

**MITIGATION AND RESOLUTION OF CONTRACTUAL
DISPUTES IN CONSTRUCTION INDUSTRY OF SRI
LANKA**

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University of Moratuwa, Sri Lanka.
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Degree of Master of Science in Construction Law and

Dispute Resolution

Department of Building Economics

University of Moratuwa

Sri Lanka

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Dissertation submitted in partial fulfilment of the requirements for
the degree Master of Science in Construction Law and Dispute
Resolution

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Further, I acknowledge the intellectual contribution of my research supervisor Ch. QS. (Mrs.) Kanchana Perera for the successful completion of this research dissertation. I affirm that I will not make any publication from this research without the name of my research supervisor as contributing author unless otherwise I have obtained written consent from my research supervisor.

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Mitigation and Resolution of Contractual Disputes in Construction Industry of Sri Lanka

Disputes have become an epidemic in the construction industry of Sri Lanka. Disputes consume lots of money and resources without meaningful return to the society. Hence, mitigation and resolution of potential contractual disputes in construction industry of Sri Lanka has become not only timely but also essential.

Identifying causes of disputes is a pre-requisite of that task. The construction process is complex and multi-parties involved in it. It needs to select initially a procurement method and a contract type. It has to undergo designing, drafting tender documents and tendering to be able to award a contract. Following award of a contract till completion, contracts needs to be administered based on an agreed framework to be able to successfully complete. During these stages, impetuses of causes of disputes would be emerged and embedded in construction process to be surfaced whenever time permits and situation prevails.



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Therefore it is all essential to identify when disputes may emerge, to mitigate them before appearing and to resolve as last resort within the framework of contract, just not to waste money and resources by resorting to ADR and/or to litigation and not to sore relationships among stakeholders.

Findings of the study revealed that the inbuilt dispute mitigation and resolution provisions in FIDIC red Book and ICTAD SBD 02 were not adequate to address potential disputes that may occur due to the causes of disputes found in this study and it needs to be improved drastically. It is recommended that governing bodies of construction should take note and take action to alleviate waste of much needed money and resources that needs for betterment of lives in Sri Lanka.

Keywords: *Disputes, Causes of Disputes, Construction Process, Hints, Mitigation and Resolution.*

I dedicate this piece of work to my beloved parents, wife
and kids who have being the superlative inspiration



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and courage of my life...
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May this be a tribute for their greatest love, support
and understanding...!

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ABBREVIATIONS

ABBREVIATION	DESCRIPTION
FIDIC	Federation Internationale of Ingenieurs Conseils
ICTAD	Institute for Construction Training and Development
ADR	Alternative Dispute Resolution Methods



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Appendix A - Questionnaire



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