

Sources of disputes in South African construction contracts and the resolution techniques employed between clients and contractors

Bryne Mandlenkosi Sithole
(0216928H)

A dissertation report submitted to the Faculty of Engineering and the Built Environment,
University of the Witwatersrand, in partial fulfilment of the requirements for the degree of
Master of Science Building (in the Field of Project Management).



School of Construction Economics and Management, University of the Witwatersrand,
Johannesburg
31 August 2016

Abstract

Disputes are a common characteristic of the construction industry, the underlying sources of disputes, most frequent dispute resolution techniques employed and the responsiveness of the industry towards the available techniques was explored including detailed literature review on disputes in the construction industry. Disputes can lead to the significant waste of resources on contracts; and they thereby undermine the concepts of sustainability and value-for-money in contracts, thus affecting the overall health of the construction industry. The methodology involved interviews conducted among professionals with experience, review of published cases, contracts and media reports on disputes in the construction industry. The scarcity of research in this field is discussed and the empirical work on the sources of disputes, dispute resolution techniques and proficiency in the industry was reviewed. It is concluded that contractual issues need more attention to deter disputes occurrence, while negotiation, arbitration and litigation techniques dominate the industry. The industry lacks professionals with dispute resolution skills, therefore workshops and stringent policies are needed to advise the professionals to acquire the skills for the development and improvement of commercial relationships in contracts.

Key words and phrases:

Disputes, dispute-resolution methods, adjudication, arbitration, mediation, litigation