AN OVERVIEW OF CONSTRUCTION CLAIMS: A CASE STUDY OF THE ZAMBIAN CONSTRUCTION INDUSTRY

SIBANYAMA G1, M MUYA2 and C KALIBA3

Department of Civil & Environmental Engineering, University of Zambia, P O Box 32379, Lusaka Zambia
1MEng research student. Email: george.sibanyama@unza.zm
2Senior lecturer. Email: mmuya@unza.zm
3Lecturer. Email: cjcax@yahoo.co.uk

Abstract
Construction projects are subject to implementation challenges which constitute risks that threaten their smooth execution. Once risks become a reality, they give rise to project cost escalation and time overruns, which can lead to claims. Claims are a major source of friction between contracting parties in the construction industry and can divert considerable resources in form of both finances and staff time from ongoing projects.

An overview of issues related to construction claims, using the Zambian construction industry as a case study is presented in this paper. Three research methods: literature review, semi-structured interviews and a questionnaire survey were used in the study. The questionnaire survey formed the main data collection method for the study.

The study reported in the paper established that claims normally result from omissions and actions during the pre-tendering and contract formulation phases of projects, although they usually manifest during the construction and post-construction phases. Once a claim is presented, contracting parties develop negative perceptions which create adversarial relationships between them. Fair and expeditious settlement of claims in Zambia was established to be difficult mainly due to: untimely notification, poor record keeping, inadequate legal and factual justification and poor presentation.

Keywords
Construction Claims, construction industry, Zambia

BACKGROUND AND LITERATURE REVIEW

Construction management is as much a matter of overcoming difficulties as it is of achieving results. Difficulties range from absolute certainties of familiar risks to happenings that cannot be foreseen by any reasonable person. Risks result from projects being vulnerable to a variety of factors that cause cost escalation and schedule overruns that affect their smooth completion. Because any risk can become a reality, one party to a contract could suffer financial and/or time losses for which they could demand remedies. The demands for remedies are what constitute claims (Msita, 1998).