

CPCBC4003A SELECT AND PREPARE A CONSTRUCTION CONTRACT CPCBC4016A ADMINISTER A CONSTRUCTION CONTRACT

PRACTICAL ASSESSMENT INSTRUCTIONS

- The following practical assessment will require the Participant to complete work related activities.
- The Assessor will conduct observations of the Participant's work to determine whether they display sufficient practical skills and knowledge.
- Please fill in the details below – providing your name, signature and date of assessment.
 - The Participant's signature acknowledges that the Assessor provided clear instructions and the Participant understood what was required to complete this assessment.
- The Assessor may substitute a Practical Task with an alternate task of equal value.
 - Alternate tasks must be fully documented by the assessor in the Assessor Comments area.

Participant name

Lorna Merrick

Participant signature



Date

Click here to enter a date.

27.2.2021

Assessor name

Assessor signature

Date

Click here to enter a date.

Task	Task outcome (Tick)	
	Satisfactory	Not Yet Satisfactory
Task 1 (Occasion 1)	☐	☐
Task 1 (Occasion 2)	☐	☐

ASSESSOR COMMENTS

CPCBC4003A SELECT AND PREPARE A CONSTRUCTION CONTRACT, CPCBC4016A ADMINISTER A CONSTRUCTION CONTRACT & CPCBC4032A APPLY CONTRACT LAW TO SALES PROCESSES

The assessment activities for *CPCBC4003A Select and prepare a construction contract*, *CPCBC4016A Administer a construction contract* & *CPCBC4032A Apply contract law to sales processes* cover all aspects of the unit of competency required. To demonstrate competence in this unit, a participant must undertake all tasks and complete them satisfactorily and consistently. For Apprentices and Trainees, this includes employer completion of the Employer Record Book (ERB).

Participants must read all the information given before starting any assessment task. The assessment tasks are intended to be equitable, fair and flexible. If a participant has any questions or requires alternative arrangements to be made such requests should be directed to their Trainer/Assessor, who should note such arrangements in the 'Assessor Comments' on the affected assessment. If a participant feels they are not yet ready to be assessed, they should discuss their options with their Trainer/Assessor.

To satisfactorily complete the assessment, the participant is required to answer all questions correctly and demonstrate their skills to industry standards. If a participant does not answer some questions or perform some tasks, they will be deemed 'Not Satisfactory' for the task and 'Not Yet Competent' for the unit of competency. The Trainer/Assessor is able to provide the participant with additional information on interpreting the assessment outcomes and provide guidance on the participant's options. Should a participant still be deemed 'Not Satisfactory' they will have the opportunity to undertake a supplementary assessment or appeal the result.

By signing the cover page for each assessment item, the participant acknowledges they understand the assessment instructions and requirements and consent to being assessed. The participant also verifies and assures the RTO that the work submitted is their own work.

Participant Name	Loma Merrick
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Task	Assessment Results	
Theory Exam	☐ Satisfactory	☐ Not Yet Satisfactory
Practical Assessment	☐ Satisfactory	☐ Not Yet Satisfactory
Outcome for CPCBC4003A	☐ Competent	☐ Not Yet Competent
Outcome for CPCBC4016A	☐ Competent	☐ Not Yet Competent
Outcome for CPCBC4032A	☐ Competent	☐ Not Yet Competent

Assessor Name	
Assessor Signature	
Unit Competence Determination Date	Click here to enter a date.

CPCBC4003A SELECT AND PREPARE A CONSTRUCTION CONTRACT, CPCBC4016A ADMINISTER A CONSTRUCTION CONTRACT & CPCBC4032A APPLY CONTRACT LAW TO SALES PROCESSES

THEORY EXAM INSTRUCTIONS

- This exam will occur under standard assessment conditions.
 - An oral examination may be allowed under certain circumstances, whereby the Participant's answers will be documented by a party other than the Participant. This must be acknowledged in writing (e.g. FT001 and Assessor Comments)
- Participants must provide enough detail in their responses to demonstrate their knowledge and skills.
- Please fill in the details below, providing your name, signature and date of assessment.
 - Your signature acknowledges that this is your own work.
- Assessors are to complete marking in pen of a different colour to the Participant.
- If a Participant initially answers a question incorrectly but modifies their response, they must follow the instructions below:
 - If a Participant changes their response in writing, they must put their initials next to the written change.
 - If a Participant changes their response verbally, this must be noted on the exam paper by the assessor.

Participant name

Participant signature

Date

Assessor name

Assessor signature

Date

Lorna Merniciu

Lorna Merniciu

Click here to enter a date.

27.2.2021

Click here to enter a date.

Number of questions	Number of questions answered correctly	Task outcome (Tick)	
51		Satisfactory	Not Yet Satisfactory
		☐	☐

Q1. Order the following elements of an agreement from 1 to 4.

Answer

Element Number	Element
2	Acceptance
4	Consideration
3	Intention of legal consequences
1	Offer



Q2. When would an offer be considered to have lapsed?

Answer

When the time for acceptance expires.
If the offer is withdrawn before it is accepted.
After a reasonable time in the circumstances.



Q3. What happens to the offer if new terms are suggested?

Answer

This is seen as a counter offer which can be accepted or rejected.



Q4. What does it mean when a contract is supported by 'valuable consideration'?

Answer

It means one party promises to do something in return for a promise from another party. Usually this consideration is a payment of money.



Q5. Identify two (2) parties who may be deemed to not have the capacity to enter into a contract.

Answer

A person intoxicated.

A person suffering from mental illness



Q6. Outline your understanding of 'consent' as it applies to contractual agreements. Identify when 'apparent consent' might not actually exist.

Answer

Consent is an act of reason & deliberation

Apparent consent may be negated because of a mistake, fraud, innocent misrepresentation, duress or undue influence.



Q7. Identify the building industry regulator in your state and describe its role, particularly with regards to providing advice about contracts.

Answer

Building Industry Fairness Act 2017.

This regulator act to imply term in a construction contract, they provide for adjudication of payment disputes in regards to construction contracts.



Q8. Under what laws are domestic building contracts regulated?

Answer

QBCC.

Queensland Building & Construction Commission



Q9. Domestic building contracts must be put in writing once the work exceeds what value?

Answer

They need to put it in writing once the work exceeds \$3,300.00.



Q10. A commercial building contract must be put in writing before the building work is started if the reasonable cost of the work is more than what amount? Identify the relevant law that imposes this requirement.

Answer

Master Builders -
\$100,000.



Q11. Contractors must give the owner a signed copy of the entire contract (including any plans and specifications) within how many days after entering the contract?

Answer

within 5 business days.



Q12. What are the benefits of having a written contract in place between parties?

Answer

- Both customer know and builder know where they stand,
- Home owners receive the finished product they envisioned.
- Builders get paid and on time.



Q13. Match the common building contract clauses and definitions below by writing the appropriate letter next to each number in the centre column.

Answer

Clauses	
1	Acceptances
2	Cost adjustments
3	Extensions of time
4	Payments
5	Scope of work
6	Term

Answers

1 - F

2 - E

3 - A

4 - D

5 - C

6 - B

Definition	
A	Provide specific reasons that allow the contract period to be adjusted
B	A provision for which remedies can be sought if breached
C	Specifically outlines the tasks to be completed as part of the construction work
D	Outlines the requirements for deposits
E	Address the risk of rise/fall of expenses
F	Require that the contract be accepted or rejected by a certain date, otherwise the contract will not be binding

☐

Q14. Which of the following are preliminary contracts that a builder could ask a client to sign prior to signing the main contract? Tick all that apply.

Answer

Choice	Possible Answers
☒	Contract estimate
☐	Contract request
☐	Preliminary agreement

☐

Q15. True or False (Tick your response): Clauses within pre-contract agreements may carry over into the contract, so it is important to discuss these with the client and come to an agreement.

Answer

☒	True
☐	False

☐

Q16. Identify and explain the purpose of four (4) standardised building construction contracts – two (2) residential and two (2) commercial.

Answer

Contract name	Description
Small works contract	Designed for domestic building work that do not effect the footing or foundations it can also be used for smaller alterations & renovation projects.
Natural disaster repair contracts	for domestic building project not exceeding \$3,300.
commercial minor work contract.	A Lump Sum contract for minor commercial work up to the value of \$100,000.
Commercial building contracts	A Lump Sum contract to be used for the construction only of Commercial building work without a principal agent.

Q17. Identify an appropriate standardised contract that would be suitable for a commercial works job up to \$100,000.

Answer

From Master builders =
Commercial Minor Works contract.

Q18. Identify one (1) standardised residential building contract and explain the maximum value of the work it may be used for.

Answer

Level 1, Renovation, extension & repair contract
for renovations, extension and routine repairs.
on existing home \$3,301 to \$19,999.00

Q19. Describe the requirements for each of the topics listed below, with regards to residential contracts priced at \$20,000.

In Queensland, these are outlined in the QBCC Consumer Building Guide, which the consumer must sign before work is undertaken.

Answer

Topics	Definition
Builder's Licence	You should only deal with a QBCC licensed contractor. If you engage a unlicensed contractor, your building work may not be covered under QHWS.
Contract price	Contract price must be shown on the 1st page of the contract schedule.
Building approvals and inspections	Building approval & inspections are the responsibility of a building certifier. Mandatory building inspections may be required at the stages of construction, the certifier must provide the doc's within 5 business days.
Practical completion and handover	You are not required to pay the final contract payment until all work is completed. If you think there are defects, the contractor must give you a defects list. This should be compiled together with you & the contractor.
Implied warranties	Warranty Period 6 years from completion, 1 year for all breaches. Legal proceedings for any breach must be started within the warranty period or a further 6 months if the breach becomes apparent within the last 6 months of warranty.

Q20. Which of the following documents can be referred to as collectively making up a contract? Tick all that apply.

Answer

Choice	Possible Answers
☒	Engineer specifications
☒	Plans, drawings and specifications
☒	Prime Cost Items Schedule
☒	Processes for applying for extensions of time
☒	Product catalogues
☒	Project timelines and schedules
☒	Provisional Sums Schedule
☒	Rise and fall calculations
☒	Site conditions report
☒	Soil and sedimentation report



Q21. What is the difference between the Prime Cost Item Schedule and the Provisional Sum Schedule in a contract? Provide an example of each type to help explain your response.

Answer

Prime Cost (PC) is an amount of money included in a contract sum to purchase a specified item such as tiles, taps, doors, bathroom fittings.
 e.g. = the customer finds more expensive taps than what has been allowed in the PC. there is a price difference \$200 - this needs to be added to the PC.

Provisional Sum (PS) is an amount of money included in contract to cover work/materials not detailed in the contract.
 e.g. = when site work starts and they come across issues with foundations this may incur extra costs on inspections

Q22. Cost adjustment provisions under a contract address risk by providing mechanisms for adjusting contract payment to reflect changes in costs. What can cost adjustment apply to?

Answer

they can be applied to long term costs
and some specific cost (eg. labor &
Materials, currency ex rates, duties, taxes, shipping)



Q23. True or False (Tick your response): Variations can be requested by both the client and the builder.

Answer

☒	True
☐	False



Q24. How should you deal with a client variation request that consequently requires a time extension? How are time extensions addressed within the contract?

Answer

This needs to be done in writing.
you need to issue an "extension of time" form.
this allows the contract to be extended due
to these delays.



Q25. Name the Fair Trade legislation that applies in your state and identify which persons/bodies it applies to.

Answer

Fair Trading Act 1989 Qld.

The Work Health and Safety Act 2011 (Qld).



Q26. Under the National Consumer Credit Code, before entering into a credit contract, what must the credit provider do?

Answer

Make reasonable inquiries to why money needed.

Check financial situation

Steps to verify financial situation

Assess if you can meet financial obligation of contract

Determine that the credit contract is "not unsuitable for you."



Q27. What does the 'cooling off' period refer to when undertaking domestic building work with a total contract price of \$20,000 or more?

Answer

This may enable you to cancel the contract if you are not satisfied with it



Q28. What are the maximum deposits recommended for a residential building project?

Answer

Not priced \$20k or more = Max is 5% of the contract.

If the contract is more than \$3.5k & less than \$20k, the deposit must not exceed 10%.



Q29. Throughout the building schedule, progress payments are made when each new stage is ready to commence.

Identify the recommended stages and percentages for these progress payments on a typical new residential housing building project.

Answer

- 1 - Deposit — 5% contract sum
- 2 - Base stage. — 15%
- 3 - Fram stage. — 20%
- 4 - Enclosed stage — 25%
- 5 - Fixing stage — 20%
- 6 - Practical completion — balance.



Q30. You have been engaged by a client to construct their residential dwelling for \$550,000. Your client is pressuring you to accept a \$70,000 deposit to get priority on their construction. Should you accept the deposit? Explain your response.

Answer

not as only 5% of the contract sum is due. Payment Schedule will be outlined in the contract, and progress payments laid out.



Q31. Explain the following types of contractual breach and identify the consequences for the contractual arrangement due to each type of breach.

Answer	Breach	Explanation	☐
	Breach of condition under contract	If a breach of condition occurs the aggrieved party can elect to discharge the contract & sue for damages.	
	Breach of warranty under contract	If a warranty is breached, the aggrieved party cannot elect to terminate or discharge the contract. - they may only sue for damages	

Q32. What does repudiation of a contract mean?

Answer it when a party to a contract is unwilling, or exhibits behaviour which suggests that they are unwilling to perform their contractual obligations, the innocent party has the right to terminate the contract due to repudiation. ☐

Q33. True or False (Tick your response): In the event of repudiation, the injured party has two options:

- Continue with the contract
- Accept the repudiation and move to terminate the contract

Answer

☒	True
☐	False

☐

Q34. Why should you exercise caution, even if you are sure that the other party has repudiated the contract?

Answer Because once repudiation is accepted the contract is terminated. ☐

Q35. What does 'abandonment of contract' mean?

Answer

there are a few meanings.

- ① Where parties both have conducted themselves in such a way that the original contract is no longer valid. Both parties may mutually agree to do this or it may become part of a claim.
- ② Where a contractor fails to perform the work on a project.
 - * either not starting on time.
 - * not completing work.
 - * or failing

Q36. A contract can be terminated for 'cause' or for 'convenience'. Explain these two terms.

Answer

Termination for cause occurs when one party stops work because of a deficiency in performance by the other party. Due to this the law typically provides the terminated party with little recourse in the event of a termination for cause.

* Termination for convenience occurs when the owner stops work for reasons other than a deficiency in performance by the contractor. As this is not due to poor performance, the law may provide the aggrieved contractor significant rights against the owner.

Q37. Yes or No (Tick your response): Referring to Section 25 of Schedule 2 of the *Competition and Consumer Act 2010* (Cth), would a contract be unfair if it contains a term that permits the builder, but not the client, to terminate the contract?

Answer

☒	Yes
☐	No

Q38. If time is not of the essence for contract completion and one party fails to perform on time, the other party may terminate the contract after serving notice – specifying a time for performance on the first party. What are the requirements of a valid notice to complete?

Answer

~~* need help please~~
 * what must a contractor to perform the contract
 * a reasonable time in which the contract must be completed.
 * a statement of the consequences of not performing in accordance with the notice



Q39. True or False (Tick your response): Where the notice given (as per Q38.) is deemed invalid, the innocent party must either serve another notice or prove repudiation by the defaulting party, in order to terminate the contract.

Answer

☒	True
☐	False



Q40. When is the client owner required to pay the final contract payment? How might this be affected by defects and omissions?

Answer

Final payment of the project is to be handed over at practical completion not at handover.
 Final payment cannot be withheld as it is a contract breach, the builder has a contractual obligation to repair defects, but this may not happen before handover - although most builders do.



Q41. Explain the concept 'conditions for completion at the cost of the contractor'.

Answer

The contractor must make good defects or omissions in the work under this contract which become apparent within 6 months of the Date of Practical completion.

This must be given to contractor in writing explaining the defects within 6 month period, reasonable access is to be given to contractor.

The contractors must rectify within 28 days.

Q42. Describe what must be stated in a 'warranty against defects' about the person who gives the warranty [as per Section 90 of the *Competition and Consumer Regulations 2010* (Cth)].

Answer

The period within which the warranty relates and certain details of the person providing the warranty.

Q43. Name one (1) person you should consult if you are considering ousting a contractor from a building site.

Answer

You should consult your lawyer.

Q44. What document should you refer to if you are considering ousting a contractor from a building site?

Answer

Dismissal procedure delineated in the contract.

Q45. How should you handle a customer complaint?

Answer

- ① deal with the complaint immediately.
- ② stay calm
- ③ identify the problem
- ④ decide what can be done.
- ⑤ arrange a second option to confirm your view
- ⑥ keep records
- ⑦ fix problem.



Q46. How do you reduce the risk of dispute?

Answer

Spend time to fully document and complete a compliant building contract.



Q47. What is the process for dispute resolution?

Answer

Arbitration -

this is the resolution for disputes it involves less formality than a court hearing.

An arbitrator's decision is final & cannot be appealed.



- Q48. During your build the client has emailed you at 7:00pm to say they have been to the premises and noticed the installed bath in the bathroom is the wrong style.

You check the contract and the white goods and chattels list selected by the client. You cross check this with the specifications and your materials order and the receivable order sheets. You establish that the bath, as per these details, is correct and there has been no mistake on your part.

Draft a detailed response email to your client alerting them to the pertinent parts of the contract and specification, cross-referencing the details in regard to this item and its installation.

Answer

Dear ---

Many thanks for your email.

I have just taken a look at contract & cross referenced against my spec & material order and what has been outlined in the contract & approved is the bathroom that we installed.

I will give you a call in the morning so we could meet up at a convenient time to go over and if you still have concerns come to an arrangement to rectify.

Many thanks
Lorna