



## COURSE NUMBER

FHWA-NHI-134037A

## COURSE TITLE

### Managing Highway Contract Claims: Analysis and Avoidance

Construction contract claims are the result of the owner and the contractor being unable to come to agreement regarding an alleged change. Reducing or eliminating claims requires (1) a reduction in the number of potential changes, and (2) the implementation of practices that increase the likelihood of an owner and contractor resolving a dispute. This course provides the basic tools to address both elements of reducing or eliminating contract claims.

In this course, participants first walk step-by-step through the evaluation of a contract claim, looking at each component. Separate course modules are devoted to these three components of a claim: entitlement, impact, and cost. The "Entitlement" module focuses on the contract and the proper interpretation of common contract clauses. The "Impacts" module focuses on delay and inefficiency--the two most difficult impacts to measure and, consequently, most difficult to resolve. The "Cost" module explores costs that can prove difficult for the project team to resolve.

Next, the participants identify and review best practices associated with successful dispute resolution. In addition, there is a module devoted solely to claims avoidance techniques and dispute resolution processes.

By completing this course, participants will have the opportunity to master techniques that can help them manage and avoid claims.

## OUTCOMES

Upon completion of the course, participants will be able to:

- Define "claim"
- List the three parts of a claim
- Describe the difference between a directed and constructive change
- List examples of directed and constructive changes
- List basic contract principles and rules of contract interpretation
- List the contract clauses most relevant to the evaluation of claims
- Define essential scheduling terms
- Explain the differences among the six types of delays
- List five methods for analyzing delays
- Explain how to perform a contemporaneous schedule analysis
- List five methods for measuring productivity/inefficiency
- Explain how to perform a measured mile analysis
- Describe how to avoid constructive acceleration
- List five methods for calculating costs
- List the four assumptions upon which a total cost calculation is based
- Identify project costs that are affected by delays
- Calculate extended home office overhead costs by the Eichleay and Canadian methods
- Identify acceleration costs
- Identify inefficiency costs
- Identify common miscellaneous costs
- Explain the key steps necessary to evaluate claims
- Describe the False Claims Act
- Demonstrate an ability to evaluate a contractor's claim
- Describe FHWA policy regarding participation in paying damages for contractor claims
- Explain the importance of a claims avoidance system

- Describe a claims avoidance and dispute resolution system
- Explain the strengths and weaknesses of dispute review board

### **TARGET AUDIENCE**

This an intermediate level course. It is designed specifically for State DOTs, but is also appropriate for LPOs and MPOs. It is a valuable course for contractors, design consultants, project managers, and attorneys involved in the evaluation, management, and resolution of disputes on highway construction projects.

**TRAINING LEVEL:** Intermediate

**FEE:** 2016: \$475 Per Person; 2017: \$475 Per Person

**LENGTH:** 2.5 DAYS (CEU: 1.5 UNITS)

**CLASS SIZE:** MINIMUM: 20; MAXIMUM: 30

**NHI Customer Service:** (877) 558-6873 • [nhicustomerservice@dot.gov](mailto:nhicustomerservice@dot.gov)