



Australian Government

Department of Education, Employment and Workplace Relations

CPCCBBC4016A Administer a construction contract

Release: 1

CPCCB4016A Administer a construction contract

Modification History

Not Applicable

Unit Descriptor

Unit descriptor This unit of competency specifies the outcomes required to administer building and construction contracts for either residential or commercial projects.

Application of the Unit

Application of the unit This unit supports the needs of builders, estimators, trade contractors and other building and construction professionals responsible for administering 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. Legislative requirements relating to building and construction contracts are identified and applied. 1.3. Essential terms and elements of a valid contract are identified and analysed. 1.4. Importance of identifying an intention to create legal relations is analysed. 1.5. Rights and liabilities of parties under a contract are identified and analysed. 1.6. Common building contract terms and procedures are identified and applied. 1.7. Circumstances that bring about a breach of contract are identified and analysed.
2. Select an appropriate contract for the works to be undertaken.	2.1. 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. Identify and apply the factors involved in the termination of a business contract.	3.1. Impact and effects of repudiation of a contract by one party are identified and analysed. 3.2. Agreed definition of acceptance of repudiation by the other party is identified and applied. 3.3. Definitions of unreasonable or vexatious notice are identified, agreed and applied. 3.4. Definition of the conditions for completion at the cost of the contractor is identified and applied. 3.5. Definition of the effect of ousting the contractor from the building or construction site is identified and applied. 3.6. Definition of abandonment of a contract is identified and applied. 3.7. Contracts are terminated in accordance with relevant

ELEMENT	PERFORMANCE CRITERIA
4. Administer the contract.	legislation and contract provisions. 4.1.Contract rise and fall amounts are accurately calculated. 4.2.Progress payments due under the contract are accurately processed. 4.3.Applications for extension of time are processed in accordance with company policy and contract conditions. 4.4.Variations to contract are identified, negotiated and documented. 4.5.Action is taken to minimise liquidated damages or penalties nominated in the contract. 4.6.Contracts are administered and contractual disputes resolved in accordance with contract and relevant legislation and regulations. 4.7.Conditions for issuing a final certificate are identified and applied.
5. Finalise a contract.	5.1.Definition of practical completion of contract is identified and applied. 5.2.Definition of defects liability under a building or construction contract is identified and applied. 5.3.Appropriate certificate is issued upon completion of the contract work. 5.4.Documentation arising from finalisation of a contract is completed and secured for records purposes.

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:
 - communicate with clients, subcontractors, colleagues and external parties by phone, facsimile, email or in writing
 - communicate with members of the organisation and external parties, including

REQUIRED SKILLS AND KNOWLEDGE

clients and subcontractors

- enable clear and direct communication, using questioning to identify and confirm requirements, share information, listen and understand
- facilitate drafting detailed responses to queries relating to the finer points of contracts
- read and interpret:
 - complex legal text
 - construction schedules
 - contracts
 - reports
- use language and concepts appropriate to cultural differences
- use and interpret non-verbal communication
- written skills to complete workplace documentation, including drafting responses to queries relating to the finer points of contracts
- identify and analyse relevant information
 - maintain files
 - monitor price variations in construction products and services
 - numeracy skills to apply calculations
 - use and apply data.

Required knowledge

Required knowledge for this unit is:

- basic understanding of the Australian legal system and its relevance to contracts
- contracts required or supplied by regulatory authorities
- 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, development and administration of appropriate contracts that meet organisational and industry standards and relate to residential or commercial projects.

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, insertion of appropriate clauses and administration of events arising from contract 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 right contract for particular project
- select appropriate clauses and conditions within the contract
- administer contract to the standard required by the organisation and according to legal or regulatory requirements that may exist within the state or territory in which work is being done
- determine appropriate measures to be taken in the event of an anomaly in the rendering of the contract.

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 will usually be conducted in an off-site context.

EVIDENCE GUIDE

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:

- competency will need to be demonstrated over a period of time reflecting the scope of the role

EVIDENCE GUIDE

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 include:

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

RANGE STATEMENT

Range of documents includes:

- Joint Contracts Committee (JCC) suite
- MBA and HIA 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.

Unit Sector(s)

Unit sector Construction

Co-requisite units

Co-requisite units Nil

Functional area

Functional area