



(University of Choice)

**MASINDE MULIRO UNIVERSITY OF
SCIENCE AND TECHNOLOGY
(MMUST)**

MAIN CAMPUS

**UNIVERSITY EXAMINATIONS
2022/2023 ACADEMIC YEAR**

THIRD YEAR SECOND SEMESTER EXAMINATIONS

**FOR THE DEGREE
OF
BACHELOR OF TECHNOLOGY
IN
BUILDING CONSTRUCTION**

COURSE CODE: BTB 364

**COURSE TITLE: PROCUREMENT METHODS & STANDARD
CONTRACTS**

DATE: 24TH APRIL 2023

TIME: 12-2 P.M

INSTRUCTIONS:

1. This paper contains **FOUR** Questions
2. Answer Question **ONE** and any other **TWO** Questions
3. Marks for each question are indicated in the parenthesis.
4. Formulae Sheet is provided at the end of the question paper
5. It is in the best interest of the student to write legibly
6. Examination duration is **2 Hours**

MMUST observes ZERO tolerance to examination cheating

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This Paper Consists of 3 Printed Pages. Please Turn Over.

Question 1. Compulsory. 30 Marks

- i. Define the following terms as used in conditions of contract.
 - a. Work program (1 mark).
 - b. Variations (1 Mark).
- ii. Define a construction contract (2Marks).
- iii. Discuss any three advantages of Design and Build (D&B) contracts (3Marks).
- iv. Describe how management contracting is done (3 marks).
- v. The government of Kenya secured funding from the world bank to construct a highway 95km from Kakamega to Busia Border through Kenya National Highway Authority (KeNHA). KeNHA procured China Roads and Bridge Corporation, a Chinese company as the Management Contractor who banks with EXIM Bank in china. KeNHA also procured Egis International, a French company as the main consultant in advance and three subcontractors, i.e. Kirinyaga construction, a Kenyan contractor banking with KCB Bank to undertake main carriage-way, Mugoya construction, a Ugandan company, banking with Royal Bank of Uganda, to do bridges and river crossings and Machiri ltd, a Kenyan company, banking with Family bank in Kenya, to undertake electrical and mechanical services. The contract duration is three years.
 - a) Discuss the possible challenges KeNHA is likely to run into in the above arrangement stating possible remedy (6marks)
 - b) Discuss possible reasons Egis International was brought on board (5marks)
 - c) Discuss two possible ways of effecting a payment to the certificate raised by China Road and Bridge company (4 marks)
- vi. Discuss the roles of the employer as stipulated in the Joint Building Council of Kenya 1999. (5 marks)

Question 2. 20 Marks

- i. Give reasons why Engineer-Procure-Construct contracts are becoming popular (5 marks)
- ii. Differentiate between the following terms
 - a) Ex-gracia payment and a variation (2 marks)
 - b) Provisional sum and Prime costs (2 marks)
- iii. Discuss the different participants in a construction project and their roles as highlighted in the FIDIC contraction document (6 Marks)
- iv. As stipulated in FIDIC Red Book 1999, discuss the priority documents that are useful to the parties involved in a contract execution. (5 marks)

Question 3. 20 Marks

- i. Differentiate between a crime and a tort **(2 marks)**
- ii. Discuss the three types of Torts giving an example in each **(3 marks)**
- iii. Discuss any 5 roles played by the Public Procurement Regulatory Authority in Kenya **(5marks)**
- iv. Geothermal development corporation (GDC) has contracted WellPro Ingenaire International Limited a German company to explore, drill, develop and operate five wells for one year before handing over to the GDC. The wells are to be done in the South rift of Kenya for geothermal development purposes. Discuss possible causes of variations under such an arrangement explaining how the same can be avoided. **(10 marks).**

Question 4. 20 marks

- ii. Highlight the steps taken when conducting a feasibility study that would lead to procurement of a sewerage treatment plant **(5marks).**
- ii. Define the following terms
 - a. *Force Majeure* **(2 marks)**
 - b. Payment certificate **(2marks)**
 - c. Arbitration **(1 Mark)**
- iii. In standard FIDIC contract forms, state and explain circumstance under which the term Force Majeure becomes applicable **(5 marks).**
- iv. Jianxi construction a china Based company was awarded a contract by the Moi Teaching and Referral Hospital to construct a warehouse for drugs at a cost of KShs One hundred million in October 2007. Two months later, there was unrest in the country due to post election violence that caused instability for over 28 days, under the Optional Termination Payment and Release, Jianxi opined to bow out, discuss what the engineer needs to determine and capture on the payment certificate since the contract had to be terminated **(5 marks)**

