

PROJECT MANAGEMENT



Management of Contracts & Contract Claims

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Management of Contracts & Contract Claims

Introduction:

While the object of international contracting is to write and manage contracts so as to minimize disputes, some disagreements are inevitable. These can arise from failures by one of the parties, but also often arise from misunderstandings as to obligations under the contract. This course will look at how claims and counter claims arise; how they can be reduced or avoided by good contracts management; how they should be evaluated when received, or prepared when being delivered and how to resolve disputes arising from such claims. It will also, and most importantly, look at ways of avoiding disputed claims in the first place. Once a dispute starts, it can usually be solved most effectively by negotiation between the parties. However, if this does not prove effective, some sort of third party intervention is required. The course will deal with commercial disputes arising from contracts written in the English language, but will use techniques which have wide application to the resolution of disputes.

Who Should Attend?

Contracts, Purchasing, and Project Personnel, Engineering, Operational, and Maintenance Personnel, Project and Contracts Management Professionals, Tendering, Purchasing, Contract Administration Professionals and Personnel, Engineering, Operational, Finance, Maintenance Professionals, Managers and executives in the procurement, finance, legal, risk and supplier relations department, Business Managers, Commercial staff, Project Engineers, Procurement staff, Legal staff, Contracts analysts & Officers, Contract Leaders & Engineers, Cost & Planning Engineers, Contract Administrators, Contracting Unit Supervisors, Claims Managers and Business Audit Officers, Contract Strategists, Project Managers, General Managers involved in contract negotiation and disputes, Commercial Managers, Buyers, Purchasing Managers, Tenders Managers, Supply Chain Managers & Executives, Procurement Managers & Personnel, Construction Managers, those involved in the planning, evaluation, preparation and management of tenders, awards and contract performance that cover the acquisition of materials, equipment and services.

Course Objectives:

By the end of this course delegates will be able to:

- Provide an understanding of how and why claims and counterclaims arise
- Explain the differences between claims and counterclaims
- Identify common causes of claims and disputes, and how to avoid them
- Discuss how to develop contracts management procedures to avoid disputes over claims and counterclaims, while resisting unjustified claims
- Enhance understanding of basic negotiation techniques to be used when resolving disputes
- Provide an understanding of some of the main methods of dispute resolution involving third parties
- Develop an understanding of Traditional and Alternative Dispute Resolution techniques, including different ways of resolving disputes without recourse to courts or arbitration
- Provide strategies and tactics for negotiating during disputes
- Explain how to use contract provisions to reduce the risk of claims and disputes

Course Outline:

How Claims & Counter Claims Arise

- Causes of typical claims
- By Client
- By Contractor & Supplier
- Counter claims – how they differ from claims
- Overview of main contractual provisions relevant to claims and counter claims
- Acceleration
- Variations

- Extension of time
- Force majeure

Types of Claims & Counter Claims

- Types of claims, in construction and other areas Re-measure disputes
- Variations
- Breaches of contract
- Quality of workmanship
- Re-work
- Rejection of goods
- Full rejection
- Partial rejection
- Liquidated damages and penalties
- Warranty claims
- Special issues with EPC/Turnkey contracts
- Interface problems
- Tracking change where client involvement is limited
- Special issues with documentation in EPC and turnkey contracts

Presenting & Evaluating Claims & Counter Claims

- Requirements for claim presentation
- Are time limits binding?
- Defining features of claims evaluation and management

- Requesting further information
- Realistic appraisal
- When to make admissions
- Offers of settlement
- Independent review
- Involving lawyers
- Managing the legal process
- Setting goals
- Decision trees
- Controlling costs

Dispute Resolution

- What is a dispute?
- Introduction to dispute resolution methods and techniques
- Understanding what constitutes a “win” for you
- What will be a “win” for the other party?
- Mirror negotiation/red teams
- Interest-based negotiations
- Conflict and its resolution
- Litigation
- Use of foreign courts
- Enforcement
- Arbitration

- Domestic
- International
- Single or panel
- Enforcement
- Issues with evidence and production of documents
- Differences between alternative dispute resolution methods