

Time for resolution

Trett

Turbulent times in the international oil and gas construction sector require a range of specialists to unravel, understand, present and resolve disputes, in their clients' favour. As a specialist international consultancy formed over 30 years ago, Trett Consulting is intimately involved in this sector, offering extensive experience in investigating commercial, contractual, scheduling and project management problems within the energy industry. The company's experience covers the entire energy supply chain, from oil and gas development including sub-sea, fixed platforms and floating production vessels to renewable energy. 'Claims are being pursued to higher levels these days and steps toward arbitration or litigation are being taken.'

As Tony Farrow, operations director in the firm's Houston office says: 'The industry has tended to resolve issues commercially at the end of the day. However, as oil companies face growing challenges of unpredictable and sliding oil prices, exceptional cost inflation and the effects of the recent credit crunch, projects in ship and construction yards have been delayed, suspended or even stopped. This has resulted in some complex disputes and an increased need for claims management support and innovative commercial approaches and alternate dispute resolutions.'

Even on the best-managed projects, disputes can arise between the parties involved, particularly in relation to time and cost overruns. This is because of the sheer complexity of building new, technologically advanced, assets across a global marketplace with high risk conditions shared between those involved. Trett is able to forensically examine engineering and construction problems and analytically devise solutions with the aim of speeding up dispute resolution by pinpointing the key issues, increasing understanding of the background and providing detailed evidence.

Contract cancellations

We are seeing more claims as the [offshore] construction market struggles,' says Tony. 'Cancellations of construction contracts have occurred this year and withdrawing from a firm order can be very expensive if not handled properly. In the current economic climate everyone is tightening their belts, and squeezing the most out of existing projects and contracts. There's huge pressure on prices and so 'getting it right' is important for success on the contract.'

A common problem in offshore contracting involves designs being changed during construction or unexpected conditions being experienced. 'Naturally, construction companies want any change orders or these unexpected circumstances resolved earlier in the process, particularly in today's cash-restricted cir-

cumstances'. If they are not, things can escalate into serious disputes very quickly. 'That's when a thoroughly researched and professionally prepared analysis can be instrumental to bringing about an early settlement, and if matters proceed to litigation or arbitration, the testimony of the expert witness can play a crucial role. At Trett, we like to be involved at the earliest stage because we are often able to minimise the acrimony that develops, and the potential loss of owner-contractor relationships, which often affects future business conditions'.

Capital projects

Having expert commercial and contract support throughout the life of a capital-intensive project is vital and will save time and money in an economic climate in which clients and contracting companies all too often find themselves in disagreement.

The oil and gas market is a global industry and the design, engineering, procurement and construction of new facilities involves a supply chain of firms spread across continents. Trett has strategically established itself in 11 key countries world-wide so that it is able to provide its clients with local and international experience in dealing with the many contract and schedule challenges faced on projects. Its goal is to provide a distinctive service aimed at the timely resolution of schedule and cost disputes. ■■

International commercial and contract services company Trett Consulting, part of the Grontmij Group, works across a wide range of industry sectors from offshore and onshore construction to civil engineering projects. The current economic and business environment has seen demand for Trett's expertise grow

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Tony Farrow