

A STUDY ON MANAGEMENT OF CLAIMS FOR TIME EXTENSIONS BY SRI LANKAN CONTRACTORS

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The Dissertation is submitted in partial fulfillment of the requirement for the degree
of Master of Science in Construction Project Management

Department of Civil Engineering

University of Moratuwa

Sri Lanka

March 2014

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 above candidate has carried out research for the Masters Dissertation under my supervision

.....
Prof. A.K.W. Jayawardane

Research Supervisor

Date :

Abstract

Due to the complexity of civil engineering contracts and the tendencies for delays to occur, completion of projects on time is somewhat unusual in the field of construction in Sri Lanka and has a very poor record in completion of projects on time. Since these delays are such a common feature, it is essential for construction professionals to understand how they should be dealt with in standard building contracts. Proving or justifying delays in time claims are highly conflicted area in construction Industry.

This research was targeted to investigate the current extension of time claim management practices followed by the Sri Lankan Construction contractors and their problematic areas. Thereafter to propose recommendations to improve the delay analysis practices and to minimize the disputes in the area of time claim management.

Research findings indicate that Contractors fail to gather, analyse and present data as evidence to such an extent that there is a high rejection rate of claims made. It was revealed that 41% of respondents prepare claims without following a proper delay analysis technique. It was also found that 59% of claims are awarded with 50% or lesser satisfaction rate. Subsequently it was disclosed that the main causes for rejection of time extension claims are insufficient supporting documentation and failing to demonstrate of cause and effect of delaying events. Furthermore, it was surprising to note that 43% of the contractors are unaware of any of the basic delay analysis techniques. 83% of the contractors are using project management software to prepare construction programme which is one of the basic tools in proving delays in 50% or more of their contracts. It is also found that 83% of contractors are using computers in more than half of their construction sites enabling computerization of project management activities at construction sites.

Under this background recommendations were developed to improve the record keeping at sites, preparing an effective construction programme, effective recording of delay events, issuance of notice for delay events, awareness of delay analysis techniques and to prepare of check list for time extension claims. Finally areas that need further studies were identified.

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Last but not the least, my wife and parents for giving me the strength to complete the research and for their endless encouragement and support.

Dedication

Dedicated

to my beloved parents



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wife

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List of Abbreviations

Abbreviation	Description
AACEI	Association for the Advancement of Cost Engineering International
ADR	Alternate Dispute Resolution
CAB	Collapsed As-Built
CPM	Critical Path Method
CRE	Contractor Risk Event
DAM	Delay Analysis Method
DAS	Delay Analysis System
DAS	Delay Analysis System
EOT	Extension of Time
ERE	Employer Risk Event
FIDIC	 Fédération Internationale Des Ingénieurs-Conseils (International Federation of Consulting Engineers)
IAP	Impacted As-Planned
ICTAD	Institute for Construction Training and Development
IESL	Institute of Engineers, Sri Lanka
LD	Liquidated Damages
NCASL	National Construction Association of Sri Lanka
RDA	Road Development Authority
SCL	Society of Construction Law
TIA	Time Impact Analysis

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