

STUDY OF RISK IN CONSTRUCTION CONTRACTS

ER. AMIT BIJON DUTTA

Research Scholar, Department of Management, RTM Nagpur University, Nagpur, Maharashtra, India

ABSTRACT

Risk in construction is common and are enormous and hence the construction industry is subject to major risk. One of the major risks faced by construction industry is “CONTRACT RISK”. Contractual is a written document between the owner and the contractor. The contract risk can be classified as Owner/Client group and contractor cluster property and personnel, Project works, Pollution, Third parties, consequential losses, warrant obligations, Unlimited liability/damages at large, Insurance cover, Force majeure and suspension, Delay, Variation orders, Free access to worksite, intellectual property rights, Termination by Owner/Client for convenience, Owner/Client’s obligation to pay contractor.

Arbitration was established as a way to resolve contract disputes without having to enter the litigation arena. Major use of arbitration is to settle construction disputes without the need to undertake a long, exasperating and expensive legal proceeding method.

KEYWORDS: Construction, Risk, Contract, Arbitration