

A blue-tinted photograph of an office desk. In the upper left, there is a stack of papers, a metal mug, and a red pen. In the lower right, the back of a black office chair is visible. The background is a solid blue color.

CI REGIONAL FORUM

*CLAIMS AVOIDANCE AND
RESOLUTION COMMITTEE*

*New York, NY
January 29, 2008*

Construction Institute
Claims Avoidance and Resolution Committee



*CONSTRUCTION IS A DISPUTE
WAITING TO HAPPEN*

Construction Institute
Claims Avoidance and Resolution Committee

CLAIMS AVOIDANCE AND RESOLUTION COMMITTEE

- Established in Spring 2003
- 26 Members
- Diverse Member Background
 - Consultants
 - Design Professionals
 - Contractors
 - Owners
 - Attorneys
- <http://www.constructioninst.org/committee/>

MISSION STATEMENT

The Claims Avoidance and Resolution Committee (CAR) shall establish best practices for claims avoidance and resolution, act as a clearinghouse to disseminate information to the construction industry and serve as an educational resource to CI/ASCE and others with respect to claims avoidance and resolution.

RATIONALE

Recognizing that conflicts and disputes arise in the construction process the Claims Avoidance and Resolution Committee has been established to develop mechanisms for prevention of disputes, encourage timely identification of issues and promote their fair and equitable resolution as early as possible.

BEST PRACTICES (1 of 3)

- Constructability Reviews
- Joint Definition of Scope & Organization (WBS & OBS)
- Partnering
- DRB's and other alternative disputes resolution measures
- Pros and Cons of Litigation, Arbitration and Mediation
- Document Management and Control (database management systems)
- Project Management Software Characteristics
- Development and Implementation of a Communications Plan
- Project Cost Control Procedures
- Validating Bid Estimate Assumptions
- Alternative Contracting Methods - Design/Build, Design/Build/Operate and GC/CM
- Contractor Prequalification/Qualification Based Selection of Contractors
- Project Labor Agreements

BEST PRACTICES (2 of 3)

- Progress Payment Methodology – Earned Value
- Claim Quantification – Actual Cost vs. Estimates
- Productivity Assumptions / Historical Data
- Calculating Overhead Damages
- Review of the Project Execution Plan including engineering, procurement, fabrication, construction, startup and commissioning phases of the work
- Accounting for Permits & Licenses
- Planning Contingencies
- Procurement Considerations in the Context of the Project Execution Plan
- Escrow Bid Documents
- Costing and Presentation of Claims
- Change Order Audits

BEST PRACTICES (3 of 3)

- Review of Contract Documents for Key Provisions, Vague Terms and Onerous Terms
- Notice Requirements
- Documenting “Verbal” Directions
- RFI Procedures
- Contractual Reporting Requirements
- Regular Meeting Agendas
- Schedule Preparation and Updating
- Development and Implementation of Project Management Procedures
- Tracking Subcontractor Performance
- Projecting Future Performance (Schedule/Progress Updating Procedures)
- Documentation of Project Progress/Tracking Contractor Performance
- Schedule Delay Analysis Quantification
- Design Documents From Contractor Perspective
- Design Documents From Owner Perspective
- Design Documents From A/E Perspective