

**ARE THE CHANGES MADE TO THE STANDARD
FORMS OF CONTRACT LEAD TO DISPUTES?
THE CASE OF PROJECTS USING FIDIC RED BOOK IN
THE SRI LANKAN CONSTRUCTION PROJECTS**

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Degree of Master of Science

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Dissertation Submitted in Fulfillment of the Requirements for the Degree
of Master of Science in Construction Law and Disputes Resolution

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ABSTRACT

Are the changes made to the standard forms of contract lead to disputes? – The case of projects using FIDIC red book in the Sri Lankan construction projects

In last few years, Sri Lankan construction industry turned a new page towards the construction projects, innovative, complex in nature and boosting its construction outputs. The inherent characteristics, nature and its capacity to contribute to the national economy, is making it progressively challenging than ever for professionals to cope with work challenges. Different professionals are involved in the construction projects and due to its complexity and other characteristics, various types of construction contracts are in practice.

Main contract between the Employer and the Contractor is foremost and parties mostly prefer to follow standard forms of contracts so as to draft the rights and responsibilities of the parties via terms and conditions. Due to various driving factors, professionals who are drafting the construction contracts try to amend the standard forms but that are beyond the recommended changes by the originator.

Overview to the research is presented in chapter I, describing the background, problem statement, aims and objectives of the research, draft research design and limitations of the research. An extensive literature review is presented in Chapter II in order to form a theoretical framework for the research.

A quantitative approach was used for the achievement of the research objectives; hence questionnaire survey was conducted. Questionnaire was developed based on the findings obtained from the literature review and preliminary survey. Altogether, 62 questionnaires were distributed among respondents and among them 54 questionnaires were received. Among them 50 completed questionnaires were considered for the analysis.

Findings of the research were presented in Chapter V in detail. Accordingly, the respondents have stated that the expected outcome of the changes made to the standard forms of Contract not achieved, but still the Employers tend to change the standard forms. Hence, it should be further studied in order to find the alternative ways to achieve the expected outcome without amendments to the standard forms beyond the changes recommended by the originator.

Key words: *disputes, standard forms of contract, amendments, FIDIC 1999 Red Book, originator, recommend*

DEDICATION

*I dedicate this piece of research to,
Beloved parents and helping hands,
Together with me,
From the beginning to now,
of the journey of life*

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This research study is an outcome of much dedication and remarkable assistance received from many personnel and organizations, who subsidized in ample ways to complete this study. In fact, there were number of people behind me, who supported and directed me to the correct path and sincerely wished my success. I take this opportunity to convey my gratitude to all of them.

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ABBREVIATIONS

ADB- Asian Development Bank

ADR- Alternative Disputes Resolution

CIDA-Construction Industry Development Authority

EOT –Extension of Time for Completion

FIBTP - Federation Internationale des Bâtiment et des Travaux Public

FIDIC- Federation Internationale des Ingénieurs-Conseils

ICTAD- Institute of Construction Training and Development

JCT- Joint Contracts Tribunal

JICA-japan International Corporation Agency

OPEC-Organization of Petroleum Exporting Countries

RII- Relative Important Index

SBD- Standard Bidding Document

SFC-Standard Form of Contract

SPSS-Statistical package of Social Science