BEST PRACTICES OF THE ENGINEER TO MINIMIZE CONSTRUCTION CLAIMS IN GOVERNMENT PROJECTS IN SRI LANKA

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Degree of Master of Science in Construction Law and Dispute Resolution

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DECLARATION

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Abstract

Claim is fundamentally a term for demand for additional compensation in relation to alteration in the contract or affirmation of right to property or money, concerning time and cost. If claims are not clearly resolved the claims may lead to disputes and have to follow dispute resolution methods which are time consuming and costly. However, claims are inevitable in construction projects. Since, the Engineer is the person who is responsible for administration and supervision of Works fairly and independently his role in a construction project is significant. Further, main source of finance in government construction projects is public funds. Hence, unique characteristics such as limitations in budget allocations, public accountability, transparency, media influence, legislation and policy changes, time impact and media influence will create specific claims which will increase the importance of the best practices of the Engineer.

Therefore, this study explored the best practices that can be adopted to minimize claims in Sri Lankan government construction projects by the Engineer. Both, quantitative and qualitative research approaches were used to reach the aim in two stages. Firstly, thirty questionnaires were obtained to collect data on types of claims, causes of claims, effects of claims and best practices to be followed by the Engineer to minimize claims in government construction projects in Sri Lanka. Secondly, five experts were interviewed through a semi-structured interview to create links among top ten causes of claims and best practices to be followed by the Engineer to minimize claims in government construction projects in Sri Lanka. Moreover, usage of ICTAD/SBD/02 for minimizing claims by the Engineer and unique characteristics of Sri Lankan government projects which emphasise the importance of the best practices of Engineer in minimizing claims were discussed.

The findings of the research proved that, in order to minimize claims in Sri Lankan government construction projects, the Engineer has a vital role to treat the causes of claims comprehensively and that will enable the smooth functioning of construction project activities without baffling consequences. For this reason, it was evident that there are specific best practices like taking timely management actions and proper contract administration should be followed by the Engineer to minimize claims, in order to achieve successful completion of the project within the originally anticipated estimated time, cost and quality.

Key Words: Construction Claims, Engineer, Government Construction Projects, Sri Lanka, Best Practices

DEDICATION

I dedicate this piece of research to,

All kind hearts and helping hands,

Together with me,

From the beginning to now,

Of the journey of life…

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LIST OF ABBREVIATIONS

AAA	-	American Arbitration Association
ADR	-	Alternative Dispute Resolution
CIDA	-	Construction Industry Development Authority
FIDIC	-	Fédération Internationale Des Ingénieurs-Conseils (International Federation of Consulting Engineers)
ICTAD/SBD/02	-	Standard Bidding Document for Major Contracts [2nd Edition (Revised) January 2007] - (Publication Ref. No. - ICTAD/SBD/02) published by Construction Industry Development Authority.
JCT	-	Joint Contract Tribunal
RICS	-	Royal Institution of Chartered Surveyors
RII	-	Relative Importance Index
SBC	-	Standard Form of Building Contract
SBD	-	Standard Bidding Document