



Arabian Institute For Training

Managing Change Orders and Contractual Claims

Why Attend

- The overall aim of this course is to provide participants with introductory knowledge and basic skills needed to deal with claims, variations and disputes between the principals and the contractors. Participants in this interactive course will learn how to analyze contractual issues, identify techniques that are helpful in handling difficult situations and recognize the best practices in resolving disputes amicably.

Course Methodology

- This course relies on the use of individual and group exercises aimed at helping participants learn all key contract management activities. The course also features the use of a number of case studies, presentations and role plays by participants followed by discussions. In addition, this course incorporates pre and post testing.

Course Objectives

By the end of the course, participants will be able to:

- Identify and avoid causes for contractual claims and change orders
- Outline the major types of change orders and draft a variation order and a notice of breach
- Recognize and analyze the different types of owners' claims and contractors' claims and explain how to deal with each type
- Demonstrate, through actual situations, the different approaches to handle claims, variation orders and conflicts through mutual collaboration
- Apply negotiation as a main concept in resolving disputes and conflicts in order to reach a final settlement

Target Audience

- All those involved in implementing and administering contracts and handling claims and change orders as well as those involved in any conflict or dispute with a contracting party. In addition, this course is valuable for anyone interested in learning how to avoid or resolve contractual issues. Our institute has been reviewed and approved by the PMI® Authorized Training Partner Program. This course is worth 30 Professional Development Units (PDUs).
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Target Competencies

- Contract preparation
- Handling claims
- Change management
- Technical terms and conditions
- Negotiating contracts
- Conflict management
- Contract administration

Overview

- Elements of a contract
- Contract terms and conditions
- Basic concepts in contract law:
- Force majeure
- Notices: the neglected clause
- Breach of contract
- Right to remedy
- Indemnifications and liabilities
- Contract termination
- Why do claims occur: the red flags
- Change requests
- Definitions of claims and disputes
- Claim process

Change management

- Why change management
 - Change order
 - Agreement on estimating process
 - Types of changes and variations
 - Directed changes
 - Constructive changes
 - Cardinal changes
 - Process of change management
 - Writing a variation order
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Claims nature and types

- Documentation of the event – notices
- Procedure and presentation of contractor's claims
- Drafting a notice
- Owner's claims
- Defective work
- Warranty claims
- FIDIC owner's claims
- Contractor's claims
- Changed conditions
- Constructive changes
- Delays and suspensions
- Deficiencies in plans and specifications
- Program extensions
- FIDIC contractor's claims
- Delayed drawings or instructions
- Right of access to the site
- Unforeseeable physical conditions
- Delays caused by authorities
- Reaching a settlement
- Drafting a claim
- Claim evaluation

Resolving claims and disputes

- Monetary damages
- Disputes and settlement of disputes
- Alternative dispute resolution:
 - Negotiation: common practices
 - Mediation: neutral third party
 - Arbitration: binding and non-binding
- Resolution through legal means

Negotiation

- Partnering with suppliers
 - Negotiation objectives
 - Communication and negotiation
 - Negotiating claims
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