

Contractor claims of \$30M against a \$5M contingency put the \$40M project at serious financial risk

SITUATION

- \$40M EPC project delivered under a fixed-scope contract
- Client held a risk contingency of only \$5M against the contract value
- Delivery had already slipped 11 months beyond the original schedule

COMPLICATION

- Contractor submitted claims totalling \$30M —6x the available contingency
- Claims spanned 15+ distinct heads of claim across the project
- Key categories: soil conditions during drilling, weather delays, extra engineering, out-of-scope work, and standby costs

\$40M

project value

\$30M

claims submitted

\$5M

contingency held

11 mo

schedule delay

A disciplined four-step process kept every claim under scrutiny and evidence-based

APPROACH

- Monitored contract scope closely, tracking site conditions and instructions against the contracted baseline
- Identified opportunities for extra work or work falling outside scope as it arose on site
- Secured proof of acceptance for each change before it proceeded
- Monitored and tracked claim costs continuously across all 15+ claim heads

PROCESS

