

Contract Administration Training Programme Level 1 - Foundation Course - 12 Hours

(There is also an option to skip this course and attend Levels 1 & 2 training together in the SCA course – 25 hours)

Course Overview :- Contract Administration – Foundation Course ("CA-FC") is a 12 hour Course providing holistic education/training to the delegates in order to introduce them to the basics of Contract Administration and FIDIC contracts. Delegates would learn the Best Practice in dealing with Variations, step-by-step guidance on the preparation (or evaluation) of claims to demonstrate and secure (or identify and determine) a Contractor's entitlement to Extension of Time and Prolongation, project cost control and drafting contracts/subcontracts in a legally binding manner. Due to the existence of many incorrect practices in the construction industry in administering contracts, it is essential for all Developers, Consultants and Contractors to educate their employees on such harmful practices and train them on the professional administration of the Contract, without which the Company's interests cannot be protected. Even where the employer is not providing such training opportunity, it is still in the interest of the employee to undertake such training (for better employment prospects), by gaining this unique knowledge which is not available from any other source.

Who should attend :- This course is suitable for beginners to the Quantity Surveying and Contract Administration careers, whilst Engineers, Project Managers, Planners, Cost Controllers, Designers and Company Executives who wish to have an introduction to Contract Administration too could benefit from this Foundation Course. Already crammed University/Polytechnic Degree/Diploma programmes of limited durations cannot accommodate adequate material and space to educate the graduates on the above essentials or in the complex administration of contracts under FIDIC and bespoke forms of contract, and therefore all practitioners involved in a project need to undergo such training conducted by industry experts. Similar training is not available from any other source in this part of the World. The employees cannot protect the interests of the Company without such knowledge/training.

Course Structure :-

Session 1 – Introduction to FIDIC Contracts.

Overview Delegates would learn to read and understand FIDIC and similar forms of contracts. This Session also introduces the delegate to the Pre-contract and Post Contract process.

Contents -

- Understanding the terminology in FIDIC.
- People - relationships among various parties.
- Documents – used in different stages of the project.
- Dates/Times – correct usage.
- Activities – correct meaning.
- Money – terminology related to price, payments etc.
- Pre-contract process.
- Project time-line (project process).
- Questions & Answers ?

Session 2 – Variations Explained.

Overview If there are no Variations (i.e. instructed changes to the original scope of work), then the administration of a contract is straight forward, but almost all projects are burdened with Variations and if the Contract Administrator is not fully competent in dealing with Variations, then disputes are unavoidable. This session provides detailed teaching on everything there is to know about Variations.

Contents -

- Understanding the correct usage of the terminology associated with Variations.
- The 4 main purposes of the Variations Clause in the Contract.
- Understanding the correct interpretation of the Variation Clause and the intentions of the parties.
- How to defend when the other party attempts to misconstrue the Variations Clause.
- Who has the authority to vary ?
- What can/cannot be instructed as variations ?

- When can/cannot variations be instructed ?
- Which elements of the Works can be varied ?
- Why are variations required in a project ?
- How can variations be instructed. ?
- Can the Employer omit parts of the Works and execute them through other contractors ?
- Understanding the 10 Sub-Clauses in the Contract under which variations / varied work can arise.
- What are “variations” and what are “varied work” ?
- Discussion time (Questions & Answers).

Session 3 – Valuation of Variations.

Overview This session provides detailed teaching on everything there is to know about valuation of Variations, and the 12 different ways that the existing rates and prices become inapplicable / inappropriate, when variations are instructed.

Contents -

- Lump Sum type / Re-measurement type.
- Understanding the correct interpretation of the valuation provisions and the intentions of the parties.
- Understanding the 5 different ways of valuing Variations.
- Varying the existing rates/prices.
- How do rates/prices become inapplicable / inappropriate to value Variations?
- What is the difference in valuing variations under Lump Sum type contracts when compared to re-measurement type contracts ?
- The 3 different types of Lump Sum contracts and how tenderers price them.
- Provisional Sums & PC Rates
- Worked Examples.
- Authorities and Case Law.
- Discussion time (Questions & Answers).

Session 4 – Extension of Time and Prolongation Costs.

Overview Delayed project completion has become quite common in the industry. It is the duty of the Contract Administrator to deal with Extension of Time and Prolongation Cost Claims. If he/she is not fully aware about the entitlements of the parties and how to administrate them, then disputes are unavoidable. This session teaches in detail, on how to identify the entitlements to extension of time and prolongation costs even where such entitlements are not stated in a contract, by applying the essential tests to verify the entitlements.

Contents -

- Understanding the correct usage of the terminology associated with Extension of Time and Cost.
- Understanding the correct interpretation of the Extension of Time Clause and the intentions of the parties.
- Understanding the 22 Sub-Clauses in the Contract from which entitlement to EOT could be inferred.
- Understanding the 21 Sub-Clauses in the Contract from which entitlement to prolongation costs could be inferred.
- What are the tests to be applied to identify the entitlement to Extension of Time ?
- What are the tests to be applied to identify the entitlement to Prolongation Costs ?
- When can the Contractor claim profit in addition to cost resulting from delays ?
- Authorities and Case Law.
- Discussion time (Questions & Answers).

Session 5 – The Claim

Overview This session takes the participants step-by-step through the claims preparation process, and about the evidence required to prove the entitlements to Extension of Time and Prolongation Costs and their Quantum.

Contents -

- Structure of the Claim – Facts, Law, Liability and Quantum.
- Contemporary records, witness statements and other evidence.
- Demonstrating the veracity of Facts.
- Demonstrating the contractual and/or legal entitlements.
- Expression of Liability.
- Particularising the claim to win the entitlements.
- Delay Impact Analysis to quantify the extension of time.
- 7 Heads of the cost claim and quantifying the additional payment.
- How to argue that the Contractor's entitlement is not for the time related prices found in the Preliminaries Bill, but for the actual additional costs incurred due to the delay.
- Loss of productivity claim.
- How much time is allowed for the Engineer to determine the Contractor's entitlements ?
- Worked Examples.
- Discussion time (Questions & Answers).

Session 6 - How to Draft a Contract Agreement – Part I.

Overview Without knowing what a contract is, it cannot be administrated. This session explains what a legally binding contract is, how contracts are made and provides knowledge on the essential provisions one should draft into a contract, and educates the practitioner on what to look for before his/her Company signs a contract thus protecting the Company's interests.

Contents -

- Understanding Contract Law Terminology.
- 8 steps of drafting.
- 8 requirements of a legally binding contract.
- Remedies in the absence of a contract.
- Letters of Intent.
- *Quantum Meruit*.
- Definition of a Contract.
- The art of drafting.
- Incorporation of documents.
- Check List to verify adequacy of contracts /subcontracts before signing.
- Discussion time (Questions & Answers).
- Certificate presentation.

Those who complete this CA-FC training can qualify for Level 3 training i.e. the Contract Administration – Advanced Course (“CA-AC”), by first attending the missing Sessions 3, 5, 6, 9 and 10 of the SCA course.