Contract Management involves making timely decisions and monitoring the flow of information across various levels in order to achieve successful closure of contracts. It enables the client to determine the conformity of work as per the contract documents and provides an opportunity to detect any inaccuracies, ambiguities or inconsistencies in the contract and deploy appropriate mitigation.

How can we help you

PwC can assist you in contracts review as well as administration in the different phases of construction contracts.

Contracts review

- Examination of the process of entering into contractual relationships
- Analysis of due diligence or the precedent conditions to be adhered to in accordance with the contracts
- Appreciation of the contract compliance issues in project management
- Gap analysis of the contract through robust document review
- Review of the strengths and weaknesses of your contracts based on our recognised industry experience

Contracts administration

- Understanding of the contracts: How to read, interpret and evaluate
- Examination of the key aspects of contract administration as well as the claims process
- Appreciation of the contractual issues surrounding variations, delays and defects, as well as development of procedures to effectively deal with these issues
- Analysis of effective document control, reporting and communication systems
• Discovery of cooperative negotiation as well as partnering skills for dispute avoidance and resolution
• Development of contract claims procedures
• Termination or suspension of contracts due to default
• Closing of contracts

Our service offerings
• Contract awareness to increase the efficiency in contract management
• Identification of contractual risks and advice on mitigation measures
• Monitoring of the payment to subcontractors based on mutually agreed contractual terms and conditions as well as avoiding overpayments
• Determining of roles and obligations of the various parties to the contract

Why PwC
We draw upon the expertise of engineers and contract managers with significant experience in construction contracts (FIDIC, government contracts, international contracts). Our contract specialists are experts in interpretation as well as analysis and can assist with the independent assessment of contracts to identify financial and operational issues. We can help you:

• Maximise your contractual benefits and safeguard the interest of the project
• Secure profit and save on cost
• Reduce risks related to contractual obligations
• Avoid unjustified claims
• Avoid the threat of litigation
• Keep the management updated with the current status of their contract management and suggest the best practices
• Avoid contractual disputes
• Mitigate disputes arising from the contract in time to avoid disruption of construction work

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Cost overrun is a critical issue faced by the construction industry in India. Significant cost overruns have been seen turning profitable EPC construction projects into loss making propositions. More importantly, managements and boards of directors often do not have a clear view or evidence that may have led to such a situation. This makes it impossible for them to identify or mitigate the risks or losses in time.

Considering the sheer volume of mega construction projects, it can be challenging to keep a vigil on factors such as managerial incompetency, malpractice, deception and even corruption, which may largely contribute to cost overruns.

**How we can help you**

We draw upon the expertise of our forensic investigation specialists, forensic accountants, civil engineers, construction management specialists, quantity surveyors, contracts specialists, scheduling professionals, former police officers and deploy sophisticated forensic technology techniques to investigate technical, business and financial causes of cost overruns incurred in the construction of infrastructure assets.

Our professionals investigate and identify the different factors that may have caused the cost overruns and classify them into parts that can be submitted to the clients as claims and into others that may have emanated from fraud, misconduct or operational inefficiencies. We can help you:

- Investigate the books of accounts of the concerned entity
- Identify red flags indicating any misuse of funds
- Investigate and identify instances of inflated rates agreed with suppliers
• Examine the contract document with respect to the bill of quantities (BoQ) and rates
• Establish instances of favouritism towards certain sub-contractors
• Investigate and identify instances of over-payments to contractors, vendors, sub-contractors or suppliers
• Reconcile quantities and compare them with budgeted ones
• Use quantity surveying techniques while estimating the cost overrun
• Identify and investigate related party transactions

Our service offerings

• Recovering costs from clients, stakeholders and other entities who may be involved in malpractice, fraud or corruption
• Understanding and mitigating risks associated with cost overrun
• Achieving budgeted revenue and profits
• Improving and maintaining shareholder value in the construction asset as a financial or strategic investor

Why you need Cost Overrun Investigations

• To provide a robust report for you to challenge the factors leading to cost overrun
• To highlight the current operational, financial and commercial issues for resolution
• To keep the management updated with the current status of the financial health of the project

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Delay Analysis and Compensation Claims

When engineering and construction projects get delayed, the contractors and employers not only lose out on profits waiting for the project’s completion but on new projects as well. Consequently, at the end of every dispute, each party is either interested in receiving or avoiding payment of money damages. This is why, in any construction project, a detailed analysis of the source documents is needed more than conducting a shorthand analysis of summary documents.

Challenges faced in the construction sector

• Projects not getting completed within timelines due to reasons such as:
  – Delay in land acquisition
  – Delays in approvals by the consultant, client and local authorities
  – Failure to provide drawings on time
  – Unexpected variations in design
  – Changes in dimension, scope, etc being notified too late
  – Delays and interruptions in interconnecting contracts or packages
  – Delays caused by difficulties in import or customs clearance
  – Poor procurement planning
  – Suppliers beginning behind schedule or the planned date
  – Coordination failures
  – Suspension of the work
  – Cash flow issues
  – Unanticipated requirements by client’s supervisors
• Disputes between the parties due to delay in project completion
• Substantial funds getting locked up in disputes resulting in stalling of the project
• Projects left unfinished till issues are resolved

We can help you with

• The forensic review of documents and other underlying information
• Delay and disruption analysis of the project in order to arrive at an extension of time and cost overruns attributable to delay
• Quantification of disruption or prolongation cost due to idling resources or extended stay
• Quantification of damage or loss claims due to the breach of contract, negligence or misrepresentation

Our service offerings

Programme Impact Analysis Services

• Disciplined and rigorous critical evaluation and factual analysis of schedules to identify the causes of delay as well as apportion delays between the client and contractor
• Analysis of time-related issues covering variations, disruption and acceleration, concurrency, float and pacing arguments

Financial Impact, Loss and Damages Quantification Services
• Quantification of the financial impact of delay and loss of profits claims
• Quantification of the loss resulting from termination of contract
• Quantification of acceleration, variation and disruption claims

Technology Services
• Implementation of schedule analytics tools to extract, organise and analyse high volumes of data from a variety of scheduling tools including Primavera P3/P6 databases

Why you need Delay Analysis
• For quantification and apportionment of delay for the extension of time claim
• For quantification and apportionment of cost for prolongation, disruption, acceleration and variation cost claims

Why PwC
We understand the importance of construction schedules, baseline programmes, control mechanisms as well as cost variations and can assist you through the various phases of a dispute process. Our team offers:
• Deep industry expertise and operational experience on complex projects
• An independent perspective on construction and infrastructure disputes
• An ability to combine technical, contractual, financial and economic solutions
• Seamless global reach across geographies
• Relevant professional experience including engineering, construction management, valuation, accountancy expertise as well as technology specialisation

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We provide concise and proportional expert testimony on delay, disruption, loss and expense as well as other quantum issues for organisations involved in complex capital project disputes that are prone to financial and reputational loss. This enables you to concentrate on mitigating effects of the dispute rather than dwelling on what the outcome might be. We do this by providing our recognised industry expertise, wherever necessary. We have a team of experienced capital project professionals and a global network across geographies that not only significantly reduce the time taken to resolve disputes but also save you money.

As the pace of business intensifies, the possibility of disputes and other difficulties arises more frequently. Also, when rules are broken, unintentionally or otherwise, organisations are often exposed to risks and issues that they are not used to dealing with. Whether these challenges involve cross-border dealings with customers, joint venture partners and foreign governments, or are localised in India; they may involve different business cultures and legal systems, as well as unfamiliar regulatory and accountability requirements.

**We can help you**

- Enter negotiations with a clear view of the strengths and weaknesses of your case
- Structure your case strategy with respect to your strengths or weaknesses
- Be more confident of the range of results
- Direct your efforts towards other important areas of the case as the review will be taken care of by the experts

**Our service offerings**

**Expert Testimony Services**

- Review of the opposing expert’s delay and damages or loss report
- Review of financial and other business documents of the opposing party
- Determination of the documentation and information requirements
• Reporting on both the strengths and weaknesses of the positions taken
• Providing industry specialists, economists across all major industry sectors
• Assistance in multi-lingual and often cross-cultural environments requiring multi-national teams and expertise
• Provision of a concise and proportional expert testimony on delay, disruption, loss and expense as well as other quantum issues for organisations that are involved in complex capital project disputes and are prone to financial and reputational loss
• Response to the retainer requirements for jointly appointed experts, including setting out a fair and balanced process for resolution
• Assistance in negotiations and optimisation of such proceedings
• Preparation of a professional and coherent written expert report

Why you need Expert Testimony Services
• To reduce the time taken to resolve disputes and save money
• To enable successful negotiations
• To provide a robust set of results and opinions to be used in the case

Why PwC
• We offer a set of internationally acclaimed experts with in-depth industry expertise and an understanding of the local business and economic conditions.
• We are pioneers in India and bring international expertise in construction disputes and claims to the table.
• We assist clients in domestic and international arbitrations as well as litigations by providing expert advice regarding delay and damages.
• We provide expert testimony before various international tribunals including delay analysis and damage quantification.

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Construction planning and scheduling is one of the most important tools in a construction project. Every construction project involves a lot of activities that need to be appropriately planned and monitored to ensure timely completion of the project.

Construction scheduling has come a long way over the last 25 years. However, in spite of the widespread use of computerised scheduling on construction projects today, there still exists a large disparity in the level of understanding of those involved in construction regarding the proper use of software. Too often, major projects suffer from missed milestones, schedule slippage and delays with no way of determining any recovery plans or forecasting realistic completion dates.

We can help you

- Review schedule integrity
- Gain compliance with project schedule provisions as per the contract terms and conditions
- Include all project scope and appropriate activity sequencing for time and cost optimisation of project
- Monitor critical and near critical tasks and assess delays in the overall project schedule
- Model interface dates and milestones based on the type of project and client requirement
- Evaluate the progress achieved through various parameters such as earned value analysis, schedule analysis and budget variance
- Re-sequence activities to mitigate delays, identify areas where acceleration will most efficiently benefit the project
- Prepare a resource and cost loaded schedule
Our service offerings

• Technology based analysis on platforms such as MS project, Primavera P6, Acumen Fuse
• Assessment of the underlying schedule design and integrity
• Identification of the slippage in an activity or a sequence of activities
• Identification of critical paths, sub-critical paths or concurrent critical paths
• Analysis of the changing nature of the project and supporting schedules
• Comparison of the project schedule to highlight interface issues

Why you need Schedule Management Services

• For robust schedule management
• For a clear view of the progress and comparison with the baseline programme
• For gaining a professional approach and using technology to continually plan, schedule and monitor the project
• For using global best practices in schedule management and programme control
• For proactive identification and assessment of delay events in construction projects

Why PwC

We draw upon the expertise of planners, schedulers and project management experts with a deep knowledge of the construction industry. Our experts have significant experience in preparing baseline schedules for construction projects and tracking them throughout the entire life cycle by using various software and schedule analytic tools.

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Disputes and claims have become an integral part of most construction projects due to their inherent complexity and uncertainty, irrespective of their size and variety.

Despite various measures taken to control project objectives, organisations find it difficult to contain the time and cost parameters within limits due to various reasons beyond their control. As a result, claims and counter claims get accumulated and confluence towards disputes.

**Challenges faced**
- Losses caused by other parties to the contract
- Uncertainty regarding exact routes to make claim
- Difficulty in establishing the quantum of losses
- Difficulty in relating correspondences to claims
- Lack of evidence
- Challenges in claims computation
- Limited resources
- Window vision of multiple departments

**We can help you**
- Incorporate globally accepted methods of claim computation
- Form an integrated approach to documentation and computation
- Fill the gaps of missed out claims
Red flag computational errors and weaknesses
Move forward in the best possible way basis our internationally renowned expertise

Why you need Pre-Disputes Claim Validation
For an integrated document covering all potential claims
For evidence compilation in an organised manner
For solid ground work for negotiation, arbitration and litigation
For expert support throughout the dispute resolution

Our service offerings
Validation of computed claims
Red flagging of the claim computation methodology
Solutions for missed out claims
Assistance with evidence compilation
Corrective measures and advice regarding the way

Why PwC
PwC is a conglomerate of experienced professionals specialising in disputes and claims as well as a rich and vibrant industry specific resource pool. PwC adopts an integrated approach to independently validate dispute claims and helps organisations fine tune the deficiencies in computation. We collaborate evidence to effectively move forward with the claims.

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