



Australian Government

Department of Education, Employment and Workplace Relations

CPCCB4003A Select and prepare a construction contract

Release: 1

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Modification History

Not Applicable

Unit Descriptor

Unit descriptor This unit of competency specifies the outcomes required to select and prepare appropriate construction contracts, including the sections, clauses and conditions for low rise construction projects. The ability to interpret complex documents, communicate clearly and succinctly and negotiate is essential skills.

Application of the Unit

Application of the unit This unit of competency supports the needs of builders, project managers, estimators and managers in the building and construction industry responsible for selecting and preparing contracts for building work.

Licensing/Regulatory Information

Not Applicable

Pre-Requisites

Prerequisite units Nil

Employability Skills Information

Employability skills This unit contains employability skills.

Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.

Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Identify and analyse the essential elements, sections and clauses of a business contract.	1.1. Various types of building and construction contracts are identified and the appropriate application of each type is analysed. 1.2. Essential terms and elements of a valid contract are identified and analysed. 1.3. Importance of identifying an intention to create legal relations is analysed. 1.4. Rights and liabilities of parties under a contract are identified and analysed. 1.5. Common building contract terms and procedures are identified and applied. 1.6. Circumstances that bring about a breach of contract are identified and analysed. 1.7. Legislative requirements are identified and applied.
2. Select an appropriate contract for the works to be undertaken.	2.1. A contract, appropriate for the type of construction, is accurately selected. 2.2. Range of documents that collectively make up a contract is accurately identified and prepared. 2.3. Requirements associated with an offer and acceptance of a contract are accurately identified and applied. 2.4. Capacity of the parties to form a binding agreement in the form of a contract is confirmed. 2.5. Factors associated with the parties' consent to a contract are identified and applied.
3. Prepare the contract.	3.1. Expert advice is sought as required in the preparation of the contract. 3.2. Factors leading to the termination of a contract are defined, analysed and assessed during the preparation of the contract. 3.3. Contract rise and fall amounts are accurately calculated during the preparation of the contract. 3.4. Schedule of progress payments is assessed and included in the preparation of the contract. 3.5. Processes for applying for extensions of time are included in the preparation of the contract. 3.6. Final contract is prepared in consultation with relevant personnel and in accordance with the accepted processes of the organisation and legal requirements.

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

Required skills for this unit are:

- communication skills to:
 - enable clear and direct communication, using questioning to identify and confirm requirements, share information, listen and understand
 - facilitate effective communication by phone, facsimile, email or in writing, with members of the organisation and external parties, including clients and subcontractors
 - facilitate drafting detailed responses to queries relating to the finer points of contracts
- read and interpret:
 - complex legal text
 - construction schedules
 - contracts
 - reports
 - specifications
- use language and concepts appropriate to cultural differences
- use and interpret non-verbal communication
- written skills to prepare a construction contract, including completing memos, schedules and evaluative reports and communicating complex ideas and alternatives
- contractual arrangement problem solving
- negotiation with construction clients
- numeracy skills to apply calculations, including rise and fall amounts applicable to changed contract circumstances.

Required knowledge

Required knowledge for this unit is:

- definitions and interpretations commonly applied to contracts
- legal meanings of terms and clauses in building and construction contracts
- relationships between the organisation and its clients
- various contract types and the circumstances they cover.

Evidence Guide

EVIDENCE GUIDE

The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.

Overview of assessment

This unit of competency could be assessed by the selection and development of appropriate contracts, which meet organisational and industry standards and relate to low rise building structures.

This unit of competency can be assessed in the workplace or a close simulation of the workplace environment, provided that simulated or project-based assessment techniques fully replicate construction workplace conditions, materials, activities, responsibilities and procedures.

Critical aspects for assessment and evidence required to demonstrate competency in this unit

It is essential that competence is demonstrated in the relevant aspects of contract selection and insertion of appropriate clauses, including rise and fall and progress payments.

A person who demonstrates competency in this unit must be able to provide evidence of the ability to:

- select the right contract for the particular project
- select appropriate clauses and conditions within the contract
- identify causes of a breach of contract
- specify requirements for the offer and acceptance of a contract
- specify requirements for the termination of a contract
- accurately calculate rise and fall amounts
- specify schedule for progress payments
- specify requirements for extensions of time
- include all related documentation
- refer to all relevant legislation.

Context of and specific resources for assessment

This competency is to be assessed using standard and authorised work practices, safety requirements and environmental constraints.

Assessment of essential underpinning knowledge

EVIDENCE GUIDE

will usually be conducted in an off-site context.

Assessment is to comply with relevant regulatory or Australian standards' requirements.

Resource implications for assessment include:

- documentation that should normally be available in either a building or construction office
- relevant codes, standards and government regulations
- office equipment, including calculators, photocopiers and telephone systems
- computers with appropriate software to view 2-D CAD drawings, run costing programs and print copies
- a technical reference library with current publications on measurement, design, building construction and manufacturer's product literature
- a suitable work area appropriate to the construction process.

Reasonable adjustments for people with disabilities must be made to assessment processes where required. This could include access to modified equipment and other physical resources, and the provision of appropriate assessment support.

Method of assessment

Assessment methods must:

- satisfy the endorsed Assessment Guidelines of the Construction, Plumbing and Services Training Package
- include direct observation of tasks in real or simulated work conditions, with questioning to confirm the ability to consistently identify and correctly interpret the essential underpinning knowledge required for practical application
- reinforce the integration of employability skills with workplace tasks and job roles
- confirm that competency is verified and able to be transferred to other circumstances and environments.

Validity and sufficiency of evidence requires that:

EVIDENCE GUIDE

- competency will need to be demonstrated over a period of time reflecting the scope of the role and the practical requirements of the workplace
- where the assessment is part of a structured learning experience the evidence collected must relate to a number of performances assessed at different points in time and separated by further learning and practice, with a decision on competency only taken at the point when the assessor has complete confidence in the person's demonstrated ability and applied knowledge
- all assessment that is part of a structured learning experience must include a combination of direct, indirect and supplementary evidence.

Assessment processes and techniques should as far as is practical take into account the language, literacy and numeracy capacity of the candidate in relation to the competency being assessed.

Supplementary evidence of competency may be obtained from relevant authenticated documentation from third parties, such as existing supervisors, team leaders or specialist training staff.

Range Statement

RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

Building and construction contracts relevant to the sector and organisational needs may include:

- Australian standard contracts (including the AS2124 and AS4000 series)
- Construction Industry Contract (CIC) suite
- contracts required or supplied by regulatory

RANGE STATEMENT

- Range of documents* includes:
- authorities or state or territory legislation
 - individual organisational contracts
 - Joint Contracts Committee (JCC) suite
 - Master Builders Association (MBA) and Housing Industry Association (HIA) or other standard industry contracts
 - Simple Building Works (SBW), including series 1 and series 2 (SBW2 Lump Sum).
 - equipment, site accommodation and services information
 - human resource projections
 - materials lists
 - plans, drawings and specifications
 - project timelines
 - schedules.
- Termination of a contract* includes definitions and applications of:
- abandonment of a contract
 - conditions for completion at the cost of the contractor
 - effect of ousting the contractor from the building or construction
 - relevant legislation and contract provisions
 - repudiation of a contract by one party and its agreed definition
 - unreasonable or vexatious notice.

Unit Sector(s)

Unit sector Construction

Co-requisite units

Co-requisite units Nil

Functional area

Functional area