

## Webinar | Thursday 20 August 2020 20 Brilliant Construction and Engineering Questions – and answers!





## Paul Darling OBE QC 39 Essex Chambers

#### Area of Expertise

- Construction & Engineering
- Adjudication
- Commercial Litigation & Sale of Goods
- Professional Negligence
- Domestic & International Arbitration
- Procurement
- Health & Safety

Paul Darling OBE QC has established a formidable reputation as an advocate in all types and levels of tribunals all over the world. He specialises in complex cases which feature multiple parties, large teams, and high volumes of material, and is often brought in by clients at short notice, late in proceedings. An ability to work with colleagues from any jurisdiction, and to grasp detail, strategy, and tactics quickly has allowed Paul to develop a practice which has taken him to every major jurisdiction, appearing in a wide variety of construction, energy, and commercial matters.



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/39 Essex Chambers

## Paul Darling OBE QC 39 Essex Chambers



Question: Are Global Claims and Total Cost Claims the same? Are they permissible?

- They are different, but some claims will be both.
- Global Claim does not link individual delaying or disrupting events with specific time or loss.
- Total Cost Claim identifies all the cost incurred by a Contractor, deducts the amount allowed in the tender and claims the difference.
- Global Claim is criticised because it may fail properly to deal with causation.
- Total Cost Claim is criticised because it may fail properly to quantify loss.
- Permissibility depends on contractual terms and the Court investigates the claims to see if they establish recoverable entitlement.





#### David Sears QC Crown Office Chambers

#### Area of Expertise

- International Arbitration
- Construction & Engineering
- Professional Liability
- Commercial
- Insurance & Reinsurance
- ADR
- Reported Cases

David Sears QC is widely recognized as a leading practitioner in commercial dispute resolution, with a particular emphasis on professional indemnity, construction and engineering, energy and utilities, information technology and insurance law.

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@CrownOfficeCh



/David Sears



www.39essex.com

## David Sears QC Crown Office Chambers



Question: Can a court award payment of the adjudicator's valuation, even if the adjudicator had no jurisdiction to order payment?

- Assumed no, but answer is yes.
- WRW Construction Limited v Datblygau Davies Developments Limited [2020] EWHC 1965 (TCC):
- 1. Datblygau Davies Developments Limited (DDD) and WRW Construction Limited (WRW) entered into JCT 2011 design and build standard form, for the latter to design and build nine residences in Twickenham, London.
- 2. Issues led to 3 adjudications. In the second of those adjudications, the adjudicator decided that DDD had validly terminated the contract.
- 3. DDD then referred claims in respect of the post-termination final account to a third adjudication. Adjudicator requested WRW to pay to DDD the sum of -£568,597.32 (negative) within 7 days. WRW sought to enforce the Adjudicator's decision by way of a summary judgment application.
- 4. Judge accepted adjudicator had no jurisdiction to award a sum of money to WRW as the responding party, however that was not the main issue. The judge held there was no bar to the Court proceeding in such a way
- 5. The Court's enforcement of the adjudicator's decision would not amount to a final determination by the Court of the value of the post-termination final account.
- Can see the practical advantages of the court proceeding in this way, but is it the legally right result?



**EXPERT DETERMINATION CHAMBERS** Legal and engineering expertise Dr Donald Charrett BE (Hons), LLB (Hons), MConstLaw, DipLPSE, PhD, ProfCertArb, DipIntArb, FIEAust, FCIArb | Barrister, Expert Determination Chambers

#### **Area of Expertise**

- Dispute Resolution
- Litigation
- Mediation
- Expert determination
- Arbitration

He is a Fellow of the Chartered Institute of Arbitrators, a member of the FIDIC President's List of Adjudicators, an accredited FIDIC trainer, and was the first chairman of Melbourne TEC Chambers, a "virtual" chambers of barristers practising in TEC law.



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#### www.expertdetermination.net

/donald-charrett-022b5522



## Donald Charrett (Hons), LLB (Hons), MConstLaw, DipLPSE, PhD, ProfCertArb, DipIntArb, FIEAust, [ FCIArb | Barrister Expert Determination Chambers

Question: Top 6 things a Contractor can do to avoid disputes?

**Answer:** 

- 1. Invest sufficient time in the contract;
- 2. SIGN the contract before commencing work;
- 3. Abide by the contractual terms;
- 4. Execute the project in accordance with the contract;
- 5. Good communication with the contract administrator; and
- 6. Address and deal with unforeseen issues ASAP.

**EXPERT DETERMINATION CHAMBERS** Legal and engineering expertise

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## Karen Gough | Barrister 39 Essex Chambers

#### Area of Expertise

- Complex construction
- Engineering
- Professional Negligence
- General commercial disputes whether resolved by litigation, arbitration or ADT

Karen Gough practises internationally as counsel, attorney-at-law, arbitrator, adjudicator and ADR neutral. She has specialised, for more than 30 years, in complex construction, engineering, professional negligence and general commercial disputes whether resolved by litigation, arbitration or ADR. She represents a wide range of clients including governments, government agencies, local authorities, educational institutions, contractors, sub-contractors, and major commercial organisations.

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## Karen Gough | Barrister 39 Essex Chambers



Question: Under the FIDIC 2017 Rainbow forms of contract, does the Contractor have a defence to the Employer's notice of suspension (clause 8.9) or termination, following the subcontractor's default (clauses 15.1 and 15.2)? Does it make any difference if the sub-contractor is:

a. Named; or

#### b. Nominated under the Contract by the Employer/Engineer.

- Contractor is fully responsible for Subcontractors default & has no defence.
- Contractor must ensure it has indemnities and warranties to protect from Subcontractor default.
- Contractor requires Employer's consent to subcontract, except for supplies of materials and named subcontractors.
- If named subcontractor, Contractor should use general contractual provisions to object. Apply same level of scrutiny as for nominated subcontractor.
- If nominated subcontractor, Contractor may object within 14 days to nomination based on competence, resources, financial strength & failure to indemnify the Contractor.
- Nominated subcontractor to undertake to Contractor to carry out works & discharge Contractor from liabilities and obligations.
- Consider any bespoke amendments to the contract and local laws and regulations.





Jamie Gray | Founding Partner NPG Abogados

Area of Expertise

Specialist in Construction Law and Alternative Dispute Resolution

Jaime Gray has participated and continues to participate in the most important construction projects in Peru including, most recently, the New Terminal of Jorge Chávez Airport, Lima, and the Villa Panamericana Project for the Lima 2019 Pan American Games.

Has advised on various types of infrastructure projects, notably mining, ports and airports, hydroelectric power plants, water and sewage facilities, highways, bridges and tunnels as well as highly complex building projects such as luxury hotels and hospitals and on several of these projects he led the NPG contract administration staff.

In the area of dispute resolution, he is not only an arbitrator and Dispute Board member, but also specializes in the handling of disputes during the execution phase of the projects themselves. Has successfully represented parties in international ICC arbitrations as well as in others administered by local arbitration centres.



www.barrettarchitects.com



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## Jamie Gray | Founding Partner NPG Abogados



Question: Impact of Covid-19 on Liquidated Damages (LADs) within established form of contracts?

- For years, projects funded by financial institutions used EPC/Turnkey Lump Sum contracts;
- "Certainty of price" is the Holy Grail for owners, who transfer risk to contractors;
- Contractors charge a risk premium to cover "unfair" assignment of risk;
- Recently, owners are considering how to avoid payment of large risk premiums;
- Yes possible to reach certainty of price & use collaborative approaches;
- How? Using a two-stage contractual approach:
  - 1. Pre-construction Collaboration between parties e.g. establish objectives & KPI's which avoid high risk premium, exchange information, execution of early works;
  - 2. Construction (Design & Build) Negotiate turnkey lump sum contract, target price or guaranteed maximum price contract = price certainty, without charging excessive risk premium;
- Investment in time and money involved, but change in participants behaviour is required.



### **Chris Beirise | Partner HKA** Construction

## Area of Expertise [has been asked for info]

- Text
- Or paragraph about you.

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## Chris Beirise | Partner HKA Construction



Question: How to document a claim related to COVID-19 Project labour disruption?

#### Answer:

- 1. Soft impacts:
  - Weekly tracking of a few workers on a daily basis to see how much time it takes to follow government guidance (cleaning tools, checking temperature, social distancing, transport restrictions etc.

#### 2. Hard impacts:

- Less workers in a manlift;
- Increased rates (from overtime and night shifts);
- More cleaning supplies & condensed toilet facilities;
- Increased supervision for social distancing protocols.





## Hannah McCarthy | Barrister 39 Essex Chambers

#### **Area of Expertise**

- Construction and engineering
- Energy
- Professional negligence

Hannah is regularly instructed by domestic and international clients in TCC proceedings as well as arbitration and adjudication. She has substantial experience as junior counsel as well as sole counsel of a wide range of construction, engineering and infrastructure disputes, with particular experience of nuclear and energy matters. She has worked with numerous standard form and bespoke contracts, including FIDIC, NEC3 and JCT forms. Hannah advises a wide range of clients, including employers, construction professionals, local authorities as well as private individuals.

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## Hannah McCarthy | Barrister 39 Essex Chambers



Question: Is an interim application payable where no pay less notice has been served, but where the application itself has been superseded by subsequent interim applications in the payment cycle?

- Yes.
- J&B Hopkins Ltd V Trant Engineering Ltd [2020] EWHC 1305 (TCC):
  - a) D (Main Ctr) tried to resist enforcement of adjudication decision in C's (Sub-Ctr's) favour, arguing decision related to an interim payment application, that had been overtaken by subsequent payment applications by C (themselves the subject of valid pay less notices).
  - b) D argued enforcing the decision would be inconsistent with the 'correction principle',
  - c) Court rejected D's submissions. Correction principle (confirmed in <u>S&T (UK) Limited v Grove Developments</u> <u>Limited 2018 EWCA Civ 2488)</u> could not be applied to conclude no amount due. Disputes on earlier applications did not cease to exist, nor would estoppel operate because of subsequent applications.
  - d) D made no points regarding jurisdiction or natural justice = enforce decision. Court also declined to grant a stay of execution, notwithstanding D's ongoing adjudication in respect of further sums under the subcontract.



## David Daly | Director Novus Resolve

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#### Area of Expertise

- Dispute avoidance
- Management and resolution services

David is a Chartered Quantity Surveyor with a wide breadth of commercial experience gained in the UK, Europe, the Middle East and China. He is experienced in dispute avoidance, management and resolution within various sectors. These include healthcare, residential, offices, oil/gas facilities, offshore construction and renewable energy.

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## David Daly | Director Novus Resolve



Question: Why do loss of head office overhead and profit claims commonly fail and what should contractors be doing better to ensure they succeed in them more often?

- No magic answer;
- Often fail for want of suitably maintained records;
- Walter Lilly v McKay [2012] EWHC 1773 (TCC), J Akenhead set out clear guidance on how to succeed in these claims in paragraphs 540 to 554 of his judgement;
- Most of the principles are not complicated but contractors are often unaware of them, leading to claims of this nature failing when disputes arise.



## GOODMAN DERRICK LLP

#### Richard Bailey | Partner Goodman Derrick LLP

#### Area of Expertise

Advising on the amendment of standard form contracts including all forms of JCT, NEC3, ICE as well as EPC, process engineering and PFI Projects.

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- Drafting bespoke forms of main contract and subcontracts.
- Domestic and international disputes and specialises in the resolution of construction and engineering disputes through the courts, arbitration, adjudication and all forms of ADR. Richard regularly acts as advocate on behalf of clients.
- Disputes regarding infrastructure projects, light rail, EPC contracts, contaminated land issues, PFI agreements, modular buildings, hospitals, residential developments and sports stadia.

## @RLBailey



/richardbailey



www.gdlaw.co.uk

## Richard Bailey | Partner Goodman Derrick LLP

## GOODMAN DERRICK LLP



Question: Can you rely on Litigation Privilege to protect documents prepared for adjudication?

- Litigation privilege covers documents produced where litigation is either in progress or there is a reasonable prospect of litigation and therefore draft submissions are covered by litigation privilege.
- Does not cover preparing the claim prior to the commencement of the adjudication, where you involve an external third party (say the architect if you are the contractor).
- This could include correspondence exchanged with solicitors and anyone involved in preparing the adjudication claim.
- NB Be careful what you put in writing as it will be disclosable and could undermine your case in court later on.



### Rebecca Drake| Barrister 39 Essex Chambers

#### Area of Expertise

Commercial and Construction Disputes

Rebecca representing FTSE-rated companies, property professionals, offshore investors, private developers, SMEs, and high-net-worth individuals.





@39EssexChambers



/39 Essex Chambers



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## **Rebecca Drake | Barrister** 39 Essex Chambers



Question: Can a final date for payment be set by reference to the provision of an invoice?

#### **Answer:**

No. In Rochford Construction Limited v Kilhan Construction Limited [2020] EWHC 941 (TCC) published in July 2020 (in which Rebecca acted), Mrs Justice Cockerill confirmed:

- Final date for payment in a construction contract must be linked to the due date and be "a set period of time, and not an event or a mechanism".
- Linking it to an invoice, would fall foul of the Construction Act requirements.
- The decision was technically obiter, but it is important guidance.



## Abdullah Akpinar | Director PCM Project Controls Services Ltd

#### **Area of Expertise**

- Construction project management
- Consultancy services to Employers, Contractors and Investors on project controls management
- Procurement management, contract management, tender preparation and evaluation.

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# PCM



## @akpinarabdullah

abdullahakpinar



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## Abdullah Akpinar | Director PCM Project



**Question: Protections and entitlements relating to Covid-19, under FIDIC 1999?** 

- Subject to giving notice under clause 19.2, a party may be excused from obligations due to Force Majeure (criteria defined under clause 19.1).
- Clause 19.1(i) to (v) does not include "epidemic" or "pandemic", but the consequences of Covid-19 are likely to satisfy the definition of FM. Ebola?
- Employer may not be able to give access to and possession of site to Contractor (clause 2.1) e.g. site closures
- Employer's payment obligations are not excused.
- Duty to minimise delay under clause 19.3.
- Contractor may not complete the works on time.
- Contractor may claim an Extension of Time (EOT), if it will be delayed by unforeseeable shortages caused by epidemic or governmental actions (clause 8.4 Red and Yellow), or where it has followed public authority procedures (clause 8.5).
- Contractor may claim cost, if the consequences of Covid-19 fall within the limited circumstances (clause 19.4(b).
- Contractor may claim EOT or cost, if contractor suffers delays resulting from changes in the "laws of the Country" (clause 13.7).
- Notice under clause 19.2, could allow potential termination under clause 19.6.
- FIDIC 2017 uses "exceptional events" instead of "force majeure".



## John Green | Commercial Director Stepnell Limited

#### Area of Expertise

- Proven end-to-end project lifecycle expertise.
- Serves a broad spectrum of private and public sector clients, ensuring they realise their vision by providing a more holistic approach to project design, build, management and delivery.

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• Established, mature business with the resources and infrastructure to deliver larger, more challenging projects with a value up to £30 million.



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## John Green | Commercial Director Stepnell Limited



Question: Design obligations of the Contractor under JCT Design and Build 2011 and 2016?

- Employer satisfied the Contractor's Proposals (CP) meet requirements (3<sup>rd</sup> Recital).
- Contractor shall complete the design for the works (Article 1).
- Subject to clause 2.15, Contractor is not responsible for the Employer's Requirements (ER) or verifying them (Clause 2.11).
- Any inadequacy in the ER shall be corrected, altered or modified if not dealt with in the CP (clause 2.12.1).
- Subject to clause 2.15, if any inadequacy in the ER is dealt with, this constitutes a change (clause 2.12.2)
- CP prevail, where a discrepancy/ divergence exists between them and the ER (a Change).
- Employer chooses between discrepant items, where a discrepancy/ divergence exists between CP & Contractor's design documents.
- Being unaware of the obligations may lead to costly consequences.
- Important to review and understand contracts, train teams and instruct lawyers to draft amendments.





## Owen Lawrence | Chief Executive International Arbitration Centre & Int Arb Arbitrators & Mediators

- Hearing space in the heart of Legal London offering
  - Premier hearing venue in London
  - Privacy
  - Confidentiality
  - Excellent client services
  - Unparalleled comfort

IAC has been designed specifically to cater to high-end disputes, offering 5,000 square feet of hearing space per floor. Confidentiality has been fundamentally built into the IAC's design, allowing parties access through private lifts and via an underground car park.

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## Owen Lawrence | Chief Executive International Arbitration Centre & Int Arb Arbitrators & Mediators



**Question:** With a small cluster of construction chambers and an even smaller pool of first rate construction arbitrators – how do you avoid sacrificing your arbitrator or Counsel of choice?

#### Answer:

- Often use previously instructed arbitrators & counsel, instead of suitable ones.
- Search for construction specialists in the particular area e.g. delay, disruption.

#### Use Int-Arb Arbitrators & Mediators because:

- The first port of call for lawyers;
- They are impartial on the arbitrator to appoint; this saves times & only relevant expert arbitrators are proposed;
- They have an extensive network & knowledge, and can find an arbitrator without cost;
- This frees up the option to have you desired counsel from a Chambers, whose main focus is construction; and
- They offer a bespoke service which eradicates conflicts for counsel in chambers.



## Chris Everett | Director CCI - Capital Consulting International

#### Area of Expertise

- Quantum Expert
- Director of an international expert services consultancy, managing Quantum, Delay and Technical teams

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- Quantum Expert on complex construction and engineering projects
- Providing Expert and Advocacy services to the construction and insurance markets
- Operating in the Construction Industry since 1999 for Employers, Multi-Disciplinary Consulting Engineers, Main Contractors and Sub-Contractors
- Experience in all major forms of ADR as Quantum Expert and representing parties in adjudication

CCi



/chris-everett

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## Chris Everett | Director CCI - Capital Consulting International



**Question:** Can a Contractor be paid its Preliminary costs twice for the same period?

- Yes, if the Contractor shows Planned completion occurring earlier than the Clause 31 programme and that programme is accepted by the Project Manager, the Contractor retains the Terminal Float.
- Subsequent compensation event may extend the Completion date (62.2), although Planned completion may shift back to the original Clause 31 date, however the Contractor is entitled to compensation for that delay to Completion.
- Contractor retains the amount in his Price and receives compensation for the same period.
- NB Contractors should not be afraid to show an earlier planned completion date in programme updates & may be beneficial where compensation events delay completion.



## Alison Lacy | Partner Fasken Law

#### Area of Expertise

- Procurement and project development for large capital projects.
- Alison has significant experience in mining, energy and infrastructure projects.
- Alison has assisted with the procurement, development and financing aspects of mining projects in Panama, Cuba, Chile, Peru, Mexico and Madagascar. In the electricity and resource sectors, Alison has worked on transactions in Canada, Chile, Argentina, Brazil, Bolivia, Mexico, Colombia, Uruguay, China and India.

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# FASKEN



@FaskenLaw

/Fasken



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## Alison Lacy | Partner Fasken



Question: When developing a project, does it ever make sense for an Owner to use multiple contract packages instead of using just one contract, such as an EPC or an EPCM? And if so, when? What are the advantages and disadvantages?

#### Answer:

- Beneficial to use multiple contract packages e.g. large mining project and different components of infrastructure
- Advantages:
  - 1. Reduced cost and risk when project is broken into components;
  - 2. May encourage higher calibre bidders;
  - 3. Use Contractors who are experts in particular area e.g. process plants, power plants.

#### - Disadvantages:

- 1. Risk of gap between services when multiple contractors involved;
- 2. Strong owner oversight & Interface/ Coordination agreement required to manage risk;
- 3. Different dispute resolution provisions in contracts.



## Andrew Harbourne | Partner Wilkin Chapman

#### Area of Expertise

- Property Development
- Construction
- Commercial Property
- Charity law relating to property

## Andrew is a partner at Wilkin Chapman in Commercial Property

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/wilkinchapman



www.novusresolve.com/

## BARTON Legal

## Andrew Harbourne | Partner Wilkin Chapman



Question: What can be done to avoid liability disputes, where the Tenant of part of an office block wants to undertake refurbishment, but has indemnified the Landlord against losses and liabilities, and the Tenant's Contractor's insurance may not be enough to cover damage?

- Consult specialist construction insurance advisors prior to the tender stage (Note 49 in the JCT Design & Build Form) to:
  - 1. Review and advise on the risks covered by the policies;
  - 2. Draft bespoke contract amendments to the insurance provisions; and
  - 3. Liaise with the Tenant, Landlord and legal team to understand the risk.
- Where the Employer is a Tenant, the Landlord should also be consulted.
- Tenant may be joint insured or the buildings insurance may include a waiver rights of subrogation against tenants.
- Landlord's insurers might require the Tenant to pay additional premium beyond the Contractor's insurance.
- Consider insurance against non-negligent withdrawal of support to neighbouring buildings (clause 6.5 of the JCT D&B form).
- Cover under the Contractor's/ professional team's PII?



# David Barnes| Chief Executive and Director of Clerking

#### **Area of Expertise**

David has primary responsibility for managing the practice of each member of Chambers and for delivering a high-quality service to members' clients globally. His detailed knowledge of each member's respective practice ensures he is well-placed to advise clients on the most appropriate counsel for their case.

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Atkin Chambers Barristers

@AtkinChambers



/Atkin Chambers



www.atkinchambers.com

## David Barnes | Chief Executive and Director of Clerking Atkin Chambers



Question: What questions should a Chambers clerk ask prospective clients?

#### **Answer:**

Question1: What is the nature of the dispute and the applicable law?

Question 2: What is the size of the claim

**Question 3: Are the clients looking to engage a Silk or junior barrister?** 

**Question 4: What is the underlying contract?** 

**Question 5: Are there limitation Issues?** 





## Allan Booth | Director Rance Booth Smith Architects

#### Area of Expertise

- Projects in:
  - Health
  - Education
  - Commercial
  - Industrial and public sector projects

Allan was a founder of Rance Booth Smith Architects in 1982. He has over 35 years' experience in health, education, commercial, industrial and public sector projects.

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Within the public sector, Allan has run major master-planning projects for Bradford Council, the refurbishment of Shibden Park in Halifax and the £100m Shipley Sustainable Resource Park.



#### www.rbsarchitects.co.uk

#### Allan Booth | Director Rance Booth Smith Architects



Question: You are designing a construction project for a client who wants you to use a particular sub-contractor for the electrical work. How would the sub-contractor issue influence your choice of contract?

- Use JCT Intermediate form of contract to name sub-contractor.
- Main contractor responsible for sub-contractors' performance & payments.
- If sub-contractor has design responsibility, select relevant contract & obtain warranty from sub-contractor.



#### **Richard Bettridge | Director Motion**

#### Area of Expertise

Motion is a leading independent consultancy providing expert advice in transportation, water, infrastructure and civil engineering design services.





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#### Richard Bettridge | Director Motion



**Scenario Question:** 

- Engineer sets in the civil engineering contract, LADs at £20,000 per week for failure to complete by the completion date.
- The maximum limit of LADs is set at 50% of the contract sum. The contract value is £150,000 and the programme for completion is 10 weeks.
- Bad weather and Contractor receives a 1 week extension of time.
- Completion certificate is dated 18 weeks after commencement.
- Employer deducts LADs of £140,000 and pays the Contractor the remainder.

What are Liquidated Damages (LADs) and how are they treated in construction contracts? Is the above scenario fair?

- 1. LADs are set by the Employer, not Engineer.
- 2. LADs need to represent a genuine pre-estimate of damages resulting from late completion, and not be punitive.
- 3. No automatic right to challenge LADs under the contract. Must be made separately, but high burden of proof.
- 4. Here, the LADs appear to be punitive and unfair, so important to challenge at the tender/pre-contract stage.
- 5. LADs can be automatically deducted by the Employer under the contract.



#### Patrick Barrett | Director Barrett + Barrett Chartered Architects

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#### Area of Expertise

- Building desigr
- Feasibility proposals
- Interior design
- Master planning
- Consultant architects
- Contract project management
- Topographical and building surveys

#### Barrett+Barrett architects Itd



#### /patrickbarrett



www.barrettarchitects.com

#### Patrick Barrett | Director Barrett + Barrett Chartered Architects

Barrett+Barrett architects Itd



Question: Impact of Covid-19 on Liquidated Damages (LADs) within established form of contracts?

- No precedent for this situation in any of the normal and established forms of contracts.
- So what happens if a Contractor is pulled off site due to allegations that a site operative has Covid-19 symptoms, and the Contractor is unable to complete the works on time? Can the employer claim LADs?
- What if the site operative does not actually have Covid-19? Is there a duty on the Contractor to test all site operatives? Does the Contractor need to have alternative operatives on 'standby'?



## **BONUS QUESTIONS**



#### Abdullah Akpinar | Director PCM Project Controls Services Ltd

#### Area of Expertise

- Construction project management
  - Consultancy services to Employers, Contractors and Investors on project controls management
  - Procurement management, contract management, tender preparation and evaluation.

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abdullahakpinar



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#### Abdullah Akpinar | Director PCM Project



**Question: Does Covid-19 spark a Force Majeure clause?** 

- It depends on the contractual provisions.
- *"Force majeure" in the English Legal System differs from other legal systems.*
- "Force majeure" is an unforeseeable event beyond the parties' control and impacts their obligations e.g. delays performance, potential termination etc.
- The event must fall within the list of circumstances and the court will look at the natural meaning.
- *Position is less clear when authorities make recommendations instead of legal orders.*
- Has it prevented, impeded, hindered or delayed a performance of the contract?
- Mitigation to prevent delays? Service of notices within timescales?
- **Doctrine of Frustration?**



#### **Chris Beirise | Partner HKA** Construction



#### Area of Expertise [has been asked for info]

- Text
- Text
- Or paragraph about you.

**HKX** 



#### @HKAGlobal



#### Chris Beirise | Partner HKA Construction



Question: How can I plan to avoid COVID-19 supplier impacts?

- Check supplies in advance & regular follow ups.
- Take early delivery & store appropriately.
- Discuss strategies with others in the industry.
- Consider suitable alternative materials/ equitable.
- Timely address any issues between parties.
- Regular meetings to discuss issues.

#### Chris Beirise | Partner HKA Construction



**Question: How to address COVID-19 schedule delays?** 

- Determine project status prior to COVID-19 impacts.
- Keep records of impact of COVID-19 on workforce (reduction, quarantining etc.).
- *if late equipment/material delivery make sure to determine if equipment/material was ready for installation in comparison to other delays.*





#### Allan Booth | Director Rance Booth Smith Architects

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#### Area of Expertise

- Projects in:
  - Health
  - Education
  - Commercial
  - Industrial and public sector projects

Allan was a founder of Rance Booth Smith Architects in 1982. He has over 35 years' experience in health, education, commercial, industrial and public sector projects.

Within the public sector, Allan has run major master-planning projects for Bradford Council, the refurbishment of Shibden Park in Halifax and the £100m Shipley Sustainable Resource Park.



#### www.rbsarchitects.co.uk

#### Allan Booth | Director Rance Booth Smith Architects



Question: You are the contract administrator for a project which is on site. A sub-contractor calls you to say that the main contractor has gone bust and trades are leaving site. What are the first things you should do?

- Check correct & make arrangements to secure the site because if the sub-contractor has not been paid by the contractor, he may remove goods the client has paid for.
- Inform the client and advise to notify insurers.
- Other tasks including a site inspection, get others to complete the works, assuming that an arrangement for completion is not made with the insolvency practitioner appointed.



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### NEXT WEBINAR Subject: PAYMENT Date: Thursday 24 September at 11am



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