



MANAGEMENT OF CHANGES AND CLAIMS IN CONSTRUCTION CONTRACTS

The key to a successful project
lies in the professional and timely
management of changes.

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FOUR-C experts®

CONSTRUCTION CONTRACTS CLAIMS CONCILIATION

WHAT IS THE CHALLENGE?

Timely Notifications

Identifying a change event when it occurs is essential for providing timely notification.

Clarity regarding potential impacts

Simply notifying the client that an event has occurred is not enough; it is essential to inform them of the estimated impacts on time and cost.

Proper management of change situations

The owner must be kept informed at all times about how a change situation is being managed; keeping them involved helps prevent future disputes.

Avoid the accumulation of unresolved changes

Failure to resolve disputes arising from changes in a timely manner increases their complexity and reduces the likelihood of reaching a settlement.

HOW DO WE DO IT?

- 1 We implement processes that ensure the timely detection of change situations.
- 2 We ensure proper notification and compilation of change request (CR) files and change orders.
- 3 We assist you in preparing and responding to CRs or more complex claims, such as schedule impacts or loss of productivity.
- 4 We participate in the submission, response, and negotiation of claims.



HOW CAN WE ASSIST YOU?

The flexible allocation of highly qualified resources ensures that their availability does not become a bottleneck in change management.

The strict application of industry best practices increases the likelihood of successful reconciliation or arbitration.

DON'T LET DISPUTES AND UNRESOLVED CHANGES PILE UP!

Unresolved change orders can seriously impact the project's cash flow; furthermore, they greatly complicate the analysis of subsequent interferences.

The likelihood of an amicable settlement decreases considerably as the value in dispute increases.

“In construction contracts,
a variation is not the exception,
it is the rule.”

IF YOU ARE A CONTRACTOR ...

- We will provide the necessary support to effectively document variations and claims, based on the terms of the contract.
- We will assist in the correct quantification of your claims, based on industry best practice and your contract.
- Changes and claims will be properly documented to minimise points of contention and to prepare for any future ADR proceedings.
- Dispute resolution processes will be initiated in a timely manner, preventing issues from piling up.

IF YOU ARE A PROJECT OWNER ...

- You will be able to respond promptly to any change request or claim, based on the contract.
- You will be able to properly evaluate the cost estimates submitted by your contractor, accepting those that are contractually valid and, where appropriate, providing clear justification and documentation for rejections.
- You will avoid misunderstandings with your contractors that can lead to strained relationships and potential project failure.

THE PROCESS

I. DEFINING A STRATEGY FOR MANAGING CHANGES AND CLAIMS

We begin by raising the team's awareness of the rights and obligations set out in the contract, as well as scenarios involving changes that may affect the project timeline and/or cost. This also includes the professional management of potential risks and opportunities.

A key aspect of change management is that major changes are not the only ones that matter; sometimes the accumulation of many minor changes can become the primary cause of inefficiencies and substantial delays. Managing this effectively can be challenging.

II. TIMELY NOTIFICATION AND PREPARATION OF CHANGE REQUESTS AND CLAIMS

Contracts establish notification deadlines that must be adhered to for successful change management.

Equally important is (i) proving the facts that gave rise to the change, (ii) establishing the legal basis, and (iii) demonstrating the causal link between the cause(s) and effects of a change (particularly in complex claims such as schedule impacts and loss of productivity). Without these elements, the claim loses strength and may be dismissed. Furthermore, all contractual requirements regarding liability, cure periods, and applicable procedures must be complied with.

We ensure the application of industry best practices and that documentary evidence is retained, with the necessary traceability.

III. QUANTIFICATION OF CHANGES AND CLAIMS

Accurate quantification aligned with industry standards and practices facilitates acceptance by the parties. In this process, we offer FOUR-C's expertise in international standards and practices as a key factor in achieving successful outcomes.

IV. SETTLEMENT AND ESCALATION OF DISPUTES

Any request for a change order may result in a dispute.

When, despite all efforts to demonstrate and explain whether a change order is valid or invalid, the parties fail to reach an agreement, it becomes necessary to formally declare a dispute and ensure that the resolution process is initiated.

Disputes that are not resolved in a timely manner require a decision by an adjudicator (typically an expert, dispute board, or arbitrator). To protect your rights, it is important to document your position properly and agree on how to proceed while awaiting resolution.

OTHER CONSEQUENCES OF CHANGES TO A CONTRACT

Events such as scope variations, disruptions, changed conditions, work suspensions, and directed or constructive acceleration often result in lost productivity, delays, and related additional costs. Our experience enables us both to assist contractors in preparing change requests or claims and to defend project owners against unjustified claims, whether in terms of liability or quantum.

“ A change is not a problem; it becomes one when it is ignored or poorly managed. ”



LEVERAGE FOUR-C'S EXPERIENCE FOR YOUR PROJECTS

- 1 Prior to joining Four-C, our experts worked on construction projects (as contractors and owners), mastering change management as part of their professional development.**
- 2 Our specialists understand and apply industry-accepted procedures to identify, quantify and present the causes and effects of disputes in dispute resolution processes.**
- 3 We know what to monitor during contract execution to avoid disputes, or at least to safeguard your rights.**
- 4 This extensive experience is at your disposal-not through a single expert, but through a multidisciplinary team tailored to your needs.**
- 5 Drawing on our arbitration experience, we understand which factors ensure the successful defense of your rights and which may hinder settlement.**



ABOUT US

We have been supporting our clients since 2010, initially as CAA México and now as FOUR-C Experts, an international firm with operations in Latin America and Europe. We offer a comprehensive range of consulting services in contract management, expert analysis, advisory services, and training for construction projects and their various dispute resolution processes.

Our team comprises international professionals across various disciplines, enabling us to address complex and multidisciplinary matters with a high level of expertise.

OUR CLIENTS AND THEIR SECTORS

Our clients include numerous contractors, subcontractors and project owners, as well as public bodies, PPP concessionaires and law firms.

We provide services to the construction sector in areas such as energy, oil and gas, industrial plants, communications, transport, hospitals, mining, water supply and buildings.

OUR SERVICES



Success Lies in the Details



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