



- Candidates are required to answer **ALL** the questions.
- Questions must be answered in **SEQUENCE**. Ensure that your answers are clearly **NUMBERED**.
- This is **OPEN BOOK** paper. Only documentation that is contained in the List of Study Material is permitted.
- All answers must be **in your OWN words** where appropriate.
- Candidates must take note of the mark allocation of each question in order to provide enough information in their answer.
- Where answers are duplicated between candidates, plagiarised, or copied, **ZERO** marks will be granted.
- Take note that duplicated, plagiarised and/or copied answers may be subject to further investigation, penalties and/or disciplinary action.
- Total marks for paper one – **150 marks**
- Pass mark – a minimum of **50%** in each of the two papers
- Time allocation – **3 hours**

QUESTION 1 – Definitions

20 marks

1.1	When used within a contract or an agreement, what would the following actions typically have in common?	(2)
	<i>"advise"; "appoint"; "approve"; "authorise"; "certify"; "consent"; "decide"; "delegate"; "designate"; "instruct"; "issue"; "notify"; "object"; "reply"; "request"; "specify"</i>	
	<i>These are actions that would all need to be carried outconducted in writing (2 marks).</i>	
	<i>SACAP Guidelines Professional Fees (BN 172 of 2021) JBCC Principal Building Agreement PROCSA Suite / SAIA Client-Architect Agreement</i>	
1.2	Describe what is meant by the " fast-tracking " of a construction project.	(4)
	<i>The duration of the construction schedule or program would be reduced (2 marks). Additional compensation would be due to the contractor and/or the architectural professional than in normal circumstances (2 marks).</i>	
	<i>SAIA Study Aid 23: Construction Terminology</i>	
1.3	Describe the meaning of the word " variation " when used in the context of a construction project.	(4)
	<i>An alteration to the scope of works (2 marks) in the form of an addition, substitution, or omission from the original scope (2 marks).</i>	
	<i>SAIA Study Aid 23: Construction Terminology</i>	
1.4	Describe the differences between the contract SUM and the contract VALUE when used in the context of a construction project.	(6)
	<ul style="list-style-type: none"> ▪ <u>contract SUM</u>: the accepted tender amount (1 mark) excluding VAT (1 mark) that is not subject to adjustment (1 marks). ▪ <u>contract VALUE</u>: the monetary value initially equal to the contract sum (1 mark) that is subject to adjustment (1 mark) in terms of the agreement (1 mark). 	
	<i>SAIA Study Aid 23: Construction Terminology JBCC Principal Building Agreement</i>	

1.5	Describe the meaning of the word " dispute " when used in the context of a contractual arrangement.	(4)
	An unresolved matter of dissatisfaction or difference (2 marks) between the contracting parties (2 marks).	
	SAIA Study Aid 23: Construction Terminology	

QUESTION 2 – Multiple Choice

10 marks

Select the correct answer to the following questions by providing only the corresponding letter(s)

2.1	Which of the following is NOT a requirement that must be met in order for a contract to give rise to a legal obligation.	(2)
	Select ONE (1) from the following list (2 marks)	
	A Consensus	
	B Contractual capacity	
	C Repudiation	
	D Legality	
	E Possibility	
<i>answer: C</i>		
SAIA Study Aid 4.2		
2.2	Which of the following is used to organise the team's work into manageable sections, and takes the form of a tree structure which shows a subdivision of efforts required to achieve an objective?	(2)
	Select ONE (1) from the following list (2 marks)	
	A Critical Path Program	
	B Development Program	
	C Gantt chart	
	D Work Breakdown Structure	
	E Program Evaluation and Review Technique	
<i>answer: D</i>		
SAIA Study Aid 20.1		
2.3	Which of the following parties is required to provide all relevant site information for a project to the architectural professional?	(2)
	Select ONE (1) from the following list (2 marks)	
	A The Local Councillor	
	B The Local Authority	
	C The Estate Agent	
	D The Financial Service Provider	
	E The Client	
<i>answer: E</i>		
SAIA Study Aid 13.2		
2.4	Which of the following is a broad tax added to the value of supply of certain goods and services charged on purchase?	(2)
	Select ONE (1) from the following list (2 marks)	
	A Capital Gains Tax	
	B Income Tax	
	C Provisional Tax	
	D Skills Development Levy	
	E Value Added Tax (VAT)	
<i>answer: E</i>		

	<i>SAIA Study Aid 9.3</i>	
2.5	Which of the following is paid by self-employed individuals and by companies and is an estimation of the total annual taxable income? Select ONE (1) from the following list (2 marks)	(2)
	A Capital Gains Tax	
	B Income Tax	
	C Provisional Tax	
	D Skills Development Levy	
	E Value Added Tax (VAT)	
	<i>answer: C</i>	
	<i>SAIA Study Aid 9.3</i>	

QUESTION 3 – Collaboration + Deferred Remuneration

35 marks

You are working as a candidate architectural professional at ChiAbi Architects, and you receive the following email from your mentor regarding a potential new project for the practice:

Dear Maryam,

As you are aware, the Ntshingwayo Community Centre project near Nquthu is nearing completion. During a site visit today, the various representatives of our client for this project, kaMahole Incorporated expressed their tremendous gratitude for our hard work.

kaMahole Inc informed that they wish to continue proceed with the schematic design we proposed for the mixed-use residential and commercial development on the neighbouring land. We submitted a Letter of Offer and project cost-based fee proposal for our standard (full) scope of architectural services and kaMahole Inc wish to finalise our appointment for this new project.

However, as this project is on a much greater scale than the Community Centre, kaMahole Inc is considering the appointment of additional consultants to provide management services on the project (which may include a development manager and/or a project manager). As a result, kaMahole Inc requested that we revise our fee proposal accordingly. However, this is a terrific opportunity for us, and we would prefer not to lose this portion of our fee.

As I will only be back in the office next week, please compile a draft letter to our clients as follows (see questions 3.1 to 3.3 below):

Thank you kindly,
Chifundo Abioye
ChiAbi Architects

3.1	Provide an outline of an architectural professional’s services when fulfilling the following roles as part of the standard (full) scope of architectural services from stages 1-6:	(6)
3.1.1	The principal consultant	
	<ul style="list-style-type: none"> ▪ To administrate the services of the other consultants ▪ To coordinate and lead the professional team 	
3.1.2	The principal agent	
	<ul style="list-style-type: none"> ▪ To administer the construction contract ▪ To certify the stages of completion ▪ To evaluate claims during the construction work stage 	

3.2	Describe FOUR (4) factors to consider when a project manager is appointed on a project where the architectural professional is required to provide the standard (full) scope of architectural services (3 marks each).		(12)
3.3	We may consider establishing a collaborative relationship with Pr-j-ct-Net, locally based firm of professional project managers.		
3.3.1.	When considering such a collaboration, what would be the most appropriate arrangement?	(2)	
3.3.2.	Provide the reasons for your answer.	(4)	
Shortly after receiving the email the scenario above, you received the following email from your mentor regarding the same project:			
<p><i>Dear Maryam,</i></p> <p><i>After sending you my previous email, the representatives from kaMahole Inc informed me that an international organisation would be providing the funding for the mixed-use residential and commercial project. However, this would only take place once we have completed the design development stage of the project and therefore the first payment of our fees would only take place on completion of work stage three.</i></p> <p><i>Please assess this arrangement by answering the questions below (question 3.4)</i></p> <p><i>Thank you kindly,</i> <i>Chifundo Abioye</i> <i>ChiAbi Architects</i></p>			
3.4	1.	Provide the name of this type of arrangement regarding the payment of fees for architectural services. <i>Deferred Remuneration</i> <i>SAIA Study Aid 14.4</i>	(2)
	2.	Describe THREE (3) factors for an architectural practice to consider before agreeing to such arrangement (3 marks each). <i>Any of the following considerations (3 marks each – 9 marks total).</i> <ul style="list-style-type: none"> ▪ <i>the possibilities of not securing the appointment as an architectural professional, or not being paid the services that are provided – particularly during the initial work stages of the project.</i> ▪ <i>refuted or limited claims for losses from professional indemnity insurance cover, as well as increased insurance premiums in future</i> ▪ <i>guideline project-based professional fees published by SACAP do not compensate for architectural services that are provided at risk.</i> ▪ <i>the client may hold the architectural professional responsible for losses that were suffered due to inadequate or omitted professional services.</i> ▪ <i>the possibility of allocating too much time and effort on a project without receiving appropriate financial compensation, which may result in less attention to existing projects</i> 	(9)

QUESTION 4 – Procurement + Pricing Strategies

30 marks

4.1	<p>1. Provide the full name of the statutory body that publishes standards for the uniformity of construction procurement in South Africa. (2)</p> <p><i>Construction Industry (1 mark) Development Board (1 mark)</i></p> <p><i>NOTE: "CIDB" = 1 mark only</i></p> <p><i>SAIA Study Aid 21.2.2</i></p>	
	<p>2. Describe the purpose for publishing these standards. (4)</p> <p><i>To improve industry performance and improved value (2 marks) and engender a culture of consistency and predictability within the procurement process (2 marks)</i></p> <p><i>SAIA Study Aid 21.2.2</i></p>	
4.2	<p>Describe THREE (3) characteristics of each of the following construction pricing strategies (3 marks each)</p> <p>1. Bill of quantities (9)</p> <p><i>Answers to be evaluated on merit (3 marks for each characteristic – 9 marks total)</i></p> <p><i>NOTE: summary sourced from cidb (www.cidb.org.za):</i></p> <ul style="list-style-type: none"> ▪ Bill of quantities is the most common form of a pricing strategy where the contractor undertakes construction on the basis of full designs issued by the employer. ▪ The employer arranges for the bill of quantities to be prepared, usually in accordance with a standard system of measurement. ▪ This bill of quantities breaks the work down into a number of items which the contractor is required to price. ▪ The contractor is paid an amount for work completed based on the rate in the bill of quantities multiplied by the quantity of work completed. <p><i>SAIA Study Aid (21.4.3)</i></p> <p>2. Schedule of rates (9)</p> <p><i>Answers to be evaluated on merit (3 marks for each characteristic – 9 marks total)</i></p> <p><i>NOTE: summary sourced from cidb (www.cidb.org.za):</i></p> <ul style="list-style-type: none"> ▪ Schedules of rates are used where employers are unsure of the exact quantities that will be required during the contract. ▪ Schedules of rates identify the items which will probably be constructed. ▪ The contractor is required to submit rates only for each item and is paid an amount for work completed based on the rate in the schedule of rates multiplied by the quantity of work completed <p><i>SAIA Study Aid (21.4.3)</i></p>	
4.3	<p>As part of the procurement process for the construction of a new office development in Midrand, five contractors were invited to provide their tender offers which were to be submitted on 14 April 2023 at 12h00.</p> <p>On the due date of the submission, four contractors had duly submitted their tender documentation on time. Shortly after 12h00, the principal agent was in the process of opening these submissions when the fifth contractor arrived indicating that there was a delay due to heavy traffic.</p> <p>The employer, who was present at the time, requested that the principal agent also open the tender submission of this contractor. One of the contractors that had submitted on time indicated that they would strongly object to the acceptance of this late submission.</p>	

1.	Indicate whether or not the principal agent would be obliged to comply with the client's request to accept the late tender submission.	(2)
	The principal agent WOULD BE obliged to comply with the client's request to accept the late tender offer. <i>SAIA Study Aid (21.4.3)</i>	
2.	Provide the reasons for your answer.	(4)
	<i>Answers to be evaluated on merit. The following is an outline of valid reasons:</i> Although the invitation to tender may have stipulated the due date and time, the employer is entitled to waive this prerequisite. There is no contractual nexus between the employer and the tendering contractors and therefore no rights or obligations between these parties. <i>SAIA Study Aid 21.2.2</i>	

QUESTION 5 – JBCC Contract Administration

30 marks

<p>You are working as a candidate for Sibiyi Architects (Pty) Ltd. Sibiyi Architects (Pty) Ltd has been appointed to provide the standard (full) scope of architectural services on a new residential project for Dr and Mrs Sylvia Medlev in Mafikeng in the North West province.</p> <p>Every two weeks, you have accompanied Ms Mina Sibiyi (the project architect) to site to carry out inspections and hold site progress meetings with the contractor. Following the last site progress meeting, you received the following email message from Ms Mina:</p>
<p><u>Email message from Mina Sibiyi:</u></p> <p>Dear Candidate,</p> <p>223-DSR: Medlev Residence, Mafikeng</p> <p>Alessandro Baldoni, the Contractor for above project has sent the email message below to our clients and copied me in his message. Mr Baldoni has raised several concerns in relation to the project. While I understand that Primi Progetti is under tremendous pressure to complete this project on time, the statements made are incorrect.</p> <p>To streamline the letter that I wish to send to both parties, please summarise the reason why each of the concerns raised by the contractor is incorrect in terms of the JBCC Principal Building Agreement.</p> <p>I look forward to your input.</p> <p>Mina Sibiyi Director: Sibiyi Architects (Pty) Ltd Professional Architect: SACAP 1029740</p>
<p><u>Email message from Alessandro Baldoni of Primi Progetti (Pty) Ltd:</u></p> <p>Dear Dr Medlev,</p> <p>Mafikeng Project</p> <p>This message has been a long time in the making, and I feel that must air some grievances that I have with way that this project is progressing. Please note the following FOUR items of concern that I wish to raise:</p>

- 1) item ONE:
You have shared your unhappiness with the slow progress on site but in my opinion my job is to construct the building as best as I can under these conditions. As you are aware, my company is based in Johannesburg and therefore things unfortunately take longer than planned: this is just how it goes when one has a project in Mafikeng.

- 2) item TWO:
The architect Mina has been pestering me repeatedly in our site progress meetings to provide her with an updated construction program. This is not how my business operates: how we plan the works is none of her concern. Construction of this type of project takes time and programs are a waste of our time!

- 3) item THREE:
After each-and-every site progress meeting, the architect issues ANOTHER inspection report which lists things that she thinks have not been done correctly. Every week there are more and more things that she thinks are wrong. I know she will always agree with you to keep you happy because you are paying her at the end of the day, but it is getting a bit much. It is not up to architect to keep creating these lists of things that are wrong!

- 4) item FOUR:
Last month she deducted a big amount from our monthly payment claim because she thought that there were a few "defects". Small things such as a tiny chip in a basin, a door that swings the wrong way or a bit of missing brickforce that could all be fixed in one afternoon. If anything is deducted from our payment claim next month, we will be forced to down tools and walk off site due to a lack of cashflow!

In conclusion, I must tell you that I oversee the construction of this project. My team and I must be allowed to do what we need in order to complete the project according to our own timeframe and without any more interferences.

Regards,

Alessandro Baldoni
Director: Primi Progetti (Pty) Ltd

5.1	Draft your response to the issues raised by the main contractor, with reference to the relevant JBCC clauses, as requested by the project architect: (2 marks clause, 4 marks response)		
	How many marks per clause? How many marks per question?		
	1.	Contractor's item of concern ONE:	(6)
		<i>Answers to be evaluated on merit</i>	
		<i>SAIA Study Aid (21.4.3)</i>	
	2.	Contractor's item of concern TWO:	(6)
		<i>Answers to be evaluated on merit</i>	
		<i>SAIA Study Aid (21.4.3)</i>	
	3.	Contractor's item of concern THREE:	(6)
		<i>Answers to be evaluated on merit</i>	
		<i>SAIA Study Aid (21.4.3)</i>	
	4.	Contractor's item of concern FOUR:	(6)
		<i>Answers to be evaluated on merit</i>	
		<i>SAIA Study Aid (21.4.3)</i>	

5.2	Provide TWO (2) reasons why it may be said that there is no legal definition of "practical completion" in terms of a building contract (3 marks each).	(6)

QUESTION 6 – Business of Architecture

15 marks

6.1	Describe THREE (3) circumstances in which a claim against an architectural professional's Professional Indemnity insurance may be refused (3 marks each).	(9)
	<i>Each of the following circumstances (3 marks each – 9 marks total):</i>	
	<ul style="list-style-type: none"> ▪ Any activities undertaken by the architectural professional which might be regarded as not within his/her normal activities. ▪ Carrying out a full service for less than an adequate fee. ▪ Failure to give immediate notice of a possible claim. 	
	<i>SAIA Study Aid (10.2)</i>	
6.2	Describe TWO (2) differences between a "sole proprietorship" and a "private company" as types of business entities (3 marks each).	(6)

QUESTION 7 – Dispute Resolution

10 marks

7.1	Describe THREE (3) characteristics of arbitration as an alternative dispute resolution method (2 marks each).	(6)
	<i>Answers may include the following (2 marks for each characteristic – 6 marks total):</i>	
	<ul style="list-style-type: none"> ▪ There must be an arbitration agreement between the parties. ▪ There must be a dispute or a difference arising out of the contract. ▪ The precise procedure set down in the arbitration agreement must be followed. ▪ Any written notices must be given within the time specified. ▪ Unless it is specifically agreed between both parties and the Arbitrator, the Arbitrator will not make any investigation or seek out facts for himself. The onus is on the parties to lay all the evidence before him. ▪ At the hearing, each party has the opportunity to submit oral evidence in support of his case and the other party has the opportunity to cross-examine to <u>test/evaluate</u> the validity of this evidence. ▪ The Arbitrator will require his fees to be paid in full before he delivers his award. ▪ The party who is substantially successful will be awarded costs. ▪ There is no appeal, and the award is final and binding on the parties. 	
	<i>SAIA Study Aid (18.4)</i>	
7.2	Describe the obligation of the employer and the contractor when a dispute has been declared in terms of the JBCC Principal Building Agreement.	(4)
	<i>The parties must continue to perform their contractual obligations (2 marks) regardless of whether there is a dispute (2 marks).</i>	
	<i>SAIA Study Aid (22.1)</i> <i>JBCC Principal Building Agreement</i>	