CONTRACTS
CONTRACTS

It is a mutual agreement between two or more parties which is intended to be enforceable at law, it is constituted by acceptance of an offer made by one or more parties called principal, and accepted by other party/parties, called contractor.

The offer may be to do some work/act or not to do some work/act.
WHEN THE CONTRACT IS VALID?

The law will consider a contract to be valid if the agreement contains all of the following elements:

- Offer and acceptances
- An intention between the parties to create binding relations
- Consideration to be paid for the promise made
- Legal capacity of the parties to act
- Genuine consent of the parties
- Legality of the agreement
ENGINEERING CONTRACT

It is a mutual agreement negotiated between two or more parties for the purpose of undertaking certain clearly specified/defined engineering work/actions/obligations on commercial basis and which is intended to be enforceable at law.
OBJECTIVES OF CONTRACT

• Describe scope of work
• Establish time frame
• Establish cost and payment provision
• Set fourth obligations and relationship
• Minimise disputes
• Improve economic return of investment
ELEMENTS OF A CONTRACT

• **Offer** – A proposal made by one party (the offeror) to another party (the offeree) to create a legally binding agreement.

• **Acceptance** – The agreement of the offeree to go along with the first party’s proposal.

• **Genuine Agreement** – Offer and acceptance go together to form a genuine agreement. A valid offer is met by a valid acceptance.
ELEMENTS OF A CONTRACT

- Circumstance that can destroy a genuine agreement are
  - Fraud
  - Misrepresentation
  - Mistake
  - Undue influence
  - Economic distress
ELEMENTS OF A CONTRACT

• **Capacity** – The law assumes anyone entering into a contract has the legal capacity.

• **Consideration** – The thing of value promised to one person in exchange for something else.

• **Legality** – Cannot enter into contracts involving illegal goods or acts.
CHARACTERISTICS OF A CONTRACT

• Contract can have any of the following characteristics:
  • Valid, Void, Voidable, or Unenforceable
  • Express or Implied
  • Bilateral or Unilateral
  • Oral or Written

• Contracts can have characteristics from one or more of these categories. (Ex. A contract can be Valid, Express, Bilateral and Written).
VALID, VOID, VOIDABLE, OR UNENFORCEABLE

- **Valid** – A contract that is legally good (legally binding)

- **Void** – A contract lacks one or more of the elements of a contract.

- **Voidable** – Either party can cancel the contract for a legal reason.

- **Unenforceable** – A contract that will not hold up in court, usually because of some rule of law.
EXPRESS OR IMPLIED

- **Express** – A contract statement that may be oral or written.

- **Implied** – Contract that comes about from the actions of the parties (no words are required).
BILATERAL OR UNILATERAL

• **Bilateral** – Both parties promise to do something.
  
  • One party promises to do something in exchange for the other’s promise to do something else.
  
  • Most contracts are bilateral

• **Unilateral** – One party promises to do something only if the other party does something.
• **Oral** – Created by word of mouth.
  • Both parties agree to do something, but nothing is written down
  • Can be hard to prove if there is ever a dispute

• **Written** – Contract is put into writing.
  • Safer due to hard evidence of an agreement or contract
  • Both parties know the exact terms due to it being in writing
  • Statue of Frauds (a law) – requires certain contracts must be in writing to be enforceable.
REQUIREMENTS OF A VALID CONTRACT

• The intention by the concerned parties to form a legally enforceable contract must be demonstrable.

• The consent of all the parties must be genuine and of free will, consent should not be by force, fraud or misrepresentation.

• The purpose of the contract and the consideration of the contract must be legal/lawful.

• The parties entering into the contract must have legal capacity to form the agreement.
OVERVIEW OF INDIAN CONTRACT ACT 1872

• It is the law which governs contracts in India.

• Act is based on the principles of English Common Law.

• Entered into force in the year 1872.

• It is applicable to all the states of India.

• It determines the situations in which the promises made by the parties to a contract shall be legally binding on them.
PROVISIONS

• General Principles of Law of Contract – Sections 01 to 75

• Contract relating to Sale of Goods – Sections 76 to 123 (Sale of Goods Act, 1930)

• Special Contracts- Indemnity, Guarantee, Bailment & Pledge, and Agency – Sections 124 to 238

• Contracts relating to Partnership – Sections 239 to 266 (Indian Partnership Act, 1932)
PRESENT – INDIAN CONTRACT ACT

• **Part 1:** Deals with the General Principles of Law of Contract

• **Part 2:** Deals with Special kinds of Contracts such as
  
  • Contract of Indemnity and Guarantee
  
  • Contract of Bailment and Pledge
  
  • Contract of Agency.
IMPORTANT TERMINOLOGIES

• **Offer** – An offer refers to a promise that is dependent on a certain act, promise, or forbearance given in exchange for the initial promise.

• **Acceptance** – When the person to whom the proposal is made, signifies his assent there to, the proposal is said to be accepted.

• **Promise** – A Proposal when accepted becomes a promise. In simple words, when an offer is accepted it becomes promise.
IMPORTANT TERMINOLOGIES

- **Promiser and Promisee** – When the proposal is accepted, the person making the proposal is called as promiser and the person accepting the proposal is called as promisee.

- **Consideration** – When, at the desire of the promiser, the promisee or any other person has done or abstained from doing, or does or abstains from doing, or promises to do or to abstain from doing, something, such act or abstinence or promise is called a consideration for the promise.

  - In short refers to getting “something in return”
IMPORTANT TERMINOLOGIES

• Agreement –

  • An agreement results when two minds meet upon a common purpose. They agree to the same thing in the same sense.

  • An agreement only happens when there is an offer by one party and acceptance by the other party.

  \[
  \text{Agreement} = \text{Promise} + \text{Consideration}
  \]

Dheeraj Kumar N.  
Dept. of Civil Engineering, BMSCE
IMPORTANT TERMINOLOGIES

• **Contract** - An agreement which is enforceable by law is a contract.

  Contract = Agreement + Enforceability

  • **Example**: There is an agreement between A and B that, A will construct a house for B, and B will pay Rs. 10 lakhs to A. The agreement between A and B is a contract because it is enforceable by law.
IMPORTANT TERMINOLOGIES

• Reciprocal Promises – Promises which form the consideration or part of the consideration for each other are called 'reciprocal promises'.

• Void agreement – An agreement not enforceable by law is void.

• Voidable contract – An agreement which is enforceable by law at the option of one or more of the parties thereto, but not at the option of the other or others, is a voidable contract.

• Void contract – A contract becomes void when it ceases to be enforceable by law.
IMPORTANT TERMINOLOGIES

• **Contract of Indemnity** – A contract of indemnity is a contract wherein, one party promises to protect the other party from causing loss to him by the conduct of the promisor himself, or by the conduct of any other person.

• **Bailment** – Bailment refers to transactions whereby one person delivers goods to the other for some purpose based upon a contract that they are when the purpose is accomplished to be returned or otherwise disposed of according to the directions of the person delivering them.

Dheeraj Kumar N.
Dept. of Civil Engineering, BMSCE
CLASSIFICATION OF CONTRACTS

Based on Enforceability
- Contract
  - Voidable agreement
  - Void Agreement
  - Agreement
  - Illegal agreement
  - Voidable contract

Based on formation
- Express contract
  - Tacit contract
- Implied/Quasi contract

Based on performance
- Executed contract
  - Executory contract
    - Unilateral contract
    - Bilateral contract
TYPES OF CONTRACTS

Based on enforceability:
- Valid contract
- Voidable contracts
- Void agreement
- Unenforceable contract
- Illegal agreement

Based on mode of creation:
- Express contract
- Implied contracts
- Quasi contract

Based on extent of execution:
- Executed contracts
- Executory contract
- Unilateral contract
- Bilateral contract

Based on form:
- Ordinary contract
- Standard contract

Dheeraj Kumar N. Dept. of Civil Engineering, BMSCE
TYPES OF ENGINEERING CONTRACTS

- Item Rate Contract
- Percentage Rate Contract
- Lump-Sum Contract
- All in Contract / Entire Contract
- Labour Contract
- Material Supply Contract
- Piece Work Agreement in Construction
- Cost-plus Percentage Rate Contract
- Cost-plus Fix fee Contract
- Cost-plus Sliding or Fluctuating fee Contract
- Target Contract
- BOT Contract
ITEM RATE CONTRACT

• The contractor quotes his rate per unit of each item of the construction.
• An estimate of the bill of quantities is done accurately.
• The basis of the agreement is thus the unit rate of each item.
• This contract is more important when the quality of work, but not the exact quantities of the items to be executed, is previously known.
• Major public work contracts are of this form of contract.
PERCENTAGE RATE CONTRACT

• The department draws up the schedule of items according to the description of items sanctioned in the estimate with the quantities, units, rates, and amounts shown therein.

• The contractors are required to offer to carry out the work at par with the rates shown in the bill of quantities or percentage above or below the rates indicated in the bill of quantities of the tender.

• The percentage above or below or at tendered by the contractor applies to all the items.
LUMP-SUM CONTRACT

• A lump-sum contract is the oldest form of contract and is still popular in the USA.

• In this form of contract, contractors are required to quote a fixed sum for the execution of work in all respect.

• Their quotation must be as per drawing, design, and specifications supplied to them with the tender within the specified time.
ALL IN CONTRACT / ENTIRE CONTRACT

• In this type of contract, the owner ceases to be the promoter and delegates a large firm or consortium to perform both design and construction.

• The owner specifies his requirements and general outline of the proposed work, and the contractor has to submit full particulars of detailed investigations such as designs and construction cost including maintaining the work for a limited period.

• This form of contract is suitable for some exceptional types of works
LABOUR CONTRACT

• When the owner is in a position to purchase the required materials himself. In such cases, he invites tenders only for the labour work.

• The contractors put up their rates for the labour per unit execution of each item. Rates include:-
  • Use of contractor’s plant and equipment
  • All necessary falsework
  • Contractor’s supervision
  • Contractor’s profit
MATERIAL SUPPLY CONTRACT

• Material supply contract offers their rate of supply for the required quantity of materials, inclusive of all local taxes, carriage, and delivery charges to supply the place of construction within the time fixed in the tender.

• This type of contract is generally used when the purchase of materials viz. bricks, stone, chips, furniture, pipes, and specials, etc. are involved.
PIECE WORK AGREEMENT IN CONSTRUCTION

• It is where the only rate is agreed upon without reference to the total quantity of work or time, and that involves payment of work done at the stipulated rate.

• It only contains the descriptions of different items of works to be done and the rate to be paid.

• This agreements are not contracts in the true sense.
COST-PLUS PERCENTAGE RATE CONTRACT

• In this, the contractor is paid the actual cost of the work, plus an agreed % also, to allow for profit.

• The contractor arranges materials and labor at his cost and keeps proper account and he is paid by the department or owner the whole cost together with a certain percentage.

• An agreement is prepared with all conditions of contract in advance.
COST-PLUS FIX FEE CONTRACT

• In this, the owner pays to the contractor, an agreed fixed lumpsum amount over and above the actual cost of the work.

• This fixed amount shall include overhead charges and profit to the contractor.
COST-PLUS SLIDING OR FLUCTUATING FEE CONTRACT

• In this type of contract, the owner pays to contractor the actual cost of construction plus an amount of fee inversely variable according to the increase or decrease of the estimated cost agreed by the owner and contractor.
TARGET CONTRACT

• The contractor is paid on a cost-plus percent basis of work performed under this contract.

• A target cost contract is an agreement between the contractor and a client wherein they negotiate a target cost based before signing the contract on an estimate of the expenses which will be incurred for the project.
BOT CONTRACT

• A build-operate-transfer (BOT) contract is a model used to finance large projects, typically infrastructure projects developed through public-private partnerships.

• The contractor undertakes to design, finance and operate and maintain the works for a concession period in consideration.
DOCUMENTS FOR AN ENGINEERING CONTRACT

• Invitation of tender/bid
  • Enquiry documents
    • Eligibility requirements to bid
    • Technical requirements for preparation and submission of the bid
    • Performance of the work under the contract

• Preparation and submission of tenders
  • Tender documents – To be prepared by the tenderer and submitted

• Evaluation, acceptance of the tender and award of contract
A Tender is a written document in which work details are mentioned.

It is a document which is publicly released or sent to eligible suppliers or contractor who are willing to fill it and take the work.

A tender document helps in a tendering process that helps a buyer select qualified and interested suppliers based on certain contract criteria.

Broadly this is pricing documentation and quality criteria.
TENDER DOCUMENTS

• Invitation of bid
• Instruction to bidders
• Information to bidders & bid data
• Biding forms
• General conditions of contract

• Specific condition of contract
• Specification
• BOQ
• Drawings
• Contract forms
TENDERING PROCESS

• Tendering is the process of inviting bids for large projects, it is usually practiced by government institutions.

• The main objective of the Tendering Process in Construction is to eliminate favoritism and corruption in awarding works to construction companies.
INVITATION OF BID

BRUHAT BENGALURU MAHANAGARA PALIKE
Office of the Executive Engineer, Bommanahalli Project Division, Begur Main Road, Bommanahalli, Bengaluru-560068

INFORMATION FOR TENDER (IFT)
(Short Term Tender Notification) (Two Cover Tender)
(Through GOK e-Procurement Portal only)
The Executive Engineer, Bommanahalli Project Division, BBMP, Bengaluru-68 invites tenders from eligible contractors registered in Bruhat Bengaluru Mahanagara Palike or equivalent registration with KPWD / CPWD / BWSSB / Railways / MES / National Highway or any State Government Organizations for the construction of works detailed in the table below. (Standard Tender Document - KW4)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of Work</th>
<th>Estimated Amount (lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Further development of HSR Layout play ground in Ward No. 174, (2nd Call)</td>
<td>500.00</td>
</tr>
<tr>
<td>2</td>
<td>Construction of Sri Veeranjaneya Swami Temple at Devarachikkanahalli in Ward No. 175, Bommanahalli. (2nd Call)</td>
<td>51.00</td>
</tr>
<tr>
<td>3</td>
<td>Providing chain link fencing path way and landscape development works at park in Ward No. 192, Begur.</td>
<td>98.00</td>
</tr>
<tr>
<td>4</td>
<td>Providing and fixing children play equipments and other developmental works in Ward No. 184, Uttarhalli.</td>
<td>125.00</td>
</tr>
</tbody>
</table>

EMD (Rs. In Lakh): EMD Declaration.

(1) Tender documents can be downloaded from through website https://eproc.karnataka.gov.in from 27.12.2021.
(2) Pre-bid meeting will be held on 30.12.2021 at 11:00 a.m. in the Office of the Executive Engineer, Bommanahalli Project Division, Begur Main Road, Bommanahalli, Bengaluru-560068.
(3) Last date for submission of tender documents on or before 12.01.2022 at 4:00 p.m. (4) Technical Bids will be opened on the website https://eproc.karnataka.gov.in in the office of the Executive Engineer, Bommanahalli Project Division on 13.01.2022 at 4:30 p.m. onwards. Further details may be obtained from the above office, during office hours or website https://eproc.karnataka.gov.in
Sd/- Executive Engineer, Bommanahalli Project Division, BBMP

COVID-19. DO NOT PANIC. BE AWARE.
# BID DETAILS

<table>
<thead>
<tr>
<th>General Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tender Number</td>
</tr>
<tr>
<td>Tender Title</td>
</tr>
<tr>
<td>Description</td>
</tr>
<tr>
<td>Tender Category</td>
</tr>
<tr>
<td>Type of Quotation</td>
</tr>
<tr>
<td>Tender Evaluation Type</td>
</tr>
<tr>
<td>Department</td>
</tr>
<tr>
<td>Bid Validity Period</td>
</tr>
<tr>
<td>No Of Calls</td>
</tr>
<tr>
<td>Tender Type</td>
</tr>
<tr>
<td>Denomination Type</td>
</tr>
<tr>
<td>Highest Bidder Selection</td>
</tr>
</tbody>
</table>

Source: https://eproc.karnataka.gov.in/
## CONDITIONS OF ELIGIBILITY

### General Conditions for Eligible Tenderers

<table>
<thead>
<tr>
<th>Sl No</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Tenders from Joint ventures are not acceptable.</td>
</tr>
<tr>
<td>2.</td>
<td>Bidders shall not be under a declaration of ineligibility for corrupt and fraudulent practices issued by any State Government / Government of India / Union Territory.</td>
</tr>
<tr>
<td>3.</td>
<td>It shall be the responsibility of the Bidder to ensure credit of Tender Processing Fee and EMD into the respective receiving bank accounts of e-Procurement on or before the last date and time of bid submission.</td>
</tr>
<tr>
<td>4.</td>
<td>The bidder is required to ensure browser compatibility of the computer well in advance to the last date and time for receipt of tenders. The departments shall not be responsible for non-accessibility of e-Procurement portal due to internet connectivity issues and technical glitches at bidder’s end.</td>
</tr>
<tr>
<td>5.</td>
<td>EMD Payments through e-Payment mode shall be made as one single transaction and payments made in part are liable for rejection.</td>
</tr>
<tr>
<td>6.</td>
<td>Bidder shall pay Contract Management Module processing fees of 0.025% of the contract value (Min Rs.500/- &amp; Max Rs.7500/-) soon after contract has been issued to bidder.</td>
</tr>
<tr>
<td>7.</td>
<td>Bidders shall ensure upload of relevant document certifying his/her status as Scheduled Caste/ Scheduled Tribe/other reserved category as prescribed in the tender document.</td>
</tr>
<tr>
<td>8.</td>
<td>All Conditions of Kw-1/Kw-2 Shall apply to this tender</td>
</tr>
</tbody>
</table>

Source: https://eproc.karnataka.gov.in/
## CONDITIONS OF ELIGIBILITY

<table>
<thead>
<tr>
<th>SI No</th>
<th>Document Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>VALID ELECTRICAL INSPECTORATE LICENCE.</td>
</tr>
<tr>
<td>2</td>
<td>REGISTRATION IN APPROPRIATE CLASS IN BBMP, PWD etc.</td>
</tr>
<tr>
<td>3</td>
<td>At least two financial years an average annual financial turnover of not less than the estimated cost under this contract.</td>
</tr>
<tr>
<td>4</td>
<td>Similar nature of work or new street light work Value not less than Fifty percent of amount put to tender in any one of the previous five financial years 2016-2021</td>
</tr>
<tr>
<td>5</td>
<td>No of luminaries maintenance or new installation of street light Quantities as mentioned in the tender Document in any one of the year during last five years.</td>
</tr>
<tr>
<td>6</td>
<td>The Bidder shall have availability of jeep with ladder for day-to-day work, the date of manufacture of vehicle shall be on or after 1st April 2006.</td>
</tr>
<tr>
<td>7</td>
<td>PAN AND GST REGISTRATION CERTIFICATE.</td>
</tr>
</tbody>
</table>
## ESTIMATE DETAILS

**Source:** [https://eproc.karnataka.gov.in/](https://eproc.karnataka.gov.in/)

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Item Code</th>
<th>Item Name</th>
<th>Unit</th>
<th>Quantity</th>
<th>Final Rate (R./E.)</th>
<th>Total (R./E.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>Part A: Operation and Maintenance of street lighting system including replacement of damaged/failed/fused out components like Lamps, Tubers, Chokes, Igniters, Capacitors, Switches, wires, Holders, Starter and, switching ON/OFF of street lights at specified timing and Pole numbering</td>
<td>Each</td>
<td>2</td>
<td>695.45</td>
<td>1390.90</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>Part A: Operation and Maintenance of street lighting system including replacement of damaged/failed/fused out components like Lamps, Tubers, Chokes, Igniters, Capacitors, Switches, wires, Holders, Starter and, switching ON/OFF of street lights at specified timing and Pole numbering</td>
<td>Each</td>
<td>1281</td>
<td>1019.81</td>
<td>1305864.21</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>Part A: Operation and Maintenance of street lighting system</td>
<td>Each</td>
<td>70</td>
<td>1118.08</td>
<td>78265.56</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>Part A: Operation and Maintenance of LED street lighting system including replacement of damaged/failed/fused out components like LED drivers, MCPCCB, surge protective device, Switches, wires, Holders, Starter observing weather proofing techinic conforming to IP 65 standards and, switching ON/OFF of street lights at specified timing and Pole numbering</td>
<td>Each</td>
<td>500</td>
<td>880.01</td>
<td>440005.00</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>Part A: Operation and Maintenance of LED street lighting system including replacement of damaged/failed/fused out components like LED drivers, MCPCCB, surge protective device, Switches, wires, Holders, Starter observing weather proofing techinic conforming to IP 65 standards and, switching ON/OFF of street lights at specified timing and Pole numbering</td>
<td>Each</td>
<td>300</td>
<td>1147.83</td>
<td>344320.00</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>Part A: Operation and Maintenance of LED street lighting system including replacement of damaged/failed/fused out components like LED drivers, MCPCCB, surge protective device, Switches, wires, Holders, Starter observing weather proofing techinic conforming to IP 65 standards and, switching ON/OFF of street lights at specified timing and Pole numbering</td>
<td>Each</td>
<td>190</td>
<td>1377.06</td>
<td>261755.40</td>
</tr>
<tr>
<td>7</td>
<td>7</td>
<td>Part B: Supplying of Microprocessor Based Astronomical Timer Switch</td>
<td>Each</td>
<td>1</td>
<td>2418</td>
<td>2418</td>
</tr>
<tr>
<td>8</td>
<td>8</td>
<td>Part B: Supplying of 4 Pole Power contactor with NO/NC Contactor 100-129 amps</td>
<td>Each</td>
<td>1</td>
<td>4220</td>
<td>4220</td>
</tr>
</tbody>
</table>
BREACH OF CONTRACT

• It is said to have occurred when one of the parties in the contract fails to fulfil his part of responsibilities under the contract due to which the complete performance of the contract becomes impossible and the contract breaks.
BREACH OF CONTRACT - CLASSIFICATION

• Fundamental breach of contract

• Breach due to frustration or force majeure
FUNDAMENTAL BREACH OF CONTRACT

• Are breaches of contract due to the occurrence of an event/situation/circumstance which are brought about by the acts/default of one of the contracting parties, and to which they can be held responsible.

• In this case, the party responsible for the breach of contract is liable to pay compensation to the other party.
BREACH DUE TO FRUSTRATION OR FORCE MAJEURE

• Occurrence of an event/situation/circumstances which are unforeseeable/inevitable that makes the execution of the contract totally impossible.

• These events/situations/circumstances being brought about NOT by the acts/defaults of any of the contracting parties is described as the reason for termination.
• Many aspects of the execution of large engineering projects have the potential to lead to disagreements and disputes.

• Extra care is required in drafting contract terms & conditions so that disputes can be reduced between different parties.

• A mechanism for dispute resolution must be identified and stipulated in the contract documents.
DISPUTE

• Litigation/adjudication by a court of law is always costly, time-consuming and both parties are put through a lot of suffering and hardships.

• Litigation should be the last resort to settle disputes.
DISPUTE RESOLUTION METHODS

- Negotiation
- Mediation
- Conciliation
- Dispute Resolution Boards
- Arbitration
- Litigation

Non Judicial in nature
Legally non-enforceable

Judicial in nature
Legally enforceable
NEGOTIATION

• Negotiation is a process where two parties in a conflict or disagreement try to reach a resolution together without the help or intervention of any other party.

• This requires a great deal of mutual respect, trust, confidence, and commitment from both parties to sort out the problem through mutual discussions and negotiations.
MEDIATION

• Mediation is a process where a neutral person assists the parties in discussing the matter and reaching a resolution.

• A neutral person is a person who does not support either party in the conflict.

• A mediator ensures that communication between the parties is fair and honest.

• The mediator is not a judge or an arbitrator and cannot take the side of either party, give legal advice, or provide counselling.
CONCILIATION

• Conciliation is an alternative dispute resolution method in which an expert (Conciliator) is appointed to resolve a dispute by convincing the parties to agree upon an agreement.

• The conciliator plays a more active role.

• The conciliator also plays the role of evaluation and intervention for settling the dispute.
DISPUTE RESOLUTION BOARDS

• This is more suited for large engineering projects involving several contracts.

• It can be anywhere from 1-3 people, though conceivably a board could include many more individuals.

• They’re appointed before any disputes arise – typically at the time of the contract.

https://www.levelset.com/blog/what-is-a-dispute-resolution-board-drb/
ARBITRATION

• Arbitration is like a court procedure because the parties submit evidence similar to a trial where the third party hears the entire situation and give his decision which is binding upon the parties.

• The decision made by the arbitrator is binding in the same way as a court decision.

• Arbitration is a formal process and follows similar procedures as court proceedings where witnesses can be called and evidence can be presented in respective cases.

• Arbitral award is final and binding upon parties.
LITIGATION/ADJUDICATION

• This is a method for dispute resolution in which a judicial authority – a court of law/a tribunal or a similar body hears the situation.

• Award of settlement is strictly in accordance with the provisions of laws of the land.

• These awards are mandatory, binding on the parties to the dispute and are legally enforceable.

• Litigation/adjudication by a court of law is always costly, time-consuming and both parties are put through a lot of suffering and hardships.