

ADJUDICATION & DISPUTE BOARDS WEBINAR

II. Top Tips & Debunking Misconceptions about Dispute Boards

Dispute Resolution Board Foundation. *Moving projects forward* since 1996.



TERMS

→ DISPUTE BOARDS

“[...] represent the only contract-management process that proactively assists parties in a project to avoid or (if necessary) resolve disputes in a timely and cost-effective manner.”*

* *Dispute Board Manual: A Guide to Best Practices and Procedures* @DRBF2019 www.drb.org

Top Misconceptions

Statement:

- DBs do not add value/cost too much
- DBs impose their own concepts of *fairness* and *equity*
- presence of a DB promotes claims

Reality:

- cost advantages
- must apply the contract as written and follow the DB Agreement
- avoids claims and disputes

Top Misconceptions

Statement:

- DB members are biased or are not qualified
- DBs are unreliable and lack the formality of legal proceedings
- DBs decisions are not enforceable

Reality:

- parties select members who are impartial and experienced
- thorough and orderly meetings and hearings
- 85-98% of DB do not go on to arbitration or litigation
- DB is a contractual obligation

Top Tips

AVOID:

- waiting to form the DB until the project is well underway and disputes have already arisen
- limiting DB members' fees, reimbursable expenses, and limiting the geographic area from which members can be drawn
- not properly vetting DB members
- imposing procedural obstacles to access the DB
- imposing limits on DB jurisdiction