

NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY
FACULTY OF BUILT ENVIRONMENT
DEPARTMENT OF QUANTITY SURVEYING
PART IV SECOND SEMESTER EXAMINATIONS – JUNE 2011
INTERNATIONAL CONTRACTS AND ARBITRATION – AQS4210

Time: 3 hours

Total Marks: 100

- a) Answer 4 questions.*
 - b) Each question carries 25 marks.*
 - c) Where information is insufficient, candidates are allowed to make reasonable assumptions. Assumptions made must be stated.*
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Question One

Using one example, explain how government projects are funded by International Financial institutions. (25 marks)

Question Two

Explain any 5 key highlights of any four FIDIC contracts of your choice. (25 marks)

Question Three

What are the main differences between the FIDIC contracts and The local Standard Building Contract produced by CIFOZ. (25 marks)

Question Four

How is tendering for construction works done under a World Bank funded project. (25 marks)

Question Five

Explain the main challenges a construction company faces when working in a foreign country. (25 marks)

Question Six

A hospitality group Apex hotels is operating a 5 star hotel in Harare. They were approached by the Angolan government to build and operate a similar hotel in Angola. No formal agreement was signed. Apex hotels assembled a team of consultants for the design and construction of the project. The team was advised that they were operating at risk and would only be paid once the Angolan government paid. No formal agreement was signed. Apex however paid the disbursements of the team ie air flights, accommodation, printing costs, etc. Designs were done and were forwarded to the Angolan government. The Angolan government decided to buy the designs from Apex and build the hotel themselves. Apex charged \$500 000.00 for the designs but took the money to recover disbursement costs which were now at \$700 000.00

The consultants have now submitted a claim of \$5million for the designs arguing that the work is no longer at risk since payment has been made. Apex is arguing that they don't owe the consultants \$5m because they are not their client but merely a hotel operator who is also owed disbursement costs.

As an arbitrator, how would you resolve the case? Justify your answer. (25 marks)