.55pm on Fri 1 Sep
8	4 Sep	Contract Administration: view from the private sector	Lectorial	
9	11 Sep	Contracts and Risk	Lectorial	
10	18 Sep	Project Admin of Contracts: APP	Lectorial	
Mid Semester Break				
Mid Semester Break				
11	9 Oct	Security of Payment Act	Lectorial	
12	16 Oct	Completing the Challenge - Assign 2	Lectorial	
13	23 Oct	Course Review and Assignment Preparation	Discussion on BB	Assignment 2 due by 11.55pm on Mon 30 Oct
Semester 2 Examinations Week 1				
Semester 2 Examinations Week 2				

ASSESSMENTS

This course has 2 assessments. Each assessment is described in more detail in the sections below.

	Assessment Name	Due Date	Involvement	Weighting	Learning Outcomes
1	Written Professional Report 1	Week 7 - Friday 1 September by 11.55pm	Individual	60%	1, 2, 3, 4
2	Written Professional Report 2	Week 14 – Monday 30 October by 11.55pm	Individual	40%	2, 5

Late Submissions

The mark for an assessment item submitted after the designated time on the due date, without an approved extension of time, will be reduced by 10% of the possible maximum mark for that assessment item for each day or part day that the assessment item is late. Note: this applies equally to week and weekend days.

Assessment 1 - Written Professional Report 1

Assessment Type Report

Description See ADDITIONAL INFORMATION section at the end of this Course Outline for the ASSESSMENT 1 DESCRIPTION.

Weighting 60%

Length 6000 words (guide)

Due Date

Week 7 - Friday 1 September by 11.55pm

Submission Method Online - Upload via Canvas/Turnitin

Assessment Criteria See ADDITIONAL INFORMATION section at the end of this Course Outline for the ASSESSMENT 1 CRITERIA RUBRIC.

Return Method Not Returned

Feedback Provided Online – 3 weeks from submission date.

Assessment 2 - Written Professional Report 2

Assessment Type Report

Description See ADDITIONAL INFORMATION section at the end of this Course Outline for the ASSESSMENT 2 DESCRIPTION.

Weighting 40%

Length 4000 words (guide)

Due Date Week 14 - Monday 30 October by 11.55pm

Submission Method Online - Upload via Canvas/Turnitin

Assessment Criteria See ADDITIONAL INFORMATION section at the end of this Course Outline for the ASSESSMENT 2 CRITERIA RUBRIC.

Return Method Not Returned

Feedback Provided Online - 3 weeks from submission date

ADDITIONAL INFORMATION

Grading Scheme

This course is graded as follows:

Range of Marks	Grade	Description
85-100	High Distinction (HD)	Outstanding standard indicating comprehensive knowledge and understanding of the relevant materials; demonstration of an outstanding level of academic achievement; mastery of skills*; and achievement of all assessment objectives.
75-84	Distinction (D)	Excellent standard indicating a very high level of knowledge and understanding of the relevant materials; demonstration of a very high level of academic ability; sound development of skills*; and achievement of all assessment objectives.
65-74	Credit (C)	Good standard indicating a high level of knowledge and understanding of the relevant materials; demonstration of a high level of academic achievement; reasonable development of skills*; and achievement of all learning outcomes.
50-64	Pass (P)	Satisfactory standard indicating an adequate knowledge and understanding of the relevant materials; demonstration of an adequate level of academic achievement; satisfactory development of skills*; and achievement of all learning outcomes.
0-49	Fail (FF)	Failure to satisfactorily achieve learning outcomes. If all compulsory course components are not completed the mark will be zero. A fail grade may also be awarded following disciplinary action.

*Skills are those identified for the purposes of assessment task(s).

Communication Methods	Communication methods used in this course include: Canvas Course Site: Students will receive communications via the posting of content or announcements on the Canvas course site.
Course Evaluation	Each year feedback is sought from students and other stakeholders about the courses offered in the University for the purposes of identifying areas of excellence and potential improvement.
Oral Interviews (Vivas)	As part of the evaluation process of any assessment item in this course an oral examination (viva) may be conducted. The purpose of the oral examination is to verify the authorship of the material submitted in response to the assessment task. The oral examination will be conducted in accordance with the principles set out in the Oral Examination (viva) Procedure . In cases where the oral examination reveals the assessment item may not be the student's own work the case will be dealt with under the Student Conduct Rule .
Academic Misconduct	All students are required to meet the academic integrity standards of the University. These standards reinforce the importance of integrity and honesty in an academic environment. Academic Integrity policies apply to all students of the University in all modes of study and in all locations. For the Student Academic Integrity Policy, refer to https://policies.newcastle.edu.au/document/view-current.php?id=35
Adverse Circumstances	The University acknowledges the right of students to seek consideration for the impact of allowable adverse circumstances that may affect their performance in assessment item(s). Applications for special consideration due to adverse circumstances will be made using the online Adverse Circumstances system where: <ol style="list-style-type: none">1. the assessment item is a major assessment item; or2. the assessment item is a minor assessment item and the Course Co-ordinator has specified in the Course Outline that students may apply the online Adverse Circumstances system;3. you are requesting a change of placement; or4. the course has a compulsory attendance requirement. Before applying you must refer to the Adverse Circumstance Affecting Assessment Items Procedure available at: https://policies.newcastle.edu.au/document/view-current.php?id=236
Important Policy Information	The Help button in the Canvas Navigation menu contains helpful information for using the Learning Management System. Students should familiarise themselves with the policies and procedures at https://www.newcastle.edu.au/current-students/no-room-for/policies-and-procedures that support a safe and respectful environment at the University.

This course outline was approved by the Head of School. No alteration of this course outline is permitted without Head of School approval. If a change is approved, students will be notified and an amended course outline will be provided in the same manner as the original.

© 2023 The University of Newcastle, Australia

ADDITIONAL INFORMATION:

ASSESSMENT DESCRIPTION & CRITERIA

Assessment 1 – Residential Building Contracts

Assessment brief

You are a Construction Management Consultant specializing in residential project management and contract administration. You have been approached by an inexperienced client to offer advice (initially in the form of a pre-contract report) on the contractual, design, management and legal processes for a residential construction project. The client has bought a 1930's double-brick California Bungalow on Everton Street (in the block between Gordon Ave and Parkway Ave) in the Newcastle suburb of Hamilton South.

The client is planning a significant renovation of the existing property that will include the addition of an extension providing a new living area, two bedrooms, bathroom and an outdoor covered deck. Early estimates indicate project costs of \$750,000 for the renovation/extension. The report must specifically focus on identifying the process and stakeholders, review and recommend contract options and discuss relevant legislation (Insurance, WHS, et al).

NB: Assignment 1 (Residential Building Contracts) = 6000 words (not including contents page, diagrams, tables, reference lists etc.).

Assessment 1 Criteria

Assessment Criteria:		Fail (0-49%) (failure to adequately address the main issues and lack of understanding of the basic principles)	Pass (50-64%) (majority of the main issues addressed but inadequate evidence of independent thinking and analysis)	Credit (65-74%) (all the main issues are addressed but limited evidence of independent thinking and analysis)	Distinction (75-84%) (good exploration of main issues with high level of independent thinking and critical analysis)	High Distinction (85-100%) (comprehensive exploration of main issues with outstanding level of independent thinking and critical analysis)
Residential Building Contract 20%		<ul style="list-style-type: none"> • Little or no evidence of contract selection and justification. • Little or no analysis of key clauses. 	<ul style="list-style-type: none"> • Some evidence of contract selection and justification. • Some analysis of key clauses. 	<ul style="list-style-type: none"> • Sufficient evidence of contract selection and justification. • Competent analysis of key clauses. 	<ul style="list-style-type: none"> • Very good evidence of contract selection and justification. • Highly competent analysis of key clauses. 	<ul style="list-style-type: none"> • Extensive evidence contract selection and justification. • Extensive analysis of key clauses.
Owner-Builder Process 20%		<ul style="list-style-type: none"> • Limited evidence of project management of OB process. 	<ul style="list-style-type: none"> • Some evidence of project management of OB process. 	<ul style="list-style-type: none"> • Competent level of project management of OB process. 	<ul style="list-style-type: none"> • Highly competent level of project management of OB process. 	<ul style="list-style-type: none"> • Exceptional level of project management of OB process.
Legal and Professional Issues 20%		<ul style="list-style-type: none"> • Little or no analysis of OHS/Workcover. • Little or no discussion of Council requirements. • Poorly presented report 	<ul style="list-style-type: none"> • Some analysis of OHS/Workcover. • Some discussion of Council requirements. • Limitations in report presentation 	<ul style="list-style-type: none"> • Good analysis of OHS/Workcover. • Good discussion of Council requirements. • Well presented report 	<ul style="list-style-type: none"> • Very good analysis of OHS/Workcover. • Very good discussion of Council requirements. • Very well presented report 	<ul style="list-style-type: none"> • Excellent analysis of OHS/Workcover. • Excellent discussion of Council requirements. • Excellent level of presentation in report

Assessment 2 – Contract Management

Assessment brief

You are a consultant specializing in managing construction contract disputes and claims. Undertaking the role of Superintendent, you have been asked to chair an extraordinary progress meeting and resolve a number of issues between the Architect, Main Contractor, and Sub-Contractor on the second phase of an \$200 million multi-phase construction project for a Government office building.

The first stage of the project is in its 15th month and is approximately three weeks behind programme. The second stage (run by a different site team) is in its fourth month.

The form of contract used is the AS4000 1997 General Conditions of Contract.

The following issues are to be discussed at the meeting:

Architects Issues

The Architect has noticed a 30m stretch of garden wall that is leaning at least 50mm out of plumb. He issued an instruction for this work to be put right four days ago and to date no action has been undertaken. He has also just noticed a similar section of brickwork on an area of wall that was built eight months ago on phase 1 and wants it put right.

The Architect is still waiting for a copy of the programme for the second phase of the project. This has consistently been promised by the contractor since the second phase began.

Whilst carrying out an unannounced site inspection, the Architect witnessed the plastering sub-contractor using the wrong sized plasterboard (10mm instead of 15mm). He made a written request ten days ago for the main contractor to ascertain how many units have been plastered using this size board, but to date no action has been undertaken.

A number of setting-out errors have been made, resulting in a group of piles being constructed in the wrong place, and a brick wall being built in an incorrect location. The Architect requires the main contractor to put this work right.

Main Contractors Issues

The main contractor wishes to make a point about a detail on the staircase drawings. He pointed out to the Architects representative on site (who telephoned the Architect in his presence) two weeks ago that if construction went ahead as per the drawing the staircase would have a pitch that was unacceptable under the requirements of the building code. Due to the design, construction of the staircase area was a critical activity and construction went ahead last week as per drawing. The building code authorities now want the staircase altered so that it complies. The main contractor wishes to know if they will be paid for correcting the staircase and given additional time to do so.

The main contractor has pointed out that on a previous occasion they altered the Architect's design to enable a decorative planted area to be constructed more easily, only for the Architect to insist the work be taken down and rebuilt to the original

design (which has been done). The main contractor wishes to know if they will be paid for this work and given additional time.

The main contractor is awaiting drawings showing the constructional details around a glass conservatory that were requested in writing three weeks ago. The construction of this item is now becoming critical.

The main contractor is reluctant to knock holes in the plasterboard to determine the number of units that have been plastered using the incorrect sized boards. They have just re-rendered a gable wall after knocking off some decorative render (the manufacturer's warranty states that any "patching" of a rendered area will invalidate their warranty) to confirm it was the specified thickness at the Architects written request. The thickness proved adequate. They wish to know if they will be paid for this work and given additional time.

The main contractor has set out and built a wall in an incorrect position. This is the result of the Engineer using dimensions from a first floor drawing to set out the wall location on the ground floor. This was done because the Architect had not issued the ground floor layout drawings showing the correct wall position (due to design of other construction details in that area not being finalised). The main contractor wishes to know if they will be paid for correcting this and given additional time to do so.

The Architect has been insisting that the fill used under the driveways is not what was specified and wants it removed. This work was carried out as a favour by a sub-contractor as part of the package of the sub-let work "at no charge".

Sub-Contractor Issues

The Engineer used by the sub-contractor has set out a group of piles in the wrong location from the Architects drawing. This was at the verbal request of the main contractor whose own Engineer had phoned in sick for that week. The main contractor is holding the sub-contractor responsible and insists on charging them for having the work put right.

The main contractor has noticed that the sub-contractor is using a cheaper grade of light switches than was specified and insists that they be changed. The sub-contractor has raised the matter in conversation with the Architect (who did not object). The main contractor is insisting that the sub-contractor provide quality certificates for the fill used under the driveways. This work was undertaken as a favour to the main contractor as a proviso of obtaining the bulk of the sub-contract work. The sub-contractor expresses their inexperience of this type of work and admits that a mistake was made.

Despite submitting a claim under the NSW Security of Payment Act, the sub-contractor is still awaiting payment from the main contractor some 8 weeks since submission of the claim.

NB: Assignment 2 (Contractual Issues) = 4000 words (not including contents page, diagrams, tables, reference lists, etc.).

Assessment 2 Criteria

Assessment Criteria:		Fail (0-49%) (failure to adequately address the main issues and lack of understanding of the basic principles)	Pass (50-64%) (majority of the main issues addressed but inadequate evidence of independent thinking and analysis)	Credit (65-74%) (all the main issues are addressed but limited evidence of independent thinking and analysis)	Distinction (75-84%) (good exploration of main issues with high level of independent thinking and critical analysis)	High Distinction (85-100%) (comprehensive exploration of main issues with outstanding level of independent thinking and critical analysis)
Contract Analysis (time) 10%	<ul style="list-style-type: none">Limited evidence of contract analysis.	<ul style="list-style-type: none">Some evidence of contract analysis.	<ul style="list-style-type: none">Competent level of contract analysis.	<ul style="list-style-type: none">Highly competent level of contract analysis.	<ul style="list-style-type: none">Exceptional level of contract analysis.	
Contract Analysis (cost) 10%	<ul style="list-style-type: none">Limited evidence of contract analysis.	<ul style="list-style-type: none">Some evidence of contract analysis.	<ul style="list-style-type: none">Competent level of contract analysis.	<ul style="list-style-type: none">Highly competent level of contract analysis.	<ul style="list-style-type: none">Exceptional level of contract analysis.	
Contract Analysis (quality) 10%	<ul style="list-style-type: none">Limited evidence of contract analysis.	<ul style="list-style-type: none">Some evidence of contract analysis.	<ul style="list-style-type: none">Competent level of contract analysis.	<ul style="list-style-type: none">Highly competent level of contract analysis.	<ul style="list-style-type: none">Exceptional level of contract analysis.	
Contract Analysis (risk) 10%	<ul style="list-style-type: none">Limited evidence of contract analysis.	<ul style="list-style-type: none">Some evidence of contract analysis.	<ul style="list-style-type: none">Competent level of contract analysis.	<ul style="list-style-type: none">Highly competent level of contract analysis.	<ul style="list-style-type: none">Exceptional level of contract analysis.	