

**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

Department of Building Economics

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DECLARATION

“I declare that this is my own work and this dissertation does not incorporate without acknowledgement any material previously submitted for a Degree or Diploma in any other University or institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in the text.

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The supervisor/s should certify the thesis/dissertation with the following declaration.

The above candidate has carried out research for the Bachelors Dissertation under my supervision.

Name of the Supervisor: Mr. Vijitha Disaratna

Signature of the supervisor:

Date:

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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This research is a result of ample dedication and remarkable assistance received from many personnel and organizations, who contributed in many ways to complete this study. As a matter of fact, there were number of people behind me, who supported and guided me to the correct path and genuinely wished my success. I should say that the following words would not be enough to express my appreciation for their immense help which was a tremendous strength to me. Nevertheless, I take this opportunity to express my gratitude to all of them.

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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 [2 nd 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