

TEST 3 OF 3
Advanced Challenge

Expert-Level Assessment — clause-specific, scenario-based, MCC nuances on base FIDIC

Based on: MCA Staff Training Programme — Videos 1–10 | FIDIC 1999 with MCC Particular Conditions

Instructions: Choose the single best answer for each question.

Questions: 30 | Time Allowed: 45–60 minutes | Passing Score: 22/30 (73%)

Name: _____ Date: _____

QUESTIONS

1. The Contractor submits their monthly Statement to the Engineer on 1 April. The Engineer issues the Interim Payment Certificate on 22 April. Under the FIDIC contract, what is the absolute latest date by which the Employer must pay? (April = 30 days; May = 31 days.)
 - A) 20 May — 28 days after the Certificate was issued
 - B) 27 May — 56 days after the Statement was submitted
 - C) 3 June — 42 days after the Certificate was issued
 - D) 22 May — 30 days after the Certificate was issued
2. Under the MCC Particular Conditions amendment to Sub-Clause 3.5, a party disagrees with an Engineer's determination and wants to challenge it under Clause 20. What must they do and by when?
 - A) Give a notice of dissatisfaction to the DAB within 28 days of receiving the determination
 - B) Give a notice of disagreement to the Engineer and the other party within 28 days of receiving the determination — failing which, the right to challenge is permanently barred
 - C) File for arbitration within 56 days of the determination
 - D) Notify MCC within 14 days and await their guidance
3. The Engineer notifies the Contractor on 1 March that a revised programme fails to comply with the contract. Under the MCC Particular Conditions, by what date must the Contractor submit a further revised programme before the Performance Security increase penalty applies?
 - A) 29 March — 28 days later

- B) 22 March — 21 days later
- C) 15 March — 14 days later
- D) 8 March — 7 days later

4. A Contractor encounters what they believe are unforeseeable physical conditions on 3 June. They give written notice to the Engineer on 2 July — 29 days later. What is the consequence under Sub-Clause 20.1?

- A) The claim is valid — 29 days is within reasonable tolerance of the 28-day period
- B) The Engineer may grant a partial time extension at their discretion
- C) The entitlement is lost entirely — the 28-day time bar has passed and the Employer is fully discharged from liability
- D) The Contractor may still claim if they can demonstrate the delay was justifiable

5. A variation is instructed that individually would increase the Accepted Contract Amount by 4% (below the Employer approval threshold). However, cumulative variation orders now total 11% of the Accepted Contract Amount. What approvals are required?

- A) None — since the individual variation is below the threshold, the Engineer proceeds independently
- B) Employer approval only, since it is the Employer's threshold that is triggered
- C) MCC and the MCA Board must both approve, because the cumulative total has exceeded 10%
- D) The Engineer must reject the instruction — the 10% cumulative cap is a hard ceiling

6. The Engineer makes a determination awarding the Contractor a 45-day time extension. Three months later, the Engineer reviews the matter and wants to reduce it to 30 days based on new programme information. Can they do this?

- A) Yes — new programme information always justifies a revised determination
- B) Yes — with both parties' written consent
- C) No — under Sub-Clause 8.4, time extensions can only increase, never decrease
- D) No — only the DAB can revise a determination once issued

7. Under the MCC version of Sub-Clause 20.7, if the Employer refuses to pay a sum awarded in a binding DAB decision, which steps must the Contractor follow before commencing arbitration?

- A) Refer the failure back to the DAB and wait 84 days for a new decision
- B) Give a new notice of dissatisfaction and wait 56 days before commencing arbitration
- C) Attempt amicable settlement under Sub-Clause 20.5 first, then arbitrate
- D) Refer directly to arbitration for summary or expedited relief — Sub-Clauses 20.4 and 20.5 do not apply

8. A Contractor's claim notice is given orally on day 24 after the trigger event. Written confirmation is provided on day 31. Under Sub-Clause 20.1, has the time bar been met?

- A) Yes — oral notice within 28 days is sufficient under FIDIC
- B) Yes — the written confirmation on day 31 is within a reasonable period after the oral notice
- C) No — Sub-Clause 20.1 requires written notice. The oral notice does not satisfy the requirement, and the written notice on day 31 is out of time
- D) It depends on whether the Engineer acknowledged the oral notice in writing within 7 days

9. Under Sub-Clause 13.2 (Value Engineering), the Contractor proposes a change that would save \$600,000 on a lump-sum Yellow Book contract. The Engineer approves it. How are the savings allocated?

- A)** The full \$600,000 reduces the Contract Price — the Contractor receives no share
- B)** The Contractor keeps the full saving as additional profit
- C)** The Contractor retains an agreed portion of the saving, and the Contract Price is reduced by the remainder
- D)** MCC decides the allocation of savings as part of its oversight role

10. Under the FIDIC Yellow Book, the Engineer reviews a Contractor's Document submitted for approval but gives no response within the review period. Which statement is correct?

- A)** The document is deemed rejected — the Contractor cannot proceed
- B)** The Engineer is deemed to have approved the document upon expiry of the review period
- C)** The review period is automatically extended by a further 21 days
- D)** The Employer must step in and review the document directly

11. The Engineer, acting without first obtaining Employer approval, grants a 60-day time extension for unforeseeable physical conditions under Sub-Clause 4.12. How should this situation be characterised?

- A)** The determination is void — Employer approval is a precondition for any validity
- B)** The Engineer has exceeded the scope of their delegated authority under the MCC Particular Conditions, but the determination remains binding unless challenged through the dispute resolution process
- C)** MCC can unilaterally override the determination through its governance role
- D)** The Employer must ratify the determination within 28 days or it lapses automatically

12. Under Sub-Clause 1.9 (Errors in the Employer's Requirements, Yellow Book), the Employer's Requirements contain an error that an experienced Contractor exercising due care would not have discovered during tender. What is the Contractor's full entitlement?

- A)** Nothing — design responsibility under the Yellow Book means the Contractor accepted all Employer's Requirements risks
- B)** A time extension only — no cost entitlement
- C)** Additional cost only — no time extension or profit
- D)** A time extension plus additional cost plus reasonable profit

13. Under Sub-Clause 2.3, the MCA has a separate utility contractor relocating power lines on the same site. Their delays cause the main Contractor to lose 3 weeks of productivity. What is the correct contractual characterisation?

- A)** The utility contractor's delays are a force majeure event the main Contractor must absorb
- B)** Under Sub-Clause 2.3, the Employer must ensure cooperation from other site contractors. This delay is Employer-attributable and entitles the Contractor to time and cost under Sub-Clause 8.4
- C)** The Contractor bears the risk as they should have programmed around the utility works
- D)** MCC must compensate the Contractor directly as the funding entity

14. Force majeure continues for 84 days. Neither party has given notice of termination. On day 85, the Contractor gives 7 days' notice of termination. What payment is the Contractor entitled to upon termination?

- A) Full contract value including profit on all remaining work
- B) Work done, cost of materials, reasonable demobilisation, and cost of equipment removal — but not profit on remaining work
- C) Demobilisation costs only
- D) Nothing — force majeure terminates all payment obligations

15. Under Sub-Clause 15.5, the Employer terminates for convenience with 28 days' notice. The Contractor claims the right to be paid for profit on the remaining work. Is this correct?

- A) No — the Contractor is paid only for work done and demobilisation costs
- B) No — the Contractor is paid under the force majeure payment provisions, which do not include profit on remaining work
- C) Yes — convenience termination always compensates the Contractor for their full anticipated profit
- D) Yes — under the MCC Particular Conditions, profit on remaining work is always included in convenience termination

16. A DAB decision is issued on 1 October. A notice of dissatisfaction is given on 28 October. On what date at the earliest may arbitration proceedings commence? (October = 31 days; November = 30 days.)

- A) 25 November — 28 days after the notice
- B) 27 November — 30 days after the notice
- C) 23 December — 56 days after the notice
- D) 26 December — 28 days after the 28-day amicable settlement period

17. Under Sub-Clause 6.15 of the MCC Particular Conditions, employment records must be maintained in a specific way. Which statement is accurate?

- A) Records must be submitted annually to MCC only
- B) Records must be maintained but are only produced on request by the Engineer
- C) Records must cover name, age, sex, hours, and wages — disaggregated by sex and age — and reported monthly to both the Engineer and Employer
- D) Records are required only for workers earning above a specified wage threshold

18. Under Sub-Clause 16.1, the Contractor gives 21 days' notice of intent to suspend due to non-payment. The Employer pays in full on day 20. Can the Contractor still suspend?

- A) Yes — the notice cannot be withdrawn once given
- B) No — payment within the 21-day notice period cures the default and removes the basis for suspension under that notice
- C) Yes — but only if the Employer also pays financing charges for the late payment
- D) The DAB must determine whether the suspension right persists

19. The MCC Particular Conditions add Sub-Clause 4.25. What does it require?

- A) Anti-corruption certification from the Contractor
- B) Preparation and implementation of a Social Analysis and Implementation Plan (SAIP)
- C) An expanded Health and Safety Management Plan covering all subcontractors
- D) A detailed eligibility register of all Contractor personnel

20. Before starting work in any area of the site on an MCC project with resettlement implications, what written confirmation must the Contractor obtain from the Engineer?

- A)** Confirmation that all utilities have been relocated from the area
- B)** Confirmation that the Resettlement Action Plan has been completed for that area
- C)** Confirmation that MCC has approved the programme for that area
- D)** Confirmation that the environmental baseline survey is complete

21. Under the FIDIC Yellow Book, the Engineer approves a Contractor's design document. That design later proves defective. Who bears liability, and why?

- A)** The Engineer bears liability — their approval transferred responsibility
- B)** Liability is shared equally between the Contractor and the Engineer
- C)** The Contractor bears liability — design responsibility is not transferred by Engineer review or approval under Sub-Clause 5.3
- D)** The Employer bears liability — they appointed the Engineer who approved the design

22. The Contractor notifies a claim for a 50-day time extension. The Engineer determines only 35 days is warranted. The Contractor disputes this. Under the MCC Particular Conditions, what must the Contractor do to preserve their right to challenge?

- A)** Refer directly to the DAB within 28 days of the determination
- B)** Give a notice of disagreement to the Engineer and the other party within 28 days of receiving the determination, or lose the right to challenge permanently
- C)** File for arbitration within 56 days
- D)** Submit supplementary cost evidence to the Engineer within 42 days

23. Under Sub-Clause 8.3, the Contractor's programme is received by the Engineer on day 27. What happens if the Engineer does not give notice of non-compliance within 21 days of receiving it?

- A)** The programme is deemed invalid and the Contractor must resubmit
- B)** The Engineer must give MCC 7 days to review the programme
- C)** The programme takes effect — the Contractor may proceed on the basis of that programme
- D)** The programme is deemed approved but only provisionally, pending formal Engineer confirmation

24. The MCC Particular Conditions state that MCC has the right to be an observer to any arbitration. What additional obligation does this create for the parties?

- A)** The parties must seek MCC's consent before commencing any arbitration
- B)** The arbitration must be conducted in English regardless of the contract language
- C)** Both parties must provide MCC with all pleadings, correspondence, transcripts, and awards within 10 days
- D)** MCC must appoint one of the three arbitrators as its representative

25. A Contractor terminates the contract for Employer default under Sub-Clause 16.2 due to prolonged non-payment. The Contractor has completed 70% of the works. The outstanding 30% would have generated \$2 million in profit. What does the Contractor receive?

- A)** Payment for work done only; the 30% profit is not recoverable
- B)** Payment for work done, materials, demobilisation, and \$2 million profit on the remaining 30%
- C)** The full contract value as liquidated damages for Employer breach

D) Payment is suspended pending DAB determination

26. The Employer's Requirements specify a minimum capacity of 5,000 litres/day. The Contractor's Proposal specifies 4,800 litres/day. Under the Sub-Clause 1.5 priority order, which governs?

- A)** The Contractor's Proposal — since they designed and priced to that specification
- B)** The Employer's Requirements — they are higher in the priority order and the Contractor's lower specification does not override them
- C)** The Engineer determines which specification governs based on practical feasibility
- D)** The parties negotiate the governing specification during construction

27. Under Sub-Clause 9.1 (Tests on Completion), how much notice must the Contractor give that they are ready for tests, and within what timeframe must the tests be carried out?

- A)** 14 days' notice; tests within 7 days
- B)** 7 days' notice; tests within 21 days
- C)** 21 days' notice; tests within 14 days after the notified date
- D)** 28 days' notice; tests within 21 days

28. Under the MCC Particular Conditions, what happens to the Performance Security requirement if the Contractor fails to mobilise all equipment and personnel as set out in the approved programme at commencement?

- A)** The Employer may immediately call the Performance Security
- B)** The Engineer issues a notice to correct with a 14-day cure period
- C)** The Contractor must increase the Performance Security by 2% of the Contract Price
- D)** MCC suspends disbursements until mobilisation is complete

29. In the Video 10 'Silent Engineer' scenario, the Engineer fails to respond to a variation proposal under Sub-Clause 13.3, and also fails to respond to a claim under Sub-Clause 20.1. What is the correct characterisation of silence in each case?

- A)** Silence on both variations and claims means automatic approval
- B)** Silence on variations means automatic approval; silence on claims means automatic rejection
- C)** Silence on variations does not mean approval; silence on claims (under MCC amendments) establishes deemed rejection, enabling DAB referral
- D)** The Engineer's silence in all circumstances allows the Employer to terminate the Engineer's appointment

30. A Contractor gives a valid 28-day written notice of claim, then submits their detailed claim on day 45 (3 days late). The MCC-amended 42-day Engineer response period expires with no response on day 87. Which most accurately describes the combined effect?

- A)** The entire claim is time-barred — the late detailed claim carries the same absolute bar as the 28-day notice
- B)** The 28-day initial notice was valid and preserves the entitlement; the late detailed claim (day 45) may affect quantum assessment but does not trigger an absolute bar; and the Engineer's non-response allows either party to escalate to the DAB
- C)** Both the late detailed claim and the late Engineer response render the claim void
- D)** The Engineer's non-response automatically approves the full claimed amount

