

PRACTICE EXAM 8: OREGON CCB SIMULATION (80 QUESTIONS)

Recommended Time: 200 Minutes | Passing Score: 56/80 (70%)

1. Martin Contracting LLC holds a Residential General Contractor endorsement. Martin is asked to renovate a 4,500squarefoot restaurant that is 16 feet tall. The total contract price is \$275,000. Can Martin perform this work under their current endorsement?

- A. Yes, because the building is under 10,000 square feet and under 20 feet tall, qualifying as small commercial
- B. Yes, because all singlestory nonresidential buildings qualify as small commercial regardless of contract price
- C. No, because the contract price of \$275,000 exceeds the \$250,000 alternative threshold for small commercial classification
- D. No, because restaurants are always classified as large commercial structures under Oregon law

2. A contractor's employee works the following schedule during a single workweek: Monday 10 hours, Tuesday 10 hours, Wednesday 10 hours, Thursday 10 hours, Friday 8 hours. The regular hourly rate is \$31.00. What is the employee's gross pay for the week?

- A. \$1,612.00, consisting of 40 regular hours at \$31.00 and 8 overtime hours at \$46.50
- B. \$1,488.00, consisting of 48 hours at the regular rate of \$31.00
- C. \$1,550.00, consisting of 50 hours at \$31.00 with no overtime for construction workers
- D. \$1,736.00, consisting of 48 hours at \$31.00 plus 8 hours at \$31.00 doubletime premium

3. A contractor is forming a new business and researching the advantages of different structures. Which statement accurately describes a key advantage of forming a corporation over a sole proprietorship?

- A. Corporations are exempt from federal income tax during the first three years of operation

- B. Corporations do not require registration with the Oregon Secretary of State
- C. Corporations have lower CCB license fees than sole proprietorships
- D. Corporations provide shareholders with limited personal liability for the business's debts and obligations

4. A contractor's takeoff for a residential project identifies the need for 3,400 square feet of exterior siding at \$5.75 per square foot, with a 12% waste factor. After completing the calculation, the contractor realizes they measured only three of the four exterior walls. What type of estimating error has occurred?

- A. A mathematical error in applying the waste factor to the measured quantities
- B. A takeoff error — the contractor missed an entire wall during the quantity survey
- C. A unit pricing error caused by using outdated material cost data
- D. An overhead allocation error that does not affect the direct material cost

5. A contractor operates a sole proprietorship using the name "Cascade Custom Homes." The contractor has not registered this name with the Oregon Secretary of State. A potential client searches the Secretary of State's database and finds no record of the business. What is the legal issue?

- A. "Cascade Custom Homes" is an assumed business name that must be registered with the Secretary of State
- B. The contractor must register "Cascade Custom Homes" as an LLC before using it for any commercial purpose
- C. No issue exists because sole proprietors are never required to register business names in Oregon
- D. The contractor must obtain a trade name permit from the CCB before advertising under this name

6. A contractor files a CCB license application. The application lists the business as nonexempt, but the contractor leaves the independent contractor certification section blank. What will happen?

- A. The CCB will process the application and assume the contractor is nonexempt based on the other information

- B. The CCB will approve the application provisionally and request the certification within 30 days
- C. The CCB will classify the business as exempt by default when the certification section is incomplete
- D. The CCB cannot process the application because the independent contractor certification section must be completed

7. A property owner hires a contractor for a \$14,000 kitchen remodel. The contract is signed at the contractor's office. The contractor provides the written contract, the Information Notice to Owner About Construction Liens, the Consumer Protection Notice, and the Notice of Procedure. Has the contractor met all notice requirements?

- A. No, because the contractor also needs to provide the Notice of Right to Lien to the property owner
- B. Yes, the contractor has provided all required notices for a residential contract of this value signed at the contractor's office
- C. No, because the contractor must also provide the OHSSA cancellation notice regardless of where the contract was signed
- D. No, because the contractor must also provide a copy of the CCB's dispute resolution handbook

8. A contractor's project schedule shows the following critical path: site prep (3 days) → foundation (7 days) → framing (10 days) → roofing (4 days) → exterior (6 days). The total critical path duration is 30 days. The contractor wants to complete the project in 26 days. How many days must be compressed from the critical path?

- A. 6 days, because 10% schedule compression requires reducing the longest activity by 60%
- B. 3 days, because only half of the total duration reduction is achievable through crashing
- C. 4 days, because the critical path must be compressed from 30 days to 26 days
- D. 2 days, because schedule compression is limited to the shortest critical path activity

9. A contractor's financial records show the following for a completed project: contract price \$82,000, materials \$26,500, labor \$21,800, equipment \$4,100, subcontractors \$13,200, job overhead \$5,600, and general overhead allocation \$6,560. What is the net profit?

- A. \$4,240
- B. \$82,000
- C. \$15,800
- D. \$8,400

10. Under Oregon law, when a contractor hires a subcontractor, the contractor must verify that the subcontractor holds a valid CCB license. If the contractor discovers midproject that the subcontractor's license has lapsed, what should the contractor do?

- A. Allow the subcontractor to finish their current scope of work before addressing the license issue
- B. File a complaint with the CCB against the subcontractor and withhold all future payments
- C. Require the subcontractor to submit a personal surety bond to continue working on the project
- D. Stop the subcontractor's work immediately and do not allow them to resume until their license is reinstated

11. A contractor's business plan identifies a target market of homeowners in the Bend, Oregon area who want energyefficient home upgrades. The plan describes the typical customer profile, local construction demand, and competitor pricing. This information appears in which section of the business plan?

- A. Financial projections section
- B. Market analysis section
- C. Executive summary section
- D. Services offered section

12. A property owner enters into a \$45,000 contract with a contractor for a home addition. After the project is substantially complete, the owner discovers that the contractor never provided the required Consumer Protection Notice. The owner files a CCB complaint. What penalty may the contractor face for the first offense?

- A. Automatic license revocation and a permanent ban from applying for a new CCB license
- B. A mandatory 16hour remedial education course with no monetary penalty
- C. A fine ranging from \$500 to \$1,000 for failure to provide required consumer notices
- D. A verbal warning with no monetary penalty for a firsttime notice violation

13. A contractor operating as a general partnership wants to convert to an LLC for liability protection. The partnership currently has an active CCB license. What happens to the CCB license during the conversion?

- A. The partnership's CCB license does not transfer to the LLC — the contractor must apply for a new license under the new entity

- B. The CCB will automatically convert the license from partnership to LLC upon receiving proof of the entity change
- C. The license remains valid for 90 days while the contractor files a change of entity form with the CCB
- D. The contractor may operate under the partnership license for up to one year while the LLC license is being processed

14. A contractor's takeoff for a concrete patio shows dimensions of 20 feet × 15 feet × 4 inches. The contractor applies a 5% waste factor. How many cubic yards of concrete should be ordered?

- A. 3.7 cubic yards
- B. 4.2 cubic yards
- C. 100 cubic yards
- D. 3.9 cubic yards

15. A contractor builds a new home and the property owner accepts the written warranty offer. Fourteen months after movein, the owner discovers that the roof is leaking due to improperly installed flashing. The owner contacts the contractor. Under ORS 701.320, what is the contractor's obligation?

- A. None, because the warranty expired 12 months after first occupancy
- B. The contractor must address the defective flashing under the warranty, as the specific warranty terms govern the contractor's obligations
- C. The contractor may charge the owner for repairs because the warranty only covers material defects, not workmanship
- D. The contractor must offer the owner a full refund of the original contract price as the sole remedy

16. Under Oregon's Home Solicitation Sales Act, the contractor must provide an oral explanation of the cancellation right at the time of signing. A contractor signs a contract at the homeowner's kitchen table, provides all written notices, but forgets to give the oral explanation. What is the consequence?

- A. The homeowner's cancellation right may continue indefinitely because the OHSSA requirements were not fully satisfied
- B. No consequence, because the written notices alone satisfy the OHSSA notification requirements
- C. The contractor receives a \$100 fine from the CCB for each oral explanation omitted

D. The cancellation right expires normally but the contractor must provide the oral explanation at the next site visit

17. A general contractor on a residential project pays the plumbing subcontractor \$8,000 for completed work. The plumbing subcontractor does not pay their pipe supplier \$3,200 for materials used on the project. The pipe supplier sends the homeowner a Notice of Right to Lien. What does this notice mean for the homeowner?

A. The homeowner must pay the \$3,200 directly to the pipe supplier within 30 days of receiving the notice

B. The homeowner's property is already subject to a lien and the owner must immediately hire an attorney

C. The homeowner's property may be subject to a lien if the pipe supplier is not paid, even though the homeowner already paid the general contractor

D. The notice is invalid because the homeowner has no contractual relationship with the pipe supplier

18. A contractor's employee is injured on a jobsite and is transported to the hospital. The emergency room treats the employee and releases them without overnight admission. The employee misses three days of work. Must the employer record this injury on the OSHA 300 log?

A. No, because only injuries resulting in overnight hospitalization are OSHA recordable

B. No, because the employee was treated and released the same day without overnight hospitalization

C. Yes, but only if the employee files a formal workers' compensation claim within five days

D. Yes, because the injury resulted in days away from work, making it OSHA recordable regardless of hospitalization

19. A contractor is evaluating two potential subcontractors for electrical work on a residential project. Subcontractor A bids \$12,000, has an active CCB license with RSC endorsement, current bond and insurance, and no CCB complaints. Subcontractor B bids \$9,500, has an active CCB license with RSC endorsement, current bond and insurance, but has three resolved complaints in the past two years. Which is the most prudent selection approach?

A. Select Subcontractor B because the lowest price is always the correct choice for competitive bidding

B. Evaluate both subcontractors holistically — review the nature of B's complaints, check references for both, and weigh price against reliability and risk

- C. Select Subcontractor A automatically because any contractor with complaints should be disqualified
- D. Reject both and rebid the electrical scope to obtain at least three competitive quotes

20. A contractor's profit and loss statement shows gross revenue of \$375,000. Cost of goods sold is \$243,750 and operating expenses are \$93,750. What is the net profit margin?

- A. 10%
- B. 35%
- C. 25%
- D. 15%

21. A contractor schedules a concrete pour for Wednesday morning. On Tuesday evening, the weather forecast predicts heavy rain for Wednesday and Thursday. The concrete supplier has already batched the concrete and loaded the trucks. What should the contractor do?

- A. Proceed with the pour as scheduled because cancellation fees for batched concrete are nonrefundable
- B. Cancel or postpone the pour — placing concrete in heavy rain can compromise the quality and structural integrity of the finished product
- C. Pour the concrete and cover it with plastic sheeting immediately after placement to protect it from rain
- D. Pour only half the scheduled amount and reschedule the remainder for the following week

22. A contractor operating as an LLC has three members: a mother, father, and their adult daughter. The LLC has one employee — a nonfamily construction laborer. How is this business classified for CCB purposes?

- A. Exempt, because all three members are immediate family and the classification is based on member relationships
- B. Exempt, because the LLC has three or fewer members and the single employee works fewer than 40 hours per week
- C. Nonexempt, because the employee count exceeds the twomember threshold for exempt classification
- D. Nonexempt, because the LLC has an employee who is not an immediate family member

23. A contractor's project requires a crane lift to place steel beams on a commercial building. The crane operator arrives at the site but cannot produce proof of certification. Under Oregon OSHA, what should the contractor do?

- A. Allow the operator to proceed if they have at least five years of documented crane operation experience
- B. Allow the operator to proceed under the direct supervision of the contractor's safety officer
- C. Do not allow the operator to perform the lift until they produce proof of applicable certification or qualification
- D. Contact Oregon OSHA to request a temporary operator waiver for the specific lift

24. A contractor's insurance portfolio includes general liability, workers' compensation, and commercial auto. The contractor begins a \$280,000 custom home project. The contract requires builder's risk insurance. Who typically purchases the builder's risk policy?

- A. Either the property owner or the contractor, depending on the terms specified in the construction contract
- B. The contractor exclusively, because all construction insurance is the contractor's responsibility
- C. The property owner exclusively, because the structure belongs to the owner during construction
- D. The contractor's subcontractors, who collectively share the cost of builder's risk coverage

25. Under Oregon law, a contractor who performs residential construction work totaling \$2,500 without providing a written contract is in violation of which statute?

- A. ORS 87.035, which governs the perfection of construction liens
- B. ORS 701.026, which governs subcontractor licensing requirements
- C. ORS 701.305, which requires written contracts for residential work exceeding \$2,000
- D. ORS 83.710, which governs the Home Solicitation Sales Act

26. A contractor completes a residential project and wants to ensure that all subcontractors and suppliers have been paid before releasing retainage to the general contractor. The property owner requests documentation proving payment. What document should the owner collect?

- A. A copy of the general contractor's quarterly tax return showing all subcontractor payments
- B. Lien waivers from each subcontractor and supplier confirming that they have been paid for all work and materials
- C. A notarized affidavit from the general contractor certifying that all business debts are current

D. A letter from the CCB confirming that no complaints have been filed against the general contractor

27. A contractor's CPM schedule identifies Activity R with an early start of Day 8 and a late start of Day 14. What is the total float for Activity R?

- A. 6 days
- B. 8 days
- C. 14 days
- D. 22 days

28. A contractor discovers moisture damage behind the walls of a bathroom they are remodeling. The original contract does not include moisture remediation. The contractor proceeds with remediation without obtaining a written change order, spending \$3,800 on additional work. The homeowner refuses to pay for the unrequested work. What is the contractor's legal position?

- A. The contractor can enforce payment because moisture remediation is an implied requirement of any bathroom remodel
- B. The contractor can deduct the \$3,800 from the homeowner's final payment under the doctrine of necessity
- C. The contractor can file a mechanics' lien for the full amount because the work added value to the property
- D. The contractor has limited recourse because the work was performed without a signed change order authorizing the additional scope and cost

29. A contractor's project involves working adjacent to a public sidewalk. Pedestrians regularly walk past the construction area. What safety obligation does the contractor have to protect the public?

- A. No obligation beyond the contractor's own jobsite boundaries — public sidewalk safety is the city's responsibility
- B. The contractor must protect the public by installing barriers, signage, and other measures to prevent injury from construction activities
- C. The contractor must close the sidewalk for the duration of the project and redirect pedestrian traffic
- D. The contractor's general liability insurance automatically covers any pedestrian injuries without the need for physical barriers

30. A contractor's business checking account shows the following monthly activity: beginning balance \$18,500, deposits from customer payments \$62,000, payments to suppliers \$28,000, payroll \$24,000, insurance premium \$3,200, and equipment rental \$4,800. What is the ending balance?

- A. \$62,000
- B. \$18,500
- C. \$20,500
- D. \$60,000

31. A contractor is bidding on a commercial project. The ITB requires a performance bond equal to 100% of the contract price. The contractor's bid is \$320,000. What is the purpose of the performance bond?

- A. To guarantee that the contractor will complete the work in accordance with the contract terms — if the contractor defaults, the bonding company may arrange for completion or pay damages
- B. To protect the contractor from nonpayment by the project owner during construction
- C. To reimburse the contractor for cost overruns exceeding 10% of the original contract price
- D. To provide workers' compensation coverage for all employees working on the commercial project

32. A contractor operating in Salem receives a project opportunity in Astoria, 150 miles away. Before bidding, the contractor should consider which additional costs?

- A. CCB license transfer fees for working outside the contractor's registered county
- B. Oregon OSHA regional permit fees that vary by geographic zone
- C. Additional travel costs for the crew to commute to a jobsite outside their home area
- D. Travel time, fuel costs, potential lodging expenses, and the logistical challenges of managing a remote project

33. Under Oregon's Construction Lien Law, a property owner who suspects that their general contractor is not paying subcontractors has the right to take which of the following actions?

- A. Withhold all remaining payments until the general contractor provides proof of payment to every subcontractor
- B. Demand a list of all subcontractors, suppliers, and equipment rental companies under ORS 87.027 and request lien waivers

- C. File a complaint with Oregon OSHA against the general contractor for financial mismanagement
- D. Contact each subcontractor directly and redirect payments from the general contractor to the subcontractors

34. A contractor enters into a unit price contract for grading and fill work on a commercial site. The contract specifies \$22.00 per cubic yard for fill material, placed and compacted. The estimated quantity is 1,800 cubic yards. After the project is complete, the surveyor measures 1,650 cubic yards actually placed. What does the owner owe?

- A. \$39,600, based on the original estimated quantity of 1,800 cubic yards
- B. \$36,300, based on the actual measured quantity of 1,650 cubic yards plus a 10% reconciliation fee
- C. \$36,300, based on the actual measured quantity of 1,650 cubic yards at \$22.00 per yard
- D. \$37,950, based on the average of the estimated and actual quantities

35. A contractor receives a stop work order from Oregon OSHA for an imminent danger condition — workers in an unshored trench at 7 feet depth. The contractor corrects the condition by installing a trench box and requests that Oregon OSHA lift the order. What must happen before work can resume?

- A. Oregon OSHA must verify that the hazard has been eliminated before the stop work order is lifted
- B. The contractor must file a corrective action report and wait 48 hours before resuming work
- C. The trench must remain unused for 24 hours to allow the soil to stabilize after the trench box installation
- D. The contractor must obtain a new excavation permit from the local building department

36. A contractor's employee is working on a ladder at a height of 8 feet, installing exterior light fixtures on a residential home. The employee is not using fall protection. Is this a violation of Oregon OSHA standards?

- A. No, because ladder work is exempt from fall protection requirements regardless of height
- B. No, because fall protection on ladders is only required above 10 feet in residential construction
- C. Yes, but only if the ladder is not properly secured at the base and top
- D. Yes, because fall protection is required at heights of 6 feet or more — however, the specific fall protection requirements for ladder use may differ from those for other elevated work surfaces

37. A contractor's project is 75% complete when the homeowner informs the contractor that they are selling the house and the new buyers want to change the remaining interior finishes. The contractor has a contract with the original homeowner, not the buyers. What should the contractor do?

- A. Complete the project per the existing contract with the original homeowner — any changes must be authorized by the contracting party
- B. Stop all work immediately until the property sale closes and the new buyers assume the contract
- C. Contact the new buyers directly and negotiate changes to the remaining scope of work
- D. File a Notice of Right to Lien against the property to protect payment rights during the ownership transition

38. A contractor's takeoff identifies that a residential project needs 22 interior doors (count measurement), 1,460 linear feet of baseboard (linear measurement), 2,800 square feet of drywall (area measurement), and 14 cubic yards of concrete (volume measurement). The contractor forgets to include the waste factor on the drywall. If the actual waste rate is 12%, how many square feet of drywall will the contractor be short?

- A. 336 square feet
- B. 280 square feet
- C. 224 square feet
- D. 392 square feet

39. Under Oregon law, a contractor must retain copies of required consumer notices (Information Notice, Consumer Protection Notice, Notice of Procedure) for at least how long?

- A. One year from the date of project completion
- B. Three years from the date of the final inspection
- C. Two years from the date the notices were provided
- D. Five years from the date the contract was signed

40. A contractor's overhead analysis reveals the following annual expenses: office lease \$21,600, office manager salary \$44,000, vehicle payments and insurance \$16,800, phone and internet \$3,600, marketing and advertising \$7,200, CCB license and bond fees \$2,400, and accounting fees \$4,800. What is the total annual general overhead?

- A. \$21,600

- B. \$100,400
- C. \$44,000
- D. \$50,200

41. A contractor's project budget shows that materials represent 38% of total costs. If total project costs are \$94,000, what is the materials budget?

- A. \$35,720
- B. \$56,280
- C. \$94,000
- D. \$9,400

42. A contractor's employee is using a pneumatic nail gun on a framing project. The manufacturer's Safety Data Sheet for the gun's hydraulic oil requires chemical-resistant gloves when servicing the tool. The employee services the nail gun without gloves and develops a skin irritation. Under the HazCom standard, who is responsible?

- A. The nail gun manufacturer, who should have designed the tool to eliminate chemical exposure
- B. The employee, who should have read the manufacturer's service manual before performing maintenance
- C. The employer, who must train employees on chemical hazards and ensure proper PPE is used when required by the SDS
- D. Oregon OSHA, which should have inspected the tool before it was used on the construction project

43. A contractor's project involves installing a commercial elevator in a new office building. The elevator subcontractor requires a 16-week lead time for fabrication and delivery. The elevator installation is scheduled to begin at Week 24 of the project. By what week must the contractor issue the purchase order?

- A. Week 8 or earlier, allowing the fabrication and delivery to be complete before the installation start date
- B. Week 8, because 24 minus 16 equals 8
- C. Week 16, because the purchase order should be placed exactly one lead time before the project midpoint
- D. Week 12, because a 4-week buffer should be added to the 16-week lead time

44. A contractor's workers' compensation policy has a classification code rate of \$12.40 per \$100 of payroll. The contractor's experience modification rate is 0.92. The total annual payroll for that classification is \$280,000. What is the approximate annual workers' compensation premium?

- A. \$34,720
- B. \$28,000
- C. \$12,400
- D. \$31,942

45. Under Oregon law, an employer who willfully fails to pay final wages to a discharged employee on time faces penalty wages that accrue at what rate?

- A. Eight hours per day at the employee's regular hourly rate, from the date wages were due until paid
- B. Four hours per day at double the employee's regular rate from the date of discharge
- C. Twelve hours per day at the employee's regular rate for a maximum of 30 days
- D. The full daily wage rate for each calendar day the payment is late, including weekends and holidays

46. A contractor is reviewing their insurance portfolio and wants to understand the difference between "occurrence" policies and "claimsmade" policies. Which statement correctly describes the difference?

- A. Occurrence policies cover claims filed within 30 days of the incident, while claimsmade policies have no filing deadline
- B. Occurrence policies are only available for commercial projects, while claimsmade policies are for residential work
- C. Occurrence policies require the contractor to renew coverage annually, while claimsmade policies are onetime purchases
- D. Occurrence policies cover incidents that happen during the policy period regardless of when the claim is filed, while claimsmade policies cover claims filed during the policy period regardless of when the incident occurred

47. A contractor operating as a sole proprietor wants to protect their personal residence from business liabilities. Forming an LLC would provide this protection. However, the contractor learns that the LLC's liability shield can be lost under certain circumstances. Which of the following actions could cause a court to "pierce the corporate veil" and eliminate the LLC's liability protection?

- A. Failing to obtain a surety bond in the amount required by the contractor's CCB endorsement
- B. Using the LLC's bank account to pay for personal expenses and failing to maintain the LLC as a separate entity
- C. Commingling personal and business funds, failing to maintain the LLC as a separate legal entity, or personally guaranteeing a business debt
- D. Hiring employees without providing workers' compensation insurance as required by law

48. A subcontractor on a residential project completes their work on March 20. The general contractor does not pay the subcontractor. The subcontractor sends a Notice of Right to Lien to the property owner on April 5. What portion of the subcontractor's work is protected by the lien notice?

- A. All work performed from the commencement of the improvement through project completion
- B. Only the work and materials furnished from April 5 forward — work completed before the notice is not protected
- C. All work performed within 15 days before the notice date, plus all future work
- D. No work is protected because the notice was sent after the subcontractor's work was already complete

49. A contractor's project schedule shows that Activity S is scheduled to start on Day 10 and finish on Day 18 (duration of 8 days). The activity actually starts on Day 12 and finishes on Day 22 (actual duration of 10 days). What two schedule variances occurred?

- A. A 2day late start and a 2day duration overrun, resulting in a 4day finish delay
- B. A 2day late start and an 8day duration, resulting in a 2day finish delay
- C. A 4day late start and no duration overrun, resulting in a 4day finish delay
- D. No variances because the activity was completed within the overall project timeline

50. A contractor's estimate for a commercial project includes a 15% general overhead rate. During the project, the contractor's office manager quits and the contractor decides not to replace them for six months. This reduces actual overhead expenses by \$22,000 for the year. How should the contractor handle the overhead rate for future estimates?

- A. Continue using the 15% rate because overhead rates should be based on longterm averages, not shortterm fluctuations
- B. Immediately reduce the overhead rate to reflect the current lower expense level
- C. Eliminate the overhead allocation entirely until the office manager position is filled
- D. Recalculate the rate quarterly and adjust all active project budgets retroactively

51. A contractor discovers that a building permit was issued with an error — the permitted square footage is 1,200 sq ft, but the approved plans show 1,400 sq ft. The contractor has not yet begun construction. What should the contractor do?

- A. Begin construction based on the approved plans because the plans take precedence over the permit
- B. Build to 1,200 sq ft as stated on the permit and modify the plans to match
- C. Notify the building department of the discrepancy and request a corrected permit before beginning work
- D. Proceed with construction at 1,400 sq ft and address the permit discrepancy during the final inspection

52. A contractor's employee is exposed to respirable crystalline silica while cutting concrete with a handheld saw on a commercial project. The contractor provides the employee with a standard dust mask rated N95. Under Oregon OSHA's silica standard, is this adequate?

- A. Yes, because an N95 dust mask provides sufficient protection against all types of construction dust
- B. No, because the silica standard requires implementation of Table 1 engineering controls (such as a wetcutting method or vacuum dust collection system) as the primary exposure control, with respiratory protection as a supplement when needed
- C. Yes, because OSHA's silica standard only requires respiratory protection for indoor cutting activities
- D. No, but the contractor may substitute the N95 for a surgical mask if the cutting duration is under 30 minutes

53. A contractor receives a phone call from a prospective client who wants a "rough idea" of what a wholehouse renovation would cost. The contractor, based on experience with similar projects, provides a verbal range of \$150,000 to \$250,000. The client later claims the contractor committed to \$150,000 as the project price. What estimating principle does this scenario illustrate?

- A. The importance of using unit price estimates for all residential renovation projects
- B. The risk of providing assembly estimates without performing a detailed takeoff
- C. The importance of documenting scope and price in a written contract before beginning work
- D. The danger of ballpark estimates being misinterpreted as contract prices — verbal ranges should be followed with written documentation clearly labeling the estimate as preliminary

54. Under Oregon's Construction Lien Law, when an improvement to real property is abandoned before completion, the 75day lien filing period begins on which date?

- A. The date that work ceased on the improvement, as determined by the last day of actual work activity
- B. The date the property owner notifies the CCB that the project has been abandoned
- C. The date the building department issues a stop work order due to project inactivity
- D. 60 days after the last building inspection was performed on the project

55. A contractor's daily log entry reads: "April 14 — Owner requested we move the laundry room from the first floor to the second floor. I told her we could probably do it. Will work up numbers." The contractor proceeds with the relocation but never prepares a formal change order. Two months later, the owner disputes the \$6,200 additional charge. What documentation failure occurred?

- A. The contractor failed to notify Oregon OSHA of the scope change before beginning the additional work
- B. The contractor failed to file the change order with the CCB's project modification registry
- C. The contractor failed to prepare a written change order documenting the scope change, cost impact, and obtaining the owner's signature before performing the work
- D. The contractor failed to obtain three competitive bids for the laundry room relocation before proceeding

56. A contractor's project involves installing a new natural gas line to a residential home. The contractor subcontracts the gas line work to a plumbing company. Under Oregon law, the plumbing company must hold which licenses?

- A. A CCB license only — the Building Codes Division license is optional for gas line work
- B. Both a CCB license with proper endorsement and a plumbing license from the Building Codes Division
- C. A Building Codes Division plumbing license only — gas line work is exempt from CCB licensing
- D. A special gas piping endorsement from Oregon OSHA in addition to the standard CCB license

57. A contractor's project schedule shows three activities that must all be completed before the final inspection can be scheduled: interior painting (3 days remaining), fixture installation (2 days remaining), and final cleaning (1 day remaining). All three activities can proceed simultaneously. What is the minimum time needed before the final inspection?

- A. 3 days, because all three activities proceed in parallel and the longest determines the minimum duration
- B. 6 days, because all three activities must be completed sequentially before the inspection
- C. 2 days, because the average duration of the three activities is the controlling factor
- D. 1 day, because the shortest activity determines when inspection scheduling can begin

58. A contractor's general liability insurance policy has a \$500,000 peroccurrence limit and a \$1,000,000 aggregate limit. During the policy year, the contractor has three claims: \$200,000, \$350,000, and \$150,000. How does the aggregate limit affect coverage?

- A. Each claim is paid in full because none exceeds the peroccurrence limit of \$500,000
- B. The first two claims are paid in full, but the third claim is partially covered because the aggregate limit reduces the remaining available coverage
- C. All three claims are paid in full because the total of \$700,000 is under the \$1,000,000 aggregate limit
- D. The total of \$700,000 is paid because it is below the \$1,000,000 aggregate, and each individual claim is below the \$500,000 peroccurrence limit

59. A contractor operating in Eugene, Oregon wants to bid on a project in Klamath Falls, 220 miles away. The project will take approximately six weeks. What logistical factors should the contractor consider that may increase project costs?

- A. The contractor must obtain a separate CCB license for Klamath County before bidding
- B. Crew travel time and mileage, potential lodging expenses, per diem costs, and the challenge of managing a remote jobsite
- C. The contractor must register with the Klamath Falls Chamber of Commerce before performing any work
- D. Oregon OSHA requires a separate safety plan for projects located more than 100 miles from the contractor's home office

60. A contractor's project involves removing and replacing a flat commercial roof. The existing roof membrane contains asbestosreinforced felt. Under Oregon regulations, what must the contractor do before disturbing this material?

- A. Apply an encapsulant to seal the asbestos fibers before removing the roof membrane
- B. Notify the local fire department that asbestos will be disturbed during the roofing project
- C. Follow Oregon OSHA's asbestos standard for construction, which includes worker training, proper containment, air monitoring, and licensed asbestos abatement if required
- D. Obtain a letter from the property owner acknowledging that asbestos is present and authorizing removal

61. A contractor's accounts receivable aging report shows the following: \$42,000 current (0–30 days), \$18,000 at 31–60 days, \$12,000 at 61–90 days, and \$8,000 at 91+ days. What is the total accounts receivable, and which category poses the greatest collection risk?

- A. Total \$80,000; the 91+ day category poses the greatest risk because receivables become harder to collect the longer they remain unpaid
- B. Total \$80,000; the current category poses the greatest risk because it represents the largest dollar amount
- C. Total \$42,000; only the current category is considered accounts receivable under standard accounting rules
- D. Total \$80,000; the 31–60 day category poses the greatest risk because it represents the transition from current to delinquent

62. A contractor is preparing a competitive bid for a public road improvement project. The ITB specifies that the lowest responsible and responsive bidder will be awarded the contract. What does "responsible" mean in this context?

- A. The bidder who demonstrates the most years of construction experience in road improvement
- B. The bidder who meets all qualification requirements including licensing, bonding capacity, insurance, and financial stability to perform the work
- C. The bidder who provides the most detailed cost breakdown for each line item in the bid
- D. The bidder whose references include at least three completed projects of similar scope and value

63. A contractor's employee discovers a previously unknown underground storage tank while excavating for a residential foundation. Liquid is seeping from a corroded section of the tank. What is the contractor's immediate obligation?

- A. Stop excavation near the tank, evacuate workers from the immediate area, and notify the property owner and appropriate environmental authorities
- B. Continue excavating carefully around the tank and document its location for the property owner
- C. Remove the tank immediately to prevent further contamination of the surrounding soil
- D. Cover the tank with fill material and continue foundation work in a different area of the site

64. A contractor's foreman is responsible for daily jobsite safety. The foreman notices that a subcontractor's employee is working at a height of 10 feet on a scaffold without a hard hat. Overhead crane operations are in progress nearby. What should the foreman do?

- A. Note the violation in the daily log and discuss it with the subcontractor at the next weekly meeting
- B. Inform the subcontractor's employee and the subcontractor's supervisor that hard hat use is required immediately, and enforce compliance before allowing the worker to continue
- C. Contact Oregon OSHA to report the hard hat violation and wait for an inspector to arrive
- D. Ignore the violation because the employee works for the subcontractor, not for the general contractor

65. A property owner posts and records a Notice of Completion on a residential project on August 1. A plumbing subcontractor who last furnished labor on July 20 wants to file a Claim of Lien. What is the filing deadline?

- A. October 3 (75 days after July 20)
- B. The earlier of 75 days after July 20 or 75 days after August 1 — in this case, October 3
- C. October 15 (75 days after August 1)
- D. September 18 (60 days after July 20)

66. A contractor enters into a lump sum contract for \$165,000 to remodel a commercial office space. During construction, the contractor discovers that the existing electrical panel must be replaced — a \$7,500 cost not included in the original estimate. The contractor does not have a contract clause addressing unforeseen conditions. Who bears this cost?

- A. The property owner, because unforeseen conditions are always the owner's responsibility
- B. The electrical subcontractor, who should have identified the panel issue during the bidding phase
- C. Both parties split the cost under the standard commercial unforeseen conditions protocol
- D. The contractor, because a lump sum contract fixes the price and the contractor assumes the risk of unforeseen conditions unless the contract provides otherwise

67. A contractor's project requires GFCI (groundfault circuit interrupter) protection for temporary power used during construction. Under Oregon OSHA electrical safety standards, GFCI protection is required for which of the following?

- A. All 120volt, singlephase, 15 and 20ampere receptacle outlets used for temporary power during construction
- B. Only circuits serving power tools rated at 15 amperes or higher

- C. Only circuits in wet or damp locations on the construction site
- D. Only circuits serving equipment that is directly connected to the building's permanent electrical system

68. A contractor's takeoff for a commercial project identifies 8,400 square feet of suspended acoustic ceiling tile. The tiles come in boxes of 64 square feet each. How many boxes must the contractor order, assuming a 5% waste factor?

- A. 131 boxes ($8,400 \div 64$, rounded up)
- B. 126 boxes ($8,400 \times 0.95 \div 64$, rounded up)
- C. 138 boxes ($8,400 \times 1.05 \div 64$, rounded up)
- D. 145 boxes ($8,400 \times 1.10 \div 64$, rounded up)

69. A contractor's employee quits on Friday at noon without providing any advance notice. The employee's final paycheck is due by when under Oregon law?

- A. By the end of the next business day (Monday)
- B. Within five business days or on the next regular payday, whichever comes first
- C. On Friday at noon, the moment the employee communicates their resignation
- D. Within 48 hours of the employee's last day of work, excluding weekends

70. A contractor is reviewing the results of their last five completed projects:

- Project 1: Estimated cost \$52,000, actual cost \$54,600
- Project 2: Estimated cost \$38,000, actual cost \$36,800
- Project 3: Estimated cost \$71,000, actual cost \$78,200
- Project 4: Estimated cost \$45,000, actual cost \$44,100
- Project 5: Estimated cost \$63,000, actual cost \$67,500

Which project had the largest cost overrun as a percentage of the estimate?

- A. Project 3, with a 10.1% cost overrun (\$7,200 over \$71,000)
- B. Project 5, with a 7.1% cost overrun (\$4,500 over \$63,000)
- C. Project 1, with a 5.0% cost overrun (\$2,600 over \$52,000)
- D. Project 2, which came in under budget and had no cost overrun

71. A contractor's project involves demolishing a residential garage and replacing it with a new detached structure. The garage was built in 2001. Under Oregon DEQ rules, what must the contractor do before demolition?

- A. Nothing additional, because asbestos surveys are only required for structures built before 1978
- B. Submit a demolition notification to the local building department at least 15 days before starting
- C. Obtain an environmental impact statement from the Oregon Department of Environmental Quality
- D. Have an accredited inspector conduct an asbestos survey because Oregon requires surveys for residential structures built before January 1, 2004

72. A contractor's estimate shows total direct costs of \$86,000. The contractor's general overhead rate is 16%. The contractor wants a 12% profit margin on the project. What is the correct selling price?

- A. \$86,000, because overhead and profit are included in the direct cost estimate
- B. \$107,000, calculated by adding overhead and then the selling price formula
- C. \$113,345, calculated by adding overhead to direct costs (\$99,760) and then dividing by $(1 - 0.12)$ to achieve a 12% margin
- D. \$109,120, calculated by adding 16% overhead and then 12% markup

73. A contractor is hired to install a backyard patio for a homeowner. The contract price is \$4,800. The contract is signed at the homeowner's backyard picnic table. The contractor provides all required written notices but does not provide the OHSSA oral explanation. Three months later, the homeowner is unhappy with the patio finish and wants to cancel the contract. Can the homeowner cancel?

- A. Yes, because the contractor failed to provide the OHSSA oral explanation, keeping the cancellation right open indefinitely
- B. No, because the homeowner's dissatisfaction with the finished work is a warranty claim, not a basis for cancellation
- C. Yes, but only if the homeowner files a CCB complaint within 30 days of discovering the finish issue
- D. No, because the threemonth delay constitutes waiver of all cancellation rights regardless of notice compliance

74. A contractor's project involves installing a fire alarm system in a commercial building. The fire alarm subcontractor must hold which licenses in Oregon?

- A. A CCB license only, because fire alarm installation is a standard construction trade

- B. A CCB license with proper endorsement and any applicable BCD electrical or fire alarm licenses required for the individuals performing the work
- C. An Oregon State Fire Marshal fire alarm installation permit only
- D. No licenses are required for fire alarm installation on commercial projects in Oregon

75. A contractor has 15 days of float on a noncritical activity and 0 days of float on a criticalpath activity. A supplier informs the contractor that a material delivery for the criticalpath activity will be 3 days late. What is the impact on the project?

- A. No impact, because the 15 days of float on the noncritical activity can be transferred to the criticalpath activity
- B. The project is delayed by 15 days because the float shortage cascades through the entire schedule
- C. The project is delayed by 3 days only if the contractor cannot crash any other criticalpath activities
- D. The project completion date is delayed by 3 days because criticalpath activities have zero float

76. A contractor provides an employee with a new chemical product — a commercialgrade concrete sealer — on Monday. The employee has never used this product before. Under the HazCom standard, when must the employer provide training on this new chemical?

- A. Within 30 days of the employee's first use of the product
- B. At the next scheduled quarterly safety meeting
- C. Before the employee uses the product, because training is required whenever a new chemical hazard is introduced
- D. Within 5 business days of the product arriving on the jobsite

77. A contractor's project budget allocates \$12,000 for job overhead (general conditions). Midway through the project, the contractor has spent \$9,500 on job overhead items. The project is 50% complete. What does this spending pattern indicate?

- A. The project is on budget because \$9,500 is within the \$12,000 allocation
- B. Job overhead is running over budget — at 50% completion, only \$6,000 should have been spent, indicating a \$3,500 overrun
- C. Job overhead spending cannot be evaluated at the midpoint because all general conditions costs are incurred at the end of the project
- D. The spending is normal because job overhead costs are typically frontloaded in the early phases of construction

78. A contractor's employee is working on a roof at a height of 20 feet when they notice that their safety harness shows signs of wear — frayed webbing near the D-ring connection. What should the employee do?

- A. Stop work immediately, descend from the roof, remove the harness from service, and report it to the supervisor for replacement
- B. Continue working for the remainder of the shift and report the harness condition at the end of the day
- C. Wrap the frayed area with electrical tape as a temporary repair and continue working
- D. Switch to a guardrail system and return the harness to the manufacturer for warranty evaluation

79. A contractor's CPM schedule shows the following path durations after a project update:

Path A: 34 days (originally 30 days)

Path B: 28 days (originally 32 days)

Path C: 31 days (originally 31 days)

Based on this update, which path is now the critical path, and what has changed?

- A. Path B is the critical path because it experienced the largest change from original duration
- B. Path C is the critical path because it remains unchanged and therefore most reliable
- C. All three paths are equally critical because they are within 6 days of each other
- D. Path A is now the critical path at 34 days, having increased from the original 30 days — the critical path shifted from Path B to Path A

80. A contractor completes a residential project and provides the homeowner with a final invoice. The homeowner pays the full amount. Six months later, the contractor receives a letter from the homeowner's attorney alleging construction defects and demanding \$15,000 in repairs. The contractor believes the work was performed correctly. What should the contractor do first?

- A. Ignore the letter because the homeowner already paid the full invoice, which constitutes acceptance of the work
- B. Notify the contractor's general liability insurance carrier, as the carrier has a duty to defend covered claims and should be involved from the outset
- C. File a CCB complaint against the homeowner for making a fraudulent defect claim
- D. Contact the homeowner directly and offer to pay half the claimed amount to settle the dispute quickly

Practice Exam 8: Answer Key and Explanations

- 1. C** — While the restaurant meets the size threshold for small commercial (under 10,000 sq ft and under 20 ft), the \$275,000 contract price exceeds the \$250,000 alternative threshold. A structure must meet at least one small commercial definition — since neither the primary size test nor the alternative price test is satisfied, it is classified as large commercial.
- 2. A** — Overtime is calculated per workweek: 40 regular hours \times \$31.00 = \$1,240, plus 8 overtime hours \times \$46.50 (1.5 \times \$31.00) = \$372. Total gross pay: \$1,612.00. Overtime applies to all hours exceeding 40 in a single workweek.
- 3. D** — Corporations exist as separate legal entities from their shareholders. This means shareholders are generally not personally liable for the corporation's debts, lawsuits, or obligations — a protection that sole proprietorships and general partnerships do not provide.
- 4. B** — A takeoff error occurs when the estimator fails to measure all components shown on the construction documents. Missing an entire exterior wall means the material quantities, labor hours, and costs for that wall are completely absent from the estimate, guaranteeing a cost overrun.
- 5. A** — "Cascade Custom Homes" is not the owner's real and true name — it is a trade name that must be registered as an Assumed Business Name with the Oregon Secretary of State. Operating under an unregistered assumed name violates Oregon's business registration requirements.
- 6. D** — The CCB cannot process an application with the independent contractor certification section left blank. Every applicant must certify their exempt or nonexempt status — this is one of the most common application errors that causes processing delays.
- 7. B** — The contractor has provided all required notices for a residential contract signed at the contractor's office: written contract, Information Notice (over \$1,000), Consumer Protection Notice (over \$2,000), and Notice of Procedure (over \$2,000). The OHSSA does not apply because the contract was signed at the contractor's place of business.
- 8. C** — The critical path must be compressed from 30 days to 26 days, requiring 4 days of compression. The contractor should identify which criticalpath activities can be crashed at the lowest cost per day saved.
- 9. A** — Total costs: \$26,500 + \$21,800 + \$4,100 + \$13,200 + \$5,600 + \$6,560 = \$77,760. Net profit: \$82,000 - \$77,760 = \$4,240. Job costing reveals the actual profitability after all direct costs, job overhead, and general overhead are accounted for.
- 10. D** — If a subcontractor's license lapses during a project, the contractor must stop the subcontractor's work immediately. Allowing an unlicensed subcontractor to continue working exposes the GC to CCB penalties, liability for the sub's work, and loss of bonding protection.

11. B — The market analysis section profiles the target customer, assesses local construction demand, and evaluates competitors. This section answers the fundamental question: who will hire you and why will they choose you over the competition?

12. C — Failure to provide required consumer notices carries a fine of \$500 to \$1,000 for the first offense, up to \$2,000 for the second, and license suspension for the third. Additionally, missing notices may jeopardize the contractor's lien rights.

13. A — When a contractor changes business structures, the existing CCB license does not transfer to the new entity. The contractor must apply for a new license under the LLC with new formation documents, bonding, and insurance issued in the LLC's legal name.

14. D — Volume: $(20 \times 15 \times 0.333) \div 27 = 99.9 \div 27 = 3.70$ cubic yards net. With 5% waste: $3.70 \times 1.05 = 3.89$, approximately 3.9 cubic yards. Converting 4 inches to feet (0.333) before calculating is essential for accuracy.

15. B — The contractor's warranty obligation depends on the specific terms of the warranty that was accepted. If the warranty covers workmanship defects like improper flashing installation, the contractor must address the issue. The warranty period and coverage specifics — not an arbitrary 12month rule — govern the obligation.

16. A — The OHSSA requires four elements: a complete copy of the agreement, written cancellation notice, duplicate cancellation form, and an oral explanation. Failing to provide any of these elements may keep the homeowner's cancellation right open indefinitely until full compliance is achieved.

17. C — The Notice of Right to Lien warns the homeowner that the pipe supplier may file a lien if not paid, even though the homeowner already paid the general contractor. The notice is not a lien — it is a warning that the property may be at risk if the payment chain breaks down.

18. D — An injury that results in days away from work is OSHA recordable regardless of whether overnight hospitalization occurred. The three missed workdays trigger the recording requirement on the OSHA 300 log. Recordability and reportability are separate standards.

19. B — The most prudent approach evaluates both subcontractors holistically. Review the nature and resolution of Subcontractor B's complaints, check references for both, and weigh price against reliability and risk. Resolved complaints do not automatically disqualify, but they warrant investigation.

20. A — Net profit: $\$375,000 - \$243,750 - \$93,750 = \$37,500$. Net profit margin: $\$37,500 \div \$375,000 = 10\%$. The margin shows what percentage of every revenue dollar remains as profit after all costs.

21. B — Placing concrete in heavy rain can wash cement from the mix, create surface defects, weaken the finished product, and compromise structural integrity. The contractor should postpone the pour despite the cancellation costs — replacing defective concrete costs far more.

22. D — Having any employee who is not an immediate family member triggers nonexempt classification. The family relationships among the three LLC members are irrelevant to the classification when a nonfamily employee exists.

23. C — Oregon OSHA requires crane operators to hold applicable certification or qualification. Without proof of certification, the contractor must not allow the operator to perform the lift. Allowing an unqualified operator creates serious safety and liability risks.

24. A — Builder's risk insurance may be purchased by either the property owner or the contractor, depending on the contract terms. The construction contract should specify which party is responsible for procuring and paying for builder's risk coverage.

25. C — ORS 701.305 requires a written contract for residential construction work exceeding \$2,000. A \$2,500 project without a written contract violates this statute and may result in CCB penalties and loss of lien rights.

26. B — Lien waivers from each subcontractor and supplier confirm that they have been paid for all work and materials. This is the most reliable documentation for verifying that the payment chain is complete and the property is not at risk of liens.

27. A — Total float = Late Start – Early Start = 14 – 8 = 6 days. Activity R can be delayed by up to 6 days without affecting the project completion date. If the delay exceeds 6 days, the activity moves onto the critical path.

28. D — The contractor performed \$3,800 in additional work without a signed change order. Without written authorization documenting mutual agreement before the work was performed, the contractor has limited legal recourse to collect for the unrequested scope.

29. B — The contractor has a duty to protect the public from hazards created by construction activities. This includes installing barriers, signage, overhead protection, and other measures to prevent pedestrians from being struck by falling objects, equipment, or debris.

30. C — Ending balance: $\$18,500 + \$62,000 - \$28,000 - \$24,000 - \$3,200 - \$4,800 = \$20,500$. Tracking cash flow ensures the contractor knows whether they have enough liquidity to meet upcoming obligations.

31. A — A performance bond guarantees that the contractor will complete the work per the contract. If the contractor defaults, the bonding company may arrange for another contractor to finish the work or pay damages up to the bond amount. It protects the owner, not the contractor.

32. D — A project 150 miles from the home office creates additional costs: crew travel time and mileage, potential lodging and per diem expenses, fuel costs, and the logistical challenge of managing a remote jobsite. All of these must be included in the project estimate.

33. B — Under ORS 87.027, the owner has the right to demand a list of all subcontractors, suppliers, and equipment rental companies. The owner should also request lien waivers to verify that payments are flowing through the chain to all parties.

34. C — Unit price contracts adjust the total price based on actual quantities: $1,650 \times \$22.00 = \$36,300$. The owner pays for only the quantity actually placed. The contractor bears the risk of unit pricing, while the owner bears the risk of quantity variance.

35. A — Oregon OSHA must verify that the imminent danger condition has been eliminated before lifting the stop work order. The contractor cannot self-certify compliance — OSHA must confirm that the hazard has been corrected before work may resume.

36. D — Fall protection is required at 6 feet, so working at 8 feet without protection is a concern. However, the specific fall protection requirements for ladder work involve maintaining three points of contact and proper ladder setup rather than the harness/guardrail systems used on platforms and scaffolds.

37. B — The contractor's contract is with the original homeowner. Any changes must be authorized by the contracting party. The contractor should complete the project per the existing contract terms and let the homeowner and buyers resolve ownership and scope matters between themselves.

38. A — The waste factor on 2,800 sq ft of drywall at 12% = $2,800 \times 0.12 = 336$ square feet short. Without the waste factor, the contractor will run out of drywall during installation, requiring an additional order that disrupts the schedule.

39. C — Oregon law requires contractors to retain copies of required consumer notices for at least two years from the date the notices were provided. This retention period ensures documentation is available if a dispute or CCB complaint arises.

40. B — Total overhead: $\$21,600 + \$44,000 + \$16,800 + \$3,600 + \$7,200 + \$2,400 + \$4,800 = \$100,400$. All indirect business expenses that support operations regardless of project count are classified as general overhead.

41. A — Materials at 38% of \$94,000: $\$94,000 \times 0.38 = \$35,720$. Understanding the percentage breakdown helps the contractor monitor individual cost categories against the budget and identify overruns early.

42. C — The employer is responsible for training employees on chemical hazards identified in SDSs and ensuring proper PPE is used. Failure to train and enforce PPE requirements is a HazCom violation attributable to the employer.

43. B — With a 16week lead time and installation at Week 24: $24 - 16 = \text{Week 8}$. The purchase order must be issued by Week 8 to ensure fabrication and delivery are complete before the scheduled installation date.

44. D — Premium calculation: $(\$280,000 \div \$100) \times \$12.40 \times 0.92 = 2,800 \times \$12.40 \times 0.92 = \$34,720 \times 0.92 = \$31,942$. The experience modification rate adjusts the base premium — a rate below 1.00 reduces the premium, rewarding betterthanaverage safety performance.

45. A — Oregon penalty wages for willful failure to pay final wages accrue at eight hours per day at the employee's regular hourly rate, from the date wages were due until they are actually paid. This penalty can multiply the amount owed many times over the original wages.

46. D — Occurrence policies cover incidents that happen during the policy period regardless of when the claim is filed (even years later). Claims-made policies cover claims filed during the policy period regardless of when the incident occurred. This distinction affects longtail coverage for construction defects.

47. C — Courts may pierce the corporate veil when members commingle personal and business funds, fail to maintain the entity as a separate legal entity, or personally guarantee debts. Any of these actions can eliminate the LLC's liability shield.

48. B — The Notice of Right to Lien protects only work and materials furnished from the date the notice is delivered forward. Since the subcontractor completed all work on March 20 and did not send the notice until April 5, none of the completed work is protected by the notice.

49. A — The activity started 2 days late (Day 12 vs. planned Day 10) and took 10 days instead of the planned 8 days (2day duration overrun). Combined, the activity finished on Day 22 — a 4day delay from the planned finish of Day 18.

50. A — Overhead rates should be based on longterm averages that reflect the business's normal operating structure. Shortterm fluctuations like a temporary vacancy should not trigger immediate rate changes, because the rate needs to accurately represent the sustained cost of running the business.

51. C — The contractor should notify the building department of the discrepancy between the permit and the plans and request a corrected permit. Beginning construction based on a permit that does not match the approved plans creates legal and inspection complications.

52. B — Oregon OSHA's silica standard requires Table 1 engineering controls (wet cutting, vacuum dust collection) as the primary exposure control method. An N95 respirator alone does not satisfy the standard — engineering controls must be implemented first, with respiratory protection supplementing as needed.

53. D — Ballpark estimates carry a 20–40% margin of error and are easily misinterpreted as firm commitments. Verbal ranges should always be followed with written documentation clearly labeling the figure as a preliminary, nonbinding estimate — not a contract price.

54. A — When an improvement is abandoned before completion, the 75day lien filing period begins on the date work ceased — the last day of actual work activity on the site. This date serves the same function as the completion date for projects that are finished.

55. C — The contractor failed to prepare a written change order documenting the scope change, the cost impact (\$6,200), and obtaining the owner's signed approval before performing the relocation work. Without this documentation, the contractor has limited recourse.

56. B — Gas line installation requires both a CCB license with proper endorsement for the company and a plumbing license from the Building Codes Division for the individual performing the work. The GC should verify both before allowing the subcontractor to begin.

57. A — When three activities proceed in parallel, the minimum time is determined by the longest activity — 3 days for interior painting. The 2day and 1day activities finish within the same window. Parallel processing is one of the most effective ways to compress a schedule.

58. D — Each individual claim is below the \$500,000 peroccurrence limit, so each is fully covered. The total of \$700,000 is below the \$1,000,000 aggregate limit, so all three claims are paid in full. The aggregate limits the insurer's total exposure for all claims during the policy year.

59. B — A project 220 miles from the home office creates significant additional costs: crew travel time and mileage, lodging, per diem meals, fuel for equipment transport, and the difficulty of supervising work at a distance. All must be factored into the bid.

60. C — Asbestosreinforced roofing materials require compliance with Oregon OSHA's asbestos standard for construction. This includes worker training, proper containment, air monitoring, appropriate respiratory protection, and potentially licensed asbestos abatement depending on the scope of disturbance.

61. A — Total accounts receivable: $\$42,000 + \$18,000 + \$12,000 + \$8,000 = \$80,000$. The 91+ day category poses the greatest collection risk because the probability of collecting a receivable decreases significantly the longer it remains unpaid.

62. B — "Responsible" means the bidder meets all qualification requirements — proper licensing, sufficient bonding capacity, adequate insurance, financial stability, and the capacity to perform the work. A "responsive" bid meets all procedural requirements of the ITB.

63. A — Discovering an unknown underground storage tank with leaking liquid is a potential environmental emergency. The contractor must stop excavation, evacuate workers from the area, and notify the property owner and appropriate environmental authorities. Disturbing the tank could spread contamination.

64. B — The general contractor's foreman has authority and responsibility for jobsite safety. The foreman should immediately inform the subcontractor's employee and supervisor that hard hat use is required, especially with overhead crane operations in progress, and enforce compliance before allowing the worker to continue.

65. B — The deadline is the earlier of 75 days after last furnishing (July 20 → October 3) or 75 days after the Notice of Completion date (August 1 → October 15). October 3 comes first, making it the filing deadline.

66. D — Under a lump sum contract, the contractor assumes the risk of unforeseen conditions. The \$7,500 electrical panel replacement is the contractor's cost unless the contract includes a differing site conditions clause that shifts this risk to the owner.

67. A — Oregon OSHA requires GFCI protection for all 120volt, singlephase, 15 and 20ampere receptacle outlets used for temporary power during construction. This protects workers from electrocution caused by ground faults in temporary wiring and equipment.

68. C — Quantity with waste: $8,400 \times 1.05 = 8,820$ sq ft. Boxes needed: $8,820 \div 64 = 137.8$, rounded up to 138 boxes. Always round up to the next whole unit — you cannot order partial boxes.

69. B — When an employee quits without giving at least 48 hours of notice, the final paycheck is due within five business days or on the next regular payday, whichever comes first. This is less immediate than the nextbusinessday rule for discharged employees.

70. A — Project 3 overrun: $(\$78,200 - \$71,000) \div \$71,000 = 10.1\%$. This is the largest percentage overrun among the five projects. Analyzing overruns by percentage of estimate reveals which projects had the most significant estimating errors relative to their size.

71. D — Oregon requires asbestos surveys for residential structures built before January 1, 2004. A garage built in 2001 falls within this requirement. An accredited inspector must conduct the survey before any demolition work begins.

72. C — Direct costs \$86,000 + overhead at 16% (\$13,760) = \$99,760 total cost. To achieve a 12% margin: $\$99,760 \div (1 - 0.12) = \$99,760 \div 0.88 = \$113,364$, approximately \$113,345. The margin formula ensures profit is calculated on the selling price.

73. A — The contract was signed at the homeowner's backyard, not the contractor's office. The OHSSA applies, and the contractor failed to provide the oral explanation. When OHSSA requirements are not fully met, the homeowner's cancellation right continues indefinitely.

74. B — Fire alarm installation in commercial buildings requires a CCB license with proper endorsement for the company and any applicable BCD electrical or fire alarm licenses for the individuals performing the installation. The GC should verify both.

75. D — Criticalpath activities have zero float. A 3day material delay on the critical path directly delays the project completion date by 3 days. Float from noncritical activities cannot be transferred to criticalpath activities.

76. C — HazCom training must be provided whenever a new chemical hazard is introduced to the workplace. The training must occur before the employee uses the product — not at the next quarterly meeting or within 30 days.

77. B — At 50% project completion, job overhead spending should be approximately 50% of the budget (\$6,000). Actual spending of \$9,500 represents a \$3,500 overrun that will likely worsen if the spending pattern continues through project completion.

78. A — A harness with frayed webbing is a compromised lifesafety device. The employee must stop work, descend safely, remove the harness from service, and report the condition to their supervisor. Continued use of damaged fall protection equipment creates a risk of system failure during a fall.

79. D — The critical path is always the longest path. Path A at 34 days is now the longest, having increased from the original 30 days. Path B decreased from 32 to 28 days. The critical path has shifted from Path B to Path A, changing which activities require the closest management attention.

80. B — The contractor should notify their general liability insurance carrier immediately. The carrier has a duty to defend covered claims, which includes providing legal counsel, investigating the allegations, and covering defense costs. Ignoring the letter or offering to settle without involving the carrier would be premature.

