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PRACTICE QUESTIONS



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Exam : CCM

Title : Certified Contract Manager

Version : DEMO

1. Is the Employer obliged under FIDIC Silver Book (edition 1999) to describe which Documents are to be submitted to the Employer? (1 correct response applies)

A. No, according to Sub-Clause 5.7 provisional operation and maintenance manuals are always required.

B. No, because the Contractor has a duty to supply the Employer with every Document, given Sub-Clause 7.4.

C. Yes, because otherwise the Contractor doesn't have to submit any Document until Completion of the Works as stated in Sub-Clause 1.8.

D. Yes, the Employer should define which documents it wants to receive from the Contractor as Contractor's Documents in the Employer's Requirements, as stated in Sub-Clause 5.2.

Answer: D

Explanation:

Under the FIDIC Silver Book 1999 (Conditions of Contract for EPC/Turnkey Projects), the Employer must specify clearly in the Employer's Requirements which Contractor's Documents are to be submitted. Sub-Clause 5.2 states that the Contractor must submit all documents listed in the Employer's Requirements, ensuring clarity and enabling the Employer to control the documentation process.

Option D is correct because it highlights the need for Employer's Requirements to define the scope and content of the Contractor's Documents.

Option A is incorrect; although operation and maintenance manuals are generally required, they are part of the specified Contractor's Documents, not automatically required without Employer's direction.

Option B is incorrect as the Contractor's duty to supply documents is limited to those specified.

Option C is incorrect because documentation obligations are ongoing and not just at completion.

References:

FIDIC Silver Book 1999 Edition, Sub-Clause 5.2 – Contractor's Documents

FIDIC Silver Book 1999 Edition, Sub-Clause 1.8 – Time for Completion

FIDIC Contract Manager Study Guide, Module on Contract Administration Procedures

2. Under the FIDIC Red and Yellow Books (edition 1999): if the Engineer gives an instruction which requires the Employer's prior approval, the Contractor is required to verify whether the Engineer has obtained the Employer's prior approval or not.

Is this statement true or false?

A. True

B. False

Answer: B

Explanation:

Under the FIDIC Red and Yellow Books 1999 editions, the Engineer acts as the Employer's representative with authority delegated under the contract. When an instruction requires the Employer's prior approval, it is primarily the Engineer's responsibility to obtain that approval before issuing the instruction to the Contractor.

The Contractor is not contractually required to verify whether the Engineer has obtained the Employer's approval. The Contractor is generally entitled to rely on the Engineer's instructions as valid and binding unless there is clear evidence to the contrary.

This principle avoids placing an undue administrative burden on the Contractor and maintains the hierarchical contract administration structure, where the Engineer is the primary point of contact and

decision-maker.

References:

FIDIC Red Book 1999 Edition, Sub-Clause 3.1 – Engineer's Duties and Authority

FIDIC Yellow Book 1999 Edition, similar provisions

FIDIC Contract Manager Study Guide, Module on Contract Administration Procedures

3. Sub-Clause 12.3(a) of FIDIC Red Book (edition 1999) specifies four criteria which are applicable without reference to Clause 13.

A new rate shall only be appropriate if all four criteria are satisfied. Is this statement true or false?

A. True

B. False

Answer: B

Explanation:

Under FIDIC Red Book 1999, Sub-Clause 12.3 [Evaluation] governs how the Engineer determines the value of work done. Sub-Clause 12.3(a) sets out conditions under which existing rates and prices in the Contract should be used for valuation, even if the quantity of work changes. It includes criteria such as similarity of work, similar conditions, and that the rate is appropriate.

However, the statement in the question is incorrect because it implies that all four criteria must be satisfied simultaneously before a new rate can be applied. In reality, FIDIC does not require all criteria to be strictly fulfilled in a cumulative manner. Instead, the Engineer exercises professional judgment to determine whether existing rates are appropriate. If they are not appropriate—due to significant changes in quantity, conditions, or nature of work—then new rates or prices may be determined.

Furthermore, Sub-Clause 12.3 provides flexibility and refers to Clause 13 [Variations and Adjustments] where necessary. The valuation process is not rigidly conditional upon all criteria being met but rather guided by fairness and reasonableness.

Therefore, the statement is false because it misinterprets the application of the criteria as absolute and cumulative, whereas FIDIC allows discretion and does not impose such a strict requirement.

4. Which of the following obligations are relevant to the Engineer's roles with regards to insurance? [2017 Edition] (2 correct answers apply)

Choose all of the correct answers (multiple possibilities).

A. The Engineer shall receive a copy of the evidence(s) demonstrating Contractor's payment of the necessary insurance premiums.

B. The Engineer is entitled to take out an insurance on behalf of the Contractor, in case the Contractor fails to extend the validity of a specific insurance.

C. The Engineer should continuously monitor that the Contractor's insurance policies are kept valid, and extensions are duly arranged, when necessary.

D. The Engineer shall immediately suspend all construction activities at the Site, in case the Contractor failed to take out any necessary insurance.

Answer: A C

Explanation:

Option A is correct: The Engineer is entitled to receive evidence that the Contractor has paid for the necessary insurance policies.

Option C is correct: The Engineer has the role of monitoring the validity of these insurances and ensuring

that renewals or extensions are arranged in a timely manner.

Option B is incorrect; the Engineer does not have the authority to take out insurance on behalf of the Contractor.

Option D is incorrect; suspension of construction activities is not automatically the Engineer's role for insurance lapses but may require instructions from the Employer.

References:

FIDIC Red, Yellow, Silver Books 2017 Edition, Sub-Clause 18 – Insurances

FIDIC Contract Manager Study Guide, Module on Contract Administration and Insurance

5. In a drafted FIDIC Silver Book (edition 1999), the following sentence has been added to Sub-Clause 3.5: "In case of an Instruction regarding a pending or proposed Variation, Contractor shall carry out any determination regardless of a possible notice of dissatisfaction."

What GP(s) is/are breached?

- A. GP1 only
- B. GP3 only
- C. GP1 and GP3
- D. GP1, GP2 and GP3

Answer: C

Explanation:

This clause breaches Golden Principles (GP) 1 and 3:

GP1 promotes fairness and balanced risk allocation between parties. Forcing the Contractor to carry out determinations despite a notice of dissatisfaction undermines fair dispute resolution and contractual balance.

GP3 emphasizes the importance of clear and unambiguous contract drafting that reflects agreed procedures.

This sentence introduces ambiguity and overrides contractual rights to dispute determinations.

References:

FIDIC Contract Management Guidelines – Golden Principles

FIDIC Contract Manager Study Guide, Module on Contract Administration and Contract Clauses