#### **Unit One - Contract Law**

### Module One – Introduction to Contracts



**30 Minutes** 

- 1. What is a contract?
- 2. What law governs contracts?
  - a) Statute law
  - b) Common law
- 3. Security of payment legislation
- 4. The importance of reading the contract

### Module Two – The Six Elements of Contract



One Hour and Ten Minutes

- 1. The six elements of contract
  - a) Offer and acceptance
  - b) Intent to create a legally binding relationship
  - c) Consideration
  - d) Legality of object
  - e) Consent
  - f) Legal capacity
- 2. The legal requirement of certainty
- 3. Competing contracts and the tender process

# **Module Three – Privity of Contract**



18 Minutes

- 1. Privity of Contract
- 2. Back to back agreements
- 3. Australian standard contracts
  - a) Construct Only AS 2124 –1992, AS 4000 1997
  - b) Design & Construct AS 4300 -1995, AS 4902 2000
  - c) AS 4906 2002 Minor works conditions

# Module Four - Breach of Contract



- 1. Damages for breach of contract
  - a) Entitlement to damages
  - b) Quantum claimable
- 2. Liquidated damages for late completion
  - a) Entitlement to liquidated damages
  - b) Calculation of liquidated damages
  - c) Genuine pre-estimate of loss vs penalty
- 3. Comparison of damages vs liquidated damages

Case Study One	
Instructions  2 Minutes	Laura will explain the case study.
Independent Work  25 - 40 Minutes	You can take as long as you like to work through the hypothetical problem. As a general guide, most of our students take around 30 minutes to complete the exercise.
Answers  16 Minutes	Laura will explain the answer to the case study.

### **Unit Two - Parties to the Contract**

Module One – The Role of the Superintendent



**26 Minutes** 

1. Legal status of a superintendent

- 2. The role of a superintendent
- 3. Appointing a superintendent
- 4. The powers of a superintendent
- 5. Challenging the decisions of a superintendent

Module Two –
Obligations of Principals and
Contractors



- 1. Common law obligations of a principal
- 2. Common law obligations of a contractor

### **Unit Three -Nature of the Contract**

### Module One – Scope Classifications



- 1. Construct only contracts
- 2. Design and construct contracts
- 3. Buildability issues
- 4. Choosing the correct contract for your project

### Module Two – Financial Classifictaions



**45 Minutes** 

- 1. Lump Sum Contracts
  - a) Provisional Sums
  - b) Schedule of prices
- 2. Cost Plus Contracts
- 3. Schedule of Rates Contracts
  - a) Bill of quantities
  - b) Limits of accuracy
  - c) Front end loading

# Module Three – Additional Customisations



- 1. Fixed price contracts vs rise and fall contracts
- 2. Guaranteed maximum price clauses
- 3. Alliance contracting

Case Study Two	
Instructions  3 Minutes	Laura will explain the case study.
Independent Work  25 - 40 Minutes	You can take as long as you like to work through the hypothetical problem. As a general guide, most of our students take around 30 minutes to complete the exercise.
Answers  18 Minutes	Laura will explain the answer to the case study.

### **Unit Four - Contractual Documentation**

### Module One – The Anatomy of a Contract



- 1. Documents that form the contract
  - a) Instrument of agreement
  - b) Conditions
  - c) Scope of work
  - d) Specification
  - e) Drawings
  - f) Policies
- 2. General conditions vs special conditions

### Module Two – How to Read a Contract



35 Minutes

- 1. Interpretation of contracts
  - a) Understanding defined terms
  - b) Using the annexures
  - c) Generating checklists
- 2. Resolving ambiguity in a contract
  - a) The doctrine of contra preferentum
  - b) Order of precedence
  - c) Ambiguity clauses

# Module Three - Drafting Contract Documents



22 Minutes

- 1. Drafting the legal documents
  - a) Directive language vs permissive language
  - b) Exhaustive clauses
  - c) The power of grammar (examples of what not to do)
  - d) Legalese 101
  - e) Cross referencing
- 2. Drafting the technical documents
  - a) Technical specifications
  - b) Performance specifications

# Module Four – Negotiating an Agreement



- 1. Qualification registers
  - a) Risk allocation
  - b) Preconditions to payment
- 2. Indemnity clauses
- 3. Creating back to back subcontracts

Case Study Three	
Instructions  6 Minutes	Laura will explain the case study.
Independent Work  35 - 50 Minutes	You can take as long as you like to work through the hypothetical problem. As a general guide, most of our students take around 40 minutes to complete the exercise.
Answers  14 Minutes	Laura will explain the answer to the case study.

### **Unit Five - Variations**

### Module One – Introduction to Variations



- 1. Letters of intent vs letters of acceptance
- 2. Varying the work vs varying the conditions
- 3. What constitutes a variation
  - a) AS2124 definition
  - b) AS4000 definition
  - c) Bespoke contract definitions and "included matter"clauses
  - d) Minor items

### Module Two – Variation Instructions



#### **30 Minutes**

- 1. Procedure for ordering variations
  - a) Under AS2124/ AS 4000
  - b) Under bespoke contracts
  - c) Entitlement to payment
- 2. Variations for the convenience of the contractor
  - a) Entitlement to payment
  - b) Value engineering
- 3. Limits to the variation power
  - a) Under common law
  - b) Under AS2124/ AS 4000
  - c) Under bespoke contracts

## Module Three – Valuation of Variations



- 1. Valuation methodology
  - a) Under AS2124/ AS 4000
  - b) Under bespoke contracts
- 2. The importance of records

### **Unit Six - Extensions of Time and Delay Costs**

# Module One – The Timing Mechanism



15 Minutes

- 1. The advantages of an extension of time regime
- 2. The obligation to complete in time
  - a) Under common law
  - b) Under contract
- 3. Consequences of late completion
  - a) Common law damages
  - b) Liquidated damages
- 4. How extension of time affects liability for liquidated damages
- 5. Separable portions

# Module Two – Claiming Extensions of Time



30 Minutes

- 1. Qualifying causes of delay
  - a) Under AS2124/ AS 4000
  - b) Under bespoke contracts
- 2. Notices of delay
- 3. Claims for extensions of time
  - a) For concluded delays
  - b) For ongoing delays
  - c) The obligation to refresh notices
- 4. Critical path and float
- 5. Mitigation of delay
- 6. Concurrency
  - a) Under AS2124
  - b) Under AS4000 and bespoke contracts

# Module Three – Assessing Extension of Time Claims



- 1. Where an EOT claim is approved
- 2. Where an EOT claim is ignored
- 3. Where an EOT claim is rejected
- 4. The prevention principle
- 5. Acceleration
  - a) Principal directed acceleration
  - b) Contractor initiated acceleration

	c) Constructive acceleration
Module Four – Delay and Disruption Costs  The state of th	<ol> <li>Entitlement to delay and disruption costs         <ul> <li>a) Under AS2124/ AS 4000</li> <li>b) Under bespoke contracts</li> </ul> </li> <li>Mitigation of delay costs</li> <li>Valuation of delay costs         <ul> <li>a) Actual costs incurred</li> <li>b) Daily rate</li> </ul> </li> </ol>