

USE OF NEGOTIATION AS A DISPUTE RESOLUTION METHOD FOR MEP SUBCONTRACTS IN SRILANKA

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Master of Science Degree in Construction Law and Dispute Resolution

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DECLARATION

I declare that this is my own work and this thesis/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. I retain the right to use this content in whole or in part in future works (such as articles or books).

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..... / / 2025
Mr. Ch. Qs Indunil Senaviratne Date
Thesis Supervisor

I dedicate this dissertation to

my beloved wife, parents

Who has been the utmost inspiration

And light of my life....

May this be a dedication to their greatest love,

Support and understanding!!!!.....

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ABSTRACT

The construction industry frequently encounters disputes, especially in MEP subcontracts, due to discrepancies between parties, lack of coordination, design discrepancies, and contradictions between forms. The study aims to assess the efficiency of negotiation as a dispute-resolution mechanism for MEP subcontracts, rather than resorting to alternative dispute-resolution approaches such as arbitration and litigation, which are costly, time-intensive, and harmful to business relationships.

To accomplish the research objectives, a comprehensive literature review was undertaken to gather insights from textbooks and prior research, followed by a questionnaire survey targeting professionals involved in Sri Lankan MEP subcontract projects. The collected data were analysed using quantitative methods, including the Relative Importance Index (RII), to identify key trends, challenges, and outcomes in negotiation practices.

The findings reveal that negotiation is an effective means of resolving disputes in MEP subcontracts in Sri Lanka, rather than relying on other dispute resolution methods. The study further highlights specific benefits of negotiation, including preserving trust and collaboration, reducing project disruptions, saving time and costs, and enabling customised solutions tailored to project-specific needs.

Ultimately, the study identifies the types of disputes in MEP subcontracts, causes of the conflicts, use of negotiation in MEP subcontracts, assesses the challenges and opportunities of implementing negotiation in MEP subcontracts in Sri Lanka and provides recommendations to enhance the effectiveness of negotiation.

Keywords: MEP subcontracts, Negotiation, Dispute resolution, Construction industry, Alternative Dispute Resolution (ADR), Sri Lanka

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LIST OF ABBREVIATIONS

Abbreviation	Description
ADR	Alternative dispute resolution
HVAC	Heating, Ventilation, and Air Conditioning
MEP	Mechanical, Electrical, and Plumbing
NCASL	National Construction Association of Sri Lanka
RII	Relative Importance Index

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