Identifying Reforms Required in Construction Contracts from Resolved Disputed Cases

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Abstract : The construction industry is plagued with disputes and litigation in India with many stalled projects seeking dispute resolution. This has an adverse effect on the performance and overall project delivery and impacts future investments within the industry. While construction industry is the major driver of growth, there has not been major reforms in the government construction contracts. The study is aimed at identifying the proactive means of dispute avoidance, focusing on reforms required within the construction contracts, by studying 49 arbitration awards of construction disputes. The claims presented in the awards are aggregated to study the causes linked to the contract document and are referred against the prospective recommendation and practices as surveyed from literature review of research papers. Within contract administration, record keeping has been a major concern as they are required by the parties to substantiate the claims or the counterclaims and therefore are essential in any dispute redressal process. The study also observes that the right judgment is inhibited when the record keeping is improper and due to lack of coherence between documents, the dispute resolution period is also prolonged. The finding of the research will be relevant to industry practitioners in contract drafting with a view to avoid disputes.

Keywords: construction contract, contract administration, contract management, dispute avoidance

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