

**DISPUTES IN CONTRACT MANAGEMENT IN
INTERNATIONAL ENGINEERING, PROCUREMENT
AND CONSTRUCTION (EPC) PROJECTS: THE CASE
OF CHINESE CONTRACTORS**

Chen Cheng

(179155N)

Degree of Master of Construction Law and Dispute Resolution

Department of Building Economics

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ABSTRACT

With the encouragement of Chinese government and the implementation of “the Belt and Road Initiative” national proposal, more and more Chinese contractors involved in international projects. The majority of international projects executed by Chinese contractors are building construction, transportation and power engineering in developing countries, that the projects last long time and consist with high costs. Engineering, procurement, and construction (EPC) is a favored project delivery approach, which is increasingly adopted by both public and private organizations. However, Chinese contractors are struggling to make profit from those EPC projects due to the high risks therein. Disputes frequently generated between the contractual parties, especially when costs overrun, and time delay happened in projects. In turn, disputes impact the smooth execution of the projects and amicable cooperation with the Owner. Contract management is the core of contractor’s project management. Poor contract and poor contract management will lead to disputes in projects. In order to assist the Chinese contractors, gain success in international projects, this research aimed to investigate the disputes faced by the Chinese International Contractors in contract management reference to EPC projects.

The research adopted a qualitative research approach with case study strategy. Data was collected from literature review of current studies, document review and semi-structured interviews. Seven kinds of internal documents in the selected two cases were reviewed, and six interviews with the staffs in different management level were conducted. Data from the two cases were analyzed separately and cross case analyzed to find more information.

This research first introduced the Chinese contractors’ status in international construction market; the features of international projects, EPC projects; the claims and disputes; the contract management and common causes of claims and disputes caused by contracts. Then based on the data analysis, the findings presented the important conditions of contract; the contractual relationship; the organization of the contractor; the claims and disputes; problems in contract management and methods to avoid disputes.

This research helps readers to understand what the disputes in contract management are, how contract management is conducted. Moreover, this research provides the suggestions from contractor’s point of view on how to avoid disputes caused by contract management from three aspects, that is personal capability, organization capability and time.

Key Words: *Chinese Contractor, Claims and Disputes, Contract Management, International EPC Project,*

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LIST OF ABBREVIATIONS

Abbreviation	Description
Admin.	Administration
DAB	Dispute Resolution Board
ENR	Engineering News Record
EPC	Engineering, procurement and construction
FIDIC	International Federation of Consulting Engineers
GOV.	Government
HSE	Health, Safety and Environment
QA/QC	Quality assurance and quality control
QS	Quantity surveyor

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