

CONTRACT MANAGEMENT

Speakers from the forthcoming Middle East Contract Management conference, to be held June 20-21 in Qatar, share their knowledge on contract and risk management

Damian Wilkinson, director for Hill International in Qatar will speak about minimising risk, fault, loss and damages in construction contracts at 11am on Monday June 20



Damian Wilkinson, director for Hill International

“The key to managing most of the issues facing construction projects is to pre-empt risks before they become problems”

What specific topics will your presentation on risk management in construction contracts cover?

The presentation will set out how effective risk management can inform contract management in order to aid the successful delivery of projects. The presentation will specifically explore: the understanding of risk; the sources of risk; the negative impact that unmanaged risk can

have on construction projects; the importance of effective risk management and the key principles of effective risk management.

What are the main issues regarding construction contracts and how do these issues differ between Qatar and other GCC countries?

Construction projects are, generally, medium and long term ventures that involve many different organisations and individuals, sometimes with opposing objectives, working together in what can be difficult economic and schedule conditions.

Construction projects, wherever they are located, are invariably unique and it is difficult to model to a high degree of accuracy. Therefore it can be difficult to predict the final outturn cost and completion date.

Different regions, present different problems, the unrest in parts of the Middle East creates high levels of risk and uncertainty that can result in projects being suspended, terminated and cancelled. Similarly the economic situation in the UAE led to a general lack of confidence, increased levels of insolvency, termination and cancellation of projects.

All economies go through cycles of change, which are influenced by different factors, civil, social, economic and others. Reduced demand will lead to deflationary pressures and increased demand to inflationary pressures. The reduction in construction activity in UAE had the effect of driving down construction costs, when regions experience high levels of demand and construction activity, as is planned in Qatar, one of the challenges will be control of the inflationary pressures and managing construction costs.

One of the advantages that Qatar has is its strong economic base which is driving much of the construction activity and this should lead to stability and a more sustainable and manageable growth pattern.

What needs to be done to address the situation?

The key to managing most of the issues facing construction projects is to pre-empt risks before they become problems. Understanding the nature of risk and the type of risks that challenge the successful completion of the project objectives will lead to informed and improved decision making. This should lead to the selection of appropriate conditions of contract and the necessary amendment of contracts, the

selection of project partners and development of more realistic forecasts and plans based on the project objectives and the risks facing those objectives.

How much protection does the law provide?

The relationship between the parties to construction contracts is governed by the conditions of contract and whilst the conditions of contract will operate within a legal framework that may afford some protection in given circumstances the key will be to ensure that the necessary provisions and protection is included in your chosen contract, either by the selection of appropriate standard conditions of contract, or by incorporation of amendment to those standard conditions or the development of bespoke conditions of contract. Reliance on national laws may be an option if risks materialize into problems, whereas the effective management of risk can prevent risks becoming problems and therefore reduce the need for reliance on national laws.

Why should people attend this conference?

Funders, clients, contractors, subcontractors, suppliers and all those involved in construction projects that want to increase the chances of successfully delivering their projects.

KEY TOPICS

- Uncertainty in the Middle East and North Africa: contract management
- Issues that need to be considered
- Execution of contracts: getting it right
- Developing a sound contracting strategy to ensure successful negotiation of contracts
- Effective and efficient dispute resolution: avoiding, managing and resolving disputes to successfully manage relationships
- Communicating contracts: reaching predictable results and preventing surprises
- Optimal contractual bidding and evaluation of proposals to achieve the best results for your business