EFFECTIVENESS OF ALTERNATIVE DISPUTE RESOLUTION METHODS IN CIVIL ENGINEERING CONTRACTS

Ranthun Mudiyanselage Samudra Dilhani Abeyratne

209155D

MASTER OF SCIENCE IN CONSTRUCTION LAW & DISPUTE RESOLUTION

Department of Building Economics

Faculty of Architecture

University of Moratuwa

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DECLARATION

I hereby declare that this submission is my own work and, to the best of my knowledge and belief, it does not contain any material previously published or written by another person, nor material which has been accepted for the award of any other Master's degree or postgraduate qualification at any university or other institution of higher learning, except where due reference is made in the text.

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The above candidate carried out research for the Master of Science – Construction Law and Dispute Resolution dissertation under my supervision.

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ABSRACT

The Construction industry is a key driver of national economic development. In Sri Lanka, the expansion of large-scale infrastructure projects many funded by foreign investors has intensified industry completion and increased the involvement of international contractors. Although theses development contribute significantly to economic growth, they also create complex contractual environments with multiple stakeholders, often leading to disputes related to quality, time and cost.

Civil Engineering projects are inherently complex due to their scale, technical requirements and the diversity of parties involved. When claims arise and remain unresolved, they frequently escalate into formal disputes and legal proceedings. Traditional litigation is often time consuming, costly and adversarial, potentially damaging professional relationship and delaying project completion. Therefore, the effectiveness of dispute resolution mechanisms plays a critical role in determining the success or failure of construction projects.

Alternative Dispute Resolution (ADR) methods such as negotiation, mediation, Adjudication and Arbitration offer more efficient and flexible approaches for managing disputes in civil engineering contracts. Compared to Litigation, these mechanisms can reduce resolution time, minimize costs and preserve working relationships. However, the selection and effectiveness of ADR methods largely depend on the perspectives and interests of different stakeholders, particularly contactors and consultants.

This study aims to identify the primary causes of disputes in civil engineering contracts in Sri Lanka, examine the factors influencing the selection of dispute resolution methods, and evaluate the most effective ADR mechanism from the viewpoints of key stakeholders.

The research was conducted in three phases. First, a comprehensive literature review was undertaken to explore the ADR framework within the Sri Lankan Construction industry. Second, three detailed case studies were analyzed, focusing on claims associated with quality, time and cost. Third, in depth interviews were conducted with professionals representing contractors, Consultants and Clients. The findings from the case studies and interviews were

analyzed to identify significant differences in stakeholder perceptions regarding dispute causes and ADR selection.

The results provide valuable insights in to the origins of construction claims and the decision making processes behind ADR method selection. This research contributes to improving dispute management practices and offers practical recommendations for construction professionals, policy makers and researchers seeking to enhance dispute resolution effectiveness in Civil engineering Contracts in Sri Lanka.

Key words : Alternative Dispute Resolution (ADR)**,** Civil Engineering Contracts, Effectiveness, Construction Projects, Negotiation, Mediation , Adjudication, Arbitration.

LIST OF TABELS & FIGURES

ABBREVIATIONS

ADR	Alternative Dispute Resolution
ICTAD	Institute for Construction Training and Development
CIDA	Construction Development Authority
FIDIC	International Federation of Consulting Engineers
IESL	Institute of Engineers of Sri Lanka
SBD	Standard Bidding Document
BOQ	Bill of Quantitates
GMP	Guaranteed Maximum Price
EOT	Extension of Time
RDA	Road Development Authority
MOU	Memorandum of Understanding
UCS	Uniaxial Compressive Strength
DAB	Dispute Adjudication Board