

## **SEMINAR PROGRAM SCHEDULE**



27 September 2023



8.30 am - 5.00 pm



Kuala Lumpur

## Fee Schedule

- Private Sector S RM 700
- Government Agency
- \$ RM 500
- Student

\$ RM 350

## **SEMINAR AGENDA**

8.30 am - Registration

9.00 am - Loss & Expense

10.30 am - Tea Break

11.00 am - Loss & Expense

1.00 pm - Lunch Break

2.30 pm - CIPAA

4.30 pm - End



## ABSTRACT FOR LOSS & EXPENSE

by Sr Hjh Hashimah Harun PQS (BQSM), MRISM & Certified Adjudicator AIAC (Malaysia)

When implementing any construction projects, loss and expense is inevitable to happen when the Government /Employer disrupts the progress of the Contractor's work on site. The Contractor's obligation whose work being contracted is to complete the work within the time stipulated under contract for a consideration of an agreed Contract Sum.

However, when the Government/Employer disrupts the Contractor's the progress of works through various reasons under Contract which allows him to grant an extension of time to the Contractor's original schedule, then the Contractor, being the aggrieved party, is entitled to claim for any losses and expenses incurred as a result of the Government's/Employer's disruption. Both the Government contract conditions, PWD 203/203A (Rev1-2010) and the Design & Build (Rev.1-2010) allows for the Loss & Expense costs to be added to the final costs of the Contractor, ie clause 44.0 (PWD-203/203A) and clause 50.0 (PWD-DNB)

As it is, the successfulness of the claims for loss & expense are always a challenge to the Contractor due to the non-compliance of the major conditions and reasons as provided under the Contract. Therefore to ensure the Contractor hammer his claims successfully, this paper addresses the major conditions and procedure to claim for L & E, ie the NOTICE with or without an estimates, the timing of submitting of the NOTICE, the timing of the submission of adequate documents as proofs and evidences, how good and solid are the documents and details submitted to the claims and how well and strong are the proving of the relationship of the claims to the default by the Government/Employer. All these issues shall be elaborate further during the Seminar.

Finally, can Loss & Expense be referred to CIPAA? Previously adjudication does not include Loss & Expense. However, the latest development by the High Court on a few adjudication cases related to loss & expense has changed the scenarios of adjudication in Malaysia.

So lets hammer the claim for loss and expense well.



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The paper addresses an overview of CIPAA 2012, a statutory Adjudication gazetted in 2014 with its primary objectives to provide a fast & cheap solution on payment disputes between parties in the construction industry. It also eliminates conditional payment to parties and reduces the risk of non-payment for work done. This paper also provides an insight of the process of adjudication from the notice of adjudication stage till the decision of the Adjudicator taking roughly about 100 days to resolve the dispute. CIPAA 2012 does gives much impact to the Construction Industry in Malaysia as a whole including all construction industrial players and the contract management.

However after almost 10 years in operation, there are still some issues and challenges which hinder the primary objectives of being the fast and cheap solution to payment dispute. Over the years, more cases are referred to the High Court for enforcement of the decision made by the Adjudicator or putting/setting aside the decision of the Adjudicator by either party, ie the Claimant or Respondent. Payment disputes has becomes lengthy and much more expensive when it involves more legal fees to either party. Till today, about 10% (AIAC Annual Report) of the total cases brought to CIPAA falls under these categories.

Nevertheless, with the 90 % success rate, CIPAA 2012 is still effective in solving disputes with regards to payment in the Construction Industry. AIAC being the authority, needs to review and reform some of the challenges faced continuously. More competent adjudicators must be trained and certified from time to time by AIAC. Awareness among the construction industry players must always a priority, especially to the aggrieved party. Lets hope that CIPAA shall stay relevant and evolves through time.