

Example 1

RM : RISK REVIEW PREPARED FOR A MECHANICAL AND ELECTRICAL SPECIALIST SUBCONTRACTOR

a. **Project - Dudley Hospital**

RM's client was a specialist subcontractor with a subcontract sum of £4.6m. The subcontract was a standard form of DOM/1, 1980 Edition including Amendments 1 to 10 and additional clauses as set out in numbered document 37.

b. **Description of Issues**

RM prepared a Risk Review for a mechanical and electrical specialist subcontractor on its final account valuation and a loss and/or expense (damages claim). RM reviewed 63 lever arch files in preparing the Risk Review.

c. **Entitlements or Liabilities**

The specialist subcontractor was claiming £1.1m. RM's valuation, based on the information produced by the subcontractor, amounted to £200k - £300k only. The specialist had failed to demonstrate entitlement to additional money and time.

d. **Assistance to the Specialist Subcontractor**

RM's Risk Review assisted the specialist subcontractor in making sound commercial and contractual decisions. The result of the Risk Review was a prerequisite to the specialist subcontractor pursuing its claims in adjudication. The specialist subcontractor returned to the negotiating table and settled the account at circa £250k and avoided an expensive and disruptive adjudication process.

e. **Monies Involved**

Specialist subcontractor's valuation £5.7m, RM's valuation £4.85m.

Example 4

RM : COMMERCIAL, CONTRACTUAL AND RISK REVIEW SERVICES PROVIDED TO A SPECIALIST SUBCONTRACTOR

a. **Project - HMP Swaleside, Isle of Sheppey, Kent**

The project consisted of a new build and some refurbishment. The subcontract was a standard form of building contract SPC 2000 (partnering) and amendments, and the subcontract sum was £7.3m.

b. **Description of Issues**

RM were appointed to resolve a multitude of commercial and contractual matters.

c. **Entitlements or Liabilities**

The entitlements and liabilities considered were the valuation of withholding by the main contractor, liability for a 35 week delay to the subcontract works and valuation of costs associated with the delays.

d. **Assistance to the Specialist Subcontractor**

RM established the whole of the subcontract agreement which ultimately amounted to 22 lever arch files, giving rise to RM being able to establish the specialist subcontractor's entitlement.

RM established that the £750k set-off claim (withholding) was valued at circa £60k subject to further evidential material.

RM assisted in the preparation of a variation account worth in the region of £500k.

RM prepared a delay analysis supporting a claim for 35 weeks and defending additional preliminaries claimed by the main contractor valued at circa £875k.

RM assisted the specialist subcontractor in the preparation of a loss and expense claim of circa £400k.

e. **Monies Involved**

The sum involved was £8m.

The dispute involved was £2.5m.

The risk to the specialist subcontractor was £1.5m.

f. **Financial Settlement**

For financial reasons during the recession, the specialist subcontractor settled the account with an additional global payment of £600k for a walk away deal.

Example 8

RM : RISK REVIEW PREPARED FOR A GROUND WORKER SPECIALIST SUBCONTRACTOR

a. **Type of Project – University Student Accommodation**

RM's client was a ground worker with an initial subcontract sum of £94k with terms and conditions that were bespoke to the main contractor and riddled with onerous terms and condition precedents. The subcontract was complex and incorporated several sums in the serial based subcontract.

b. **Description of Issues**

RM was required to prepare a risk review in respect of valuation matters, withholding items and delays.

c. **Entitlements or Liabilities**

The main contractor had made an informal offer to settle the account with a further payment to cover all outstanding matters in the sum of £90k. The subcontractor's quantity surveyor was seeking to recover an additional sum of £160k.

d. **Assistance to the Specialist Subcontractor**

RM's risk review identified that the claim made by the ground worker was unrealistic and the valuation of any further payment was likely to be £70k.

RM advised the ground worker to return to the negotiation table and accept the £90k previously offered by the main contractor.

The specialist subcontractor was also advised that the (CBA) would indicate that no benefit would be achieved by pursuing sums via the adjudication process.

e. **Monies Involved**

RM's client returned to the negotiation table and received a further payment of £90k.