

9. NPWC, NBCC AND AFCC CLAIMS AND DISPUTES JOINT WORKING PARTY

The National Public Works Conference, the National Building and Construction Council and the Australian Federation Of Construction Contractors has established a Joint Working Party to examine the recommendations in the Strategies For Reduction Of Claims And Disputes In The Construction Industry Report and related issues.

The Terms of Reference proposed for the Joint Working Party are as follows:

- .1 The Joint Working Party shall consist of senior people, experienced in contract administration and documentation, nominated by the Chairman of NPWC, the Chairman of NBCC and the President of AFCC.
- .2 The purpose of the Joint Working Party is to explore jointly the topics referred to it, and to recommend changes in practices and procedures in the Construction Industry which will lead to better quality construction and a reduction in claims and disputes.
- .3 The Joint Working Party's report shall include a proposed strategy for implementation of each of its recommendations.
- .4 The Joint Working Party shall start with the Recommendations in the "Strategies for the Reduction of Claims and Disputes in the Construction Industry - A Research Report", modified by the decisions made at the Meeting Between Government and Private Construction Industry Organisations on 7 April 1989.
- .5 The Joint Working Party shall examine all points of view on each of the topics referred to it, and seek to reach consensus. On each topic, it shall identify the options available and their implications.
- .6 The Joint Working Party shall submit its first Report to the Meeting Between Government and Private Construction Industry Organisations to be held in Brisbane on Friday, 27 October 1989.

The following topics are referred to the Joint Working Party:

Selection of Contractors

- identify the various policies followed in Australia, and the reasons for those policies;
- propose a statement on policy to be followed in the industry;
- propose a guide for the implementation of selection of the "lowest acceptable tender".

Documentation

- propose a "Guide to Documentation" in association with NPWC's Contracts Committee, recommending standards of documentation and the effects on risk to the client.

Risk Allocation

- examine each major risk area inherent in contracts, and recommend who should carry

that risk;

- recommend strategies to deal with ground (latent) conditions.

Roles of the Parties to the Contract

- prepare a statement commenting on the roles of the various parties involved in the contract, including its administration and the carrying out of the work.

Cost Management -

- propose strategies to achieve good cost management;
- recommend how Bills of Quantity or other measures may be used as a tool for cost management;
- recommend strategies which will ensure clear allocation of responsibility.

Nominated Sub-Contractors

- identify the advantages and disadvantages to the various parties;
- propose guidelines for nominating or otherwise 'specifying' acceptable sub-contractors.

Prolongation Costs

- propose guidelines for contractual arrangements for prolongation.

Variations

- examine the BPF System and recommend which of its concepts should be adopted in Australia;
- propose guidelines for contractual arrangements for variations.

Claims

- propose guidelines for contractual arrangements for claims.

Alternative Contract Strategies

- make recommendations on the concept of including an experienced construction contractor in the design team;
- propose guidelines to assist Principals and clients to select the best delivery system for the various types of project;
- liaise with the NPWC Contracts Committee on whether the concepts in the BPF System should be adopted.

Quality Assurance

- propose guidelines for the implementation of Quality Assurance in the Australian Construction Industry;
- prepare a proposal for a joint approach by government and private organisations to Standards Australia, seeking modifications to the existing Australian Standard AS 2990 to enable it to be more appropriate for application of Quality Assurance in the Australian Construction Industry.