

## ***ABSTRACT***

On The Road To Arbitration:

A Case Study Of Contract No. 3 Under The Dominica Hydroelectric Expansion Project

Anthony Edmund Le Blanc

This research paper focuses on the project management issues in conflict and dispute management in the construction sector, and in particular, the methods available to reduce the cost impact of any ensuing claims.

Inadequate design and contract document preparation, mismatch of contractor to work, and failures in the performance of the Engineer were all factors contributing to the development of disputes and conflicts under Contract No. 3 of the Dominica Hydroelectric Expansion Project. Consultant failure was, however, the greatest contributor to disputes and extra costs for the Employer, DOMLEC. DOMLEC repudiated the contract with the contractor, Nord France, in an ill-advised attempt to determine the contract.

Arbitrations were used to resolve the disputes. The arbitrators gave effect to a net award of EC \$ 1.56 million in favour of the Nord France. The estimated cost incurred jointly by the parties to obtain the award is EC \$ 9.32 million. Compared with the contract

award of EC \$ 5.62 million, the final cost to DOMLEC is estimated at EC \$ 16.8 million.

The study emphasises that:

- (i) A concerted effort has to be made by parties to a contract at dispute avoidance and resolution.
- (ii) Adversarial attitudes and relationships in the construction sector have to be replaced with those of a partnership nature developed to attain the goals of the project and the parties to the contract.
- (iii) There is very little benefit to the parties in an arbitration. ADR methods have to be utilised to reduce the cost of dispute resolution in the sector.