



Australian Government

CPCCB4003 Select, prepare and administer a construction contract

Release: 4

CPCBC4003 Select, prepare and administer a construction contract

Modification History

- Release 4 Updated reference to general construction induction training program.
- Release 3 This version first released with CPC Construction, Plumbing and Services Training Package Release 8.0.
Performance Criteria 3.1 updated to provide clarity.
- Release 2 This version first released with CPC Construction, Plumbing and Services Training Package Release 5.1.
Typographical error in Element and Performance Criteria 3.3 corrected.
- Release 1 This version first released with CPC Construction, Plumbing and Services Training Package Release 5.0.
Supersedes but is not equivalent to CPCBC4003A Select and prepare a construction contract. Combines CPCBC4003A Select and prepare a construction contract and CPCBC4016A Administer a construction contract.
Updated to meet the Standards for Training Packages 2012.

Application

This unit of competency specifies the skills and knowledge required to select, prepare and administer contracts for commercial and residential construction projects. It includes contract selection, administration of a range of documents related to the contract and identifying causes of breach of contract.

It applies to National Construction Code (NCC) classifications:

- Residential - Class 1 and 10 buildings, maximum two storeys
- Commercial - Class 2 to 9, Type C only constructions.

It applies to builders, estimators and project and site managers who interpret complex documents and communicate clearly and succinctly during contract negotiations.

This unit of competency is suitable for people operating with autonomy. A person working at this level would be expected to take responsibility for selecting and preparing construction contracts.

Completion of the general construction induction training program specified by the model Code of Practice for Construction Work is required for any person who is to carry out construction work. Achievement of *CPCWHS1001 Prepare to work safely in the construction industry* meets this requirement.

Licensing, regulatory or registration requirements apply to this unit of competency in some jurisdictions. Relevant state and territory regulatory authorities should be consulted to confirm these requirements.

Pre-requisite Unit

Nil.

Unit Sector

Building and Construction

Elements and Performance Criteria

Elements describe the essential outcomes.	Performance criteria describe what needs to be done to demonstrate achievement of the element.
1 Identify and analyse business contracts.	1.1 Recognise various types of building and construction contracts, their legal requirements and application. 1.2 Analyse the importance of the intention to create legal relations. 1.3 Read and interpret essential contract elements, terms, sections and clauses of a valid construction contract. 1.4 Evaluate rights, obligations and liabilities of all parties. 1.5 Identify and analyse circumstances that constitute a breach of contract. 1.6 Identify factors involved in the termination of contracts. 1.7 Identify legislative requirements and procedures.
2 Select appropriate contract.	2.1 Communicate clearly and directly with all parties to confirm the capacity to form a binding agreement. 2.2 Prepare and compile the range of documents that collectively make up the contract. 2.3 Establish factors and special conditions associated with the parties' consent to a contract. 2.4 Recognise and apply the requirements associated with an offer and acceptance of a contract.

- 2.5 Select a contract appropriate to the type of construction.
- 3 Prepare the contract.
 - 3.1 Prepare selected contract draft with relevant details, in consultation with relevant personnel and in accordance with the accepted processes of the organisation and legal requirements.
 - 3.2 Assess and schedule progress payments, including processes for applying for extension of time.
 - 3.3 Ensure any discrepancies or disagreements are resolved prior to contract preparation.
 - 3.4 Ensure legality and validity of draft contract in consultation with relevant persons.
 - 3.5 Prepare final contract in accordance with the organisation's legal process.
- 4 Administer the contract.
 - 4.1 Process progress payments accurately as due under the contract.
 - 4.2 Process applications for extension of time in accordance with organisational policies and contract conditions.
 - 4.3 Identify, negotiate and document variations to contract.
 - 4.4 Act to minimise liquidated damages or penalties nominated in the contract.
 - 4.5 Administer contract and resolve contractual disputes in accordance with contract and relevant legislation and regulations.
 - 4.6 Assess conditions for issuing a final certificate.
- 5 Finalise a contract.
 - 5.1 Apply process for practical completion of contract.
 - 5.2 Finalise defects liability under a building or construction contract.
 - 5.3 Finalise contract in accordance with relevant legislation and contract provisions.

- 5.4 Issue appropriate certificate upon completion of the contract work.
- 5.5 Complete and secure documentation arising from finalisation of a contract for records purposes.

Foundation Skills

Foundation skills essential to performance are explicit in the performance criteria of this unit of competency.

Unit Mapping Information

- Supersedes and is not equivalent to CPCCBBC4003A Select and prepare a construction contract
- Supersedes and is not equivalent to CPCCBBC4016A Administer a construction contract.

Links

Companion volumes to this training package are available at the VETNet website - <https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=7e15fa6a-68b8-4097-b099-030a5569b1ad>

Assessment Requirements for CPCBC4003 Select, prepare and administer a construction contract

Modification History

- Release 4 Updated reference to general construction induction training program.
- Release 3 This version first released with CPC Construction, Plumbing and Services Training Package Release 8.0.
Performance Criteria 3.1 updated to provide clarity.
- Release 2 This version first released with CPC Construction, Plumbing and Services Training Package Release 5.1.
Typographical error in Element and Performance Criteria 3.3 corrected.
- Release 1 This version first released with CPC Construction, Plumbing and Services Training Package Release 5.0.
Supersedes but is not equivalent to CPCBC4003A Select and prepare a construction contract. Combines CPCBC4003A Select and prepare a construction contract and CPCBC4016A Administer a construction contract.
Updated to meet the Standards for Training Packages 2012.

Performance Evidence

To demonstrate competency, a candidate must meet the elements and performance criteria of this unit by selecting, preparing and administering one contract for a construction project.

In doing this, the candidate must:

- select the correct contract by analysing identified legislative requirements and construction type
- prepare the construction contract specifying requirements for contract termination and special conditions agreed by all parties
- administer the contract following government legal and regulatory requirements and to the organisation's standards
- monitor price and time variations and negotiate with various parties to resolve contract anomalies
- collect all related construction contract and final inspection documentation and issue completion certificate.

Knowledge Evidence

To be competent in this unit, a candidate must demonstrate knowledge of:

- Australian legal system and its relevance to contracts
- various types of housing and construction industry contracts and the circumstances they cover
- definitions and interpretations commonly applied to contracts
- Australian Standards
 - *AS2124 General conditions of contract*, and
 - *AS4000 General conditions off contract series*
- relationships between the organisation and its clients
- range of documents associated with a contract:
 - equipment, site accommodation and services information
 - human resource projections
 - materials lists
 - construction drawings and specifications
 - project timelines
 - schedules
- digital tools and devices to communicate and collaborate effectively with others
- range of digitally-based technology and applications to access, extract, integrate and compile information.

Assessment Conditions

Assessors must meet the requirements for assessors contained in the Standards for Registered Training Organisations.

Assessment can be undertaken in the workplace or in a simulated workplace environment.

A simulated environment is one that realistically replicates workplace conditions, materials and equipment, interactions with others and workplace irregularities, and which meets industry standards for safety and environmental practices.

Candidates must have access to:

- relevant government building and construction and contract legislation
- current building and construction codes and standards
- relevant construction industry contracts
- construction drawings and specifications
- organisational policies and procedures and other quality documentation required to undertake the performance criteria and assessment requirements
- digital devices, applications and software to transmit and receive information electronically.

Links

Companion volumes to this training package are available at the VETNet website -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=7e15fa6a-68b8-4097-b099-030a5569b1ad>