

CFOC 2022 CLAUSE

EARLY WARNING

Clause 24.1: Early Warning

Clause 24.2: Early Warning Register

Clause 24.5: Early Warning Meetings

Early Warning System

- ✓ Encouraging parties to co-operate
- ✓ A warning of something that may occur/may not happen at all.
- ✓ To ensure that matters are dealt with before they cause problems, rather than afterward.
- ✓ EWS is separated from the compensation event process.
- ✓ EWS not a precursor, but a process to provide an active platform to deal with conflicts and possible early conflict management/settlement.

Early Warning:

- a) increase the Contract Sum/ Contractor's total cost,
- (b) delay the Time for Completion,
- (c) delay meeting a key date or milestone
- (d) impair the performance

Notified by:
CONTRACTOR

EARLY WARNING
- REGISTRY
- MEETING
Managed by
SO

Notified by:
SO

Parties shall co-operate, in managing the Early Warning Matters, as provided by *Clause 24.6*

CFOC 2022 CLAUSE



Clause 31:
Compensation Events

Clause 32: Compensation
Events Procedure

COMPENSATION EVENT

COMPENSATION
EVENT

SO instructs
Contractor to
submit quote

SO assess
quote:
ACCEPT

SO
assess
quote:
REJECT

Contractor:
RE-SUBMIT
REVISED
QUOTE

Contractor:
DISPUTE

Compensation Events: Key takeaways:
If a delay occurs due to the occurrence of a compensation event, the Contractor may be entitled to a change in prices, benchmark dates, and completion dates.
Compensation events are effectively defined circumstances over which the contractor normally has little control, and which are essentially listed in clause 31.

CFOC 2022 CLAUSE

SETTLEMENT OF DISPUTES



Clause 47 SETTLEMENT OF DISPUTES: Key takeaways:

- ✓ CFOC 2022 encourages early settlement of disputes, to minimize delay and disruption to the project.
- ✓ Mediation and Dispute Resolution Board are meant to serve this purpose.
- ✓ Tribunal of Competent Jurisdiction gives the parties options to finalize the dispute.

Clause 47.1: Reference to the
Superintending Officer

Clause 47.2: Reference to Dispute
Resolution Board

Clause 47.7: Reference to Tribunal
of Competent Jurisdiction

Arbitration

@

Court

Clause
47.6:
Mediation