



CONSTRUCTION CLAIMS PREMIUM E-COURSE

Presented by

Andy Hewitt

FICCP, FCIOB, FCICES, FQSI



MODULE 4

Cause and Effect

The Importance of Linking Cause and Effect

- In an extension of time claim, it is essential to link the cause to the effect
- A claim narrative can do this effectively by:
 - Explaining what happened – “The Cause”
 - Explaining how the cause affected the project – “The Effect”

The Cause

- What happened?
- The cause is usually factual
- It may be demonstrated by reference to the project records
- A chronology is an effective way of demonstrating the cause
- Remember however, that it is dangerous to rely only on the bare facts from the records to tell the complete story

The Effect

- The effect on the project:
 - The Time for Completion
 - The Contract Price
- The effect is more subjective than the cause and often needs careful thought and investigation by interrogation of the records

The Effect

- For an extension of time claim, this section generally needs to ascertain:
 - The activity or activities affected by the delay
 - The start of the delay
 - The finish of the delay
 - The duration of the delay
- The information ascertained during the investigation of the effect will be used to perform the delay analysis, which will demonstrate the final effect on the Time for Completion

Substantiation

- Don't forget CEES, where 'S' is for "substantiation"
- You must substantiate every statement that you make and every fact that you rely on in your narratives

Case Study B

Red Rose Business Centre

- The cause here is very simple and was the issue of revised 'issued for construction' drawings
- If you refer to Module 3, you will see that the effect was:
 - Increased work
 - Increased costs for the partitions and suspended ceilings
 - Delay to the Time for Completion
 - Additional costs associated with the extension of time

Case Study B

Red Rose Business Centre

How can the effect on the Time for Completion be demonstrated?

- What facts do we know?
 - Prior to the issue of the drawings, the project was on target to complete almost on time
 - The date that the revised drawings were issued
 - The date that the Contractor started the additional work
 - The date that of the first delivery of partition materials
 - The date of the first delivery of suspended ceilings was received on site

Case Study B

Red Rose Business Centre

In discussing the effect, it is necessary to consider and demonstrate how the programme was affected:

- Which activities were affected?
- When did the delay start?
- When did the delay finish?
- Did the delay affect the start, the finish or cause an increased duration of the activity / activities?
- Did the event introduce new activities into the programme?

From the above facts a prediction can be made of the revised Time for Completion. This would however be demonstrated by way of a delay analysis which is the subject of another module.

Case Study C

Northern Ring Road

- The cause was the discovery of ground water above the required excavation level
- The fact that groundwater was present at this level was in contradiction to the Contract
- The cause here is complex and requires a detailed examination of the Contract
- The effect here however, is very straightforward
 - The contractor was obliged to install a dewatering system for which he had not allowed in his tender

Claim Narrative Writing

- The cause and effect narrative should be set out as if it were included in a claim document
- Pay attention to the 4 Key Points:

- 1** Make the reviewer's job as easy and as pleasant as possible
- 2** Ensure that the submission is a stand-alone document
- 3** Assume that the reviewer has no prior knowledge of the project
- 4** Do not include irrelevant information or content within the claim submission

Claim Narrative Writing

- If using a chronology, do not rely on the bare facts from the records to explain the situation
- Lead the reader to a logical conclusion by:
 - Explaining
 - Summarising
 - Making conclusions
- Check the Assignment for reference material to help your narrative writing achieve the desired effect.

Finally...

If you have any doubts or require any advice...

Contact your tutor!

