



# Construction, Engineering and Infrastructure Disputes

Infrastructure, energy and construction projects are technically complicated, strategically important and high value and often involve multiple parties from numerous jurisdictions. It is not unusual for such projects to experience disputes over delays, additional costs, liquidated damages, defects, professional negligence and termination.

When your project encounters a dispute, DLA Piper's Construction, Engineering and Infrastructure Disputes practice can help. We know that disputes do not take place in a vacuum, but are firmly rooted in cultural, political and economic environments, and we have enormous experience dealing with such disputes, both locally and internationally.

We address each dispute in its own context. Our vast geographical coverage means we are able to deliver cross-border teams to address major construction and infrastructure disputes on the local and the international levels. Through our global network of industry relationships, we are well used to working collaboratively with dedicated and on-the-ground specialist resources. We possess extensive local knowledge of the legal, business and cultural landscapes that inform disputes, across a large number of jurisdictions. All of this provides our clients with the assurance of not only around-the-clock responsiveness, but also the relevant knowledge that can prove critical to resolving controversies. Let us put our experience to work for you.

## CAPABILITIES

Our team of construction, engineering and infrastructure disputes lawyers is highly experienced in both dispute avoidance and, where that is not possible, resolution across a variety of sectors. We understand the unique nature of disputes that may arise on construction, engineering and infrastructure projects, as well as the characteristics of various parties – not just the participants in the dispute process, but also different forms of tribunal (including individuals), experts, financial institutions, counsel, third-party funders and document production specialists.

We have a proven track record of success in providing contractual, practical, operational and risk management advice on distressed, high-value or strategically critical projects. We bring continuity of advice at all stages of a project's lifecycle, from inception through construction and into the operational phase.

## Our sector focus

### KEY CONTACTS

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Our team adopts a sector focus, tailoring our approach and the advice we provide to the specific nature of the issues which arise in the following industries:

- Infrastructure and transport
- Oil and gas
- Energy
- Commercial projects - Office, Retail, Hotels
- Stadia
- Ports/harbors
- Nuclear
- Water and utilities
- Chemicals and process plants
- Industrial engineering
- PPP/PFI
- Shipping and offshore
- Communications
- Defense
- EPC/FIDIC

Our experience in acting across the supply chain for procuring authorities and funders active in these sectors means our lawyers understand the commercial issues affecting these businesses. As a result, our team delivers consistently successful dispute avoidance and resolution strategies based on detailed industry knowledge.

## Our experience

When it comes to resolving construction and infrastructure disputes, our team has extensive experience in managing all aspects of a dispute, including:

- An understanding of all types of construction, engineering, project and infrastructure contracts, including extensive experience drafting and negotiating such contracts
- Advising on emerging problems, before the commencement of formal legal proceedings, to avoid escalation and obtain early resolution and to optimize negotiating leverage
- Addressing issues arising from delay and disruption, cost overruns, variations, professional negligence, defects and termination
- Conducting international arbitration through all of the major institutions as well as resolving disputes through other alternative channels, such as expert determination, mediation and adjudication
- Advising and assisting with claim preparation, document review, document management and electronic record management and disclosure
- Advising on sensible strategies for case management when the dispute necessitates analysis of a great volume of detail, including identifying priority issues and common themes
- Effectively marshalling technical and factual evidence, including working with factual and expert witnesses

## EXPERIENCE

### Infrastructure and Transport

- A European government in its defence of an ICC arbitration dispute concerning a multibillion-euro project to design and construct 70 kilometres of commuter railway, 40 new stations and associated infrastructure
- A global construction client in three mediations relating to significant road construction projects in Ontario, Canada
- A major communications PLC in a multimillion-pound ICC arbitration relating to communication systems failures on the London

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### RELATED SERVICES

- Construction and Engineering
- International Arbitration
- Projects, Energy and Infrastructure

### RELATED SECTORS

- Energy and Natural Resources

underground rail network

- Acting for a contractor in two ICC arbitration proceedings, taking place in parallel, both seated in Doha, Qatar, in connection with disputes involving a perimeter security package at a new major international airport in the Middle East

## Oil and Gas

- A South Korean/Japanese joint venture main contractor in potential ICC proceedings (London) in a dispute concerning the construction of an oil refinery in Northeast Africa. The claims exceed US\$500 million and concern delay, concurrent delay and the application of liquidated damages versus the main contractor's entitlement to an extension of time
- A Russian oil company in an LCIA London seat arbitration concerning a US\$55 million dispute for drilling services
- A Chinese energy company in a US\$200 million ICC arbitration in Singapore against an Iranian contractor relating to the development of oil services facilities in Iran
- An incorporated JV operating company in respect of design deficiencies in an onshore processing facility in the Arctic on claims in excess of US\$950 million

## Energy

- A global energy company with respect to US\$500 million disputes arising out of the construction of power plants in China
- A Government in an investment treaty arbitration in London under the UNCITRAL Rules arising out of the construction and operation of a power station near Mumbai
- A South Korean conglomerate in ICC proceedings on delay and extensions of time claims regarding a coal-fired power plant in North Africa with a project value in excess of \$2 billion
- A US group company and its South Korean parent company, together a global engineering, procurement and construction company, in arbitration against a plant owner regarding significant cost overruns and scheduling delays resulting in an award of more than US\$51 million on its affirmative claims, which was offset by US\$22 million awarded to the opposing party on its counterclaims
- A Dominican power company with respect to US\$ 70 million in disputes arising out of the construction of a biomass facility in the Dominican Republic

## Commercial construction

- A Dubai-based developer on a UNICITRAL arbitration concerning a US\$500 million construction dispute relating to a large retail development in Dubai
- An Israeli company in proceedings before the Court of Arbitration at the Polish Chamber of Commerce in Warsaw in a construction dispute concerning damages connected with the improper conduct of a tender procedure. The amount of damages claimed was US\$16.3 million
- A developer of the World Trade Center site in New York following 9/11, including handling several arbitrations and litigation matters, among them a multibillion-dollar arbitration in Manhattan
- A developer on US\$100 million in claims for construction defects and water intrusion arising out of a 21-building apartment complex on Long Island, involving 20 parties, a separate insurance coverage case and tenant class actions
- A UK construction company on claims valued at £35 million arising out of the project to develop a high-specification sports complex, including stadiums, hotels, gyms and other facilities

## Stadia

- A Premier League football club on delay and disruption claims arising from a £110 million stadium extension

## Nuclear

- A state-owned nuclear power company in a succession of disputes with a value exceeding €150 million arising from the delayed temporary and permanent spent-fuel storage facilities at a nuclear power plant
- A UK contractor in a dispute concerning defects and quality assurance procedures in respect of works at the UK's Sellafield nuclear reprocessing plant

- A nuclear decommissioning company in relation to various complex decommissioning projects undertaken under NEC3 contract conditions
- A state-owned nuclear power company in UNCITRAL arbitration concerning liability for heavily damaged fuel rods

## Ports and harbors

- An employer in relation to defective works claims on a project involving refurbishment and expansion of submarine penstocks in Scotland
- A major defense contractor in relation to the design and construction of a £300 million facility required to build Successor-class submarines
- An employer on a major port extension project involving a new deepwater jetty, draft improvement dredging and refurbishment of existing port assets

## Water/Utilities

- The largest utility company in the Southeastern US with respect to disputes arising out of the construction of a solar facility in Texas
- A UK water company in relation to a £125 million claim relating to the design and construction of a BAFF plant
- A UK water company, defending against framework contractors in relation to the failure of blockwork in a series of nitrifying tertiary filter (NTF) plants across the water company's network
- A UK water company in relation to £70 million claims from a framework contractor, comprising 150,000 low-value repair and maintenance claims and significant delay and disruption, variation and defects claims relating to over 50 major projects

## Chemicals and process plants

- A UK subsidiary of a South Korean conglomerate in connection with a dispute with a German engineering company arising from the construction and delayed completion of a complex chemical process plant in the UK. This is an ICC arbitration subject to English law with a seat in Amsterdam. The sums in dispute are in excess of €45 million
- A large petrochemical company in several disputes resulting from the termination of contracts on the basis of force majeure events
- A global EPC contractor in a claim exceeding US\$100 million relating to the construction of a major chlorine plant in Houston
- An employer against the JV contractor in a dispute including issues arising from payments due, defective works and termination, in connection with the design and construction of an anaerobic digestion facility in Northern Ireland. The matter involves numerous challenging technical and legal issues, among them certification of payments, employer approvals, finance documents, ramp-up processes and termination

## Industrial Engineering

- A French engineering business in ICC arbitration proceedings in relation to the manufacture and sale of a €100 million transformer for a Siberian aluminium smelting operation
- An Indian energy company in disputes arising out of the construction and testing of prototype wind turbines

## PPP / PFI

- A consortium of global investors in multiple disputes arising from a £400 million bond-financed healthcare project facing claims exceeding £40 million
- A government authority regarding the construction of a major acute-care hospital with a contract sum in excess of £335 million, with initial total claims of £24 million prior to construction completion
- A government agency of a Central American sovereign in an ICC arbitration proceeding arising from a P3 project and involving ownership interests in geothermal generation facilities and defects in generation equipment
- A private corporation responsible for operating and maintaining an extensive public highway network under the P3 model in negotiations and an arbitration to determine appropriate increases in annual operation, maintenance and rehabilitation fees relating to the highway

## EPC / FIDIC

- The turnkey contractor in relation to an IWPP project in Fujairah, UAE in relation to extension of time, cost, delay and variations claims against the employer in an LCIA arbitration with a London seat under English law
- An EPC contractor in a major dispute in adjudication against a project owner in relation to a gas storage project based on IChemE Green Book conditions with target cost provisions
- A leading provider of electricity and energy-related services to the Polish rail industry and a leading contractor for railway construction and infrastructure modernization projects in disputes over investment projects carried out on the basis of the FIDIC terms of the contract for sums in excess of PLN3.5 billion
- An international construction company based in Germany in investment projects carried out on the basis of the FIDIC terms of the contract - construction of a ring road with a value exceeding PLN 908 million) and construction of a section of dual carriageway with a value exceeding PLN 1.1 trillion

## INSIGHTS

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### Publications

#### **Novel coronavirus (2019-nCoV) – potential effects on international arbitration, sale of goods, shipping and shipbuilding**

10 February 2020

The current outbreak of novel coronavirus (2019-nCoV) is causing widespread concern. This article will discuss the potential impact on international arbitration, sales of goods, shipping and shipbuilding contracts.

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#### **Construction delays arising out of the Novel Coronavirus outbreak**

7 February 2020

Since the first case of coronavirus was confirmed in Hong Kong in early February 2020, the government has imposed various measures in an attempt to contain the spread of the coronavirus. The resulting impact of the novel coronavirus is far-reaching and affects every industry and business in Hong Kong. This alert considers some of the key issues that construction contractors and developers in Hong Kong may face. If you need any specific advice, please contact May Ng or Sandy Au for further details.

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#### **APPs en América Latina: resolución de disputas a través de arbitraje inversor-estado**

18 DEC 2018

Medidas de protección de la inversión pueden encontrarse en los contratos de APP, pero también en el derecho internacional.

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## NEWS

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#### **DLA Piper senior associate Wincen Santoso admitted as a Fellow of the Chartered Institute of Arbitrators (CI Arb), the United Kingdom**

17 December 2019

DLA Piper is pleased to announce that Wincen Santoso, an Indonesian and New York qualified senior associate in Singapore, has been admitted as a Fellow of the Chartered Institute of Arbitrators (CI Arb), the United Kingdom, a leading professional membership organization representing the interests of alternative dispute resolution practitioners.

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## **DLA Piper launches its Global Litigation Guide**

3 December 2019

DLA Piper has launched its 'Global Litigation Guide', which covers aspects of civil litigation in 30 jurisdictions worldwide.

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## **DLA Piper announces launch of Artificial Intelligence practice**

14 MAY 2019

DLA Piper announced today the launch of its Artificial Intelligence practice, which will focus on assisting companies as they navigate the legal landscape of emerging and disruptive technologies, while helping them understand the legal and compliance risks arising from the creation and deployment of AI systems.

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## **DLA Piper advised Geophysical Sub-Strata on its tap sale of US\$114.5 million Guaranteed Medium Term Notes**

4 APR 2019

DLA Piper has advised Geophysical Sub-Strata Ltd. on the tap sale of US\$114.5 million 8% Guaranteed Medium Term Notes due 2023 as Series 001, Tranche 002 under the Company's US\$400,000,000 Guaranteed Multicurrency Medium Term Note Programme.

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## **DLA Piper announces partnership promotions for 2019**

1 APR 2019

DLA Piper is proud to announce that 77 lawyers have been promoted to its partnership. The promotions are effective as of April 1, 2019 in the United States and May 1, 2019 for EMEA and Asia Pacific. The promotions were made across many of the firm's practice areas in 43 different offices throughout 20 countries.

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## **DLA Piper announces launch of Blockchain and Digital Assets practice**

26 FEB 2019

DLA Piper announced today the launch of its Blockchain and Digital Assets practice, which will offer strategic advice on a global basis to address the needs of companies implementing blockchain technology solutions and creating and deploying digital assets.

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## **Kate Brown de Vejar joins DLA Piper as global co-chair of International Arbitration**

22 JAN 2019

DLA Piper announced today that Kate Brown de Vejar has joined the firm's Litigation practice as a partner in Mexico City and New York.

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## **DLA Piper and IKM Advocates secure victory for the Republic of Kenya defeating a US\$2 billion ICSID claim**

24 OCT 2018

In a decisive victory for the Republic of Kenya, DLA Piper and DLA Piper Africa member firm, IKM Advocates, have successfully defeated the claim estimated to be worth US\$2 billion in arbitration proceedings brought by a mining investor, Cortec Mining Kenya

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Limited. The claim was brought under the bilateral investment treaty (BIT) between the UK and Kenya dated 13 September 1999. The arbitration took place under the auspices of the World Bank's International Centre for Settlement of Investment Disputes (ICSID), with the hearing taking place in Dubai in January 2018. The Tribunal issued its award on 22 October 2018.

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### **DLA Piper hosts inaugural Afghanistan-UK Business Conference**

18 SEP 2018

DLA Piper's London office yesterday hosted the first Afghanistan-UK Business Conference, organised by the Embassy of the Islamic Republic of Afghanistan in London and the International Chamber of Commerce in Afghanistan. The event, aimed at further enhancing Afghanistan-UK bilateral business, trade and investment relations, was attended by over 100 participants including public and private sector leaders, potential investors, NGOs and consultants, amongst others.

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### **DLA Piper represents the Securities and Exchange Board of India (SEBI) to recoup funds from one of the world's largest Ponzi schemes**

16 AUG 2018

DLA Piper has successfully acted with Counsel (Thomas Bradley QC, Michael Hodge QC and Julia O'Connor) for the Securities and Exchange Board of India (SEBI) in the second of two proceedings before the Federal Court of Australia.

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DLA Piper is proud to announce that 62 lawyers have been promoted to its partnership. The promotions are effective as of 1 April 2018 in the United States and 1 May 2018 for EMEA and Asia Pacific. The promotions were made across many of the firm's practice areas in 42 different offices throughout 20 countries.

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### **DLA Piper Africa advises Adenia Partners on acquisition of controlling stake in Kanu Equipment Limited**

23 MAR 2018

Kanu has been driving an expansion strategy across Sub-Saharan Africa in recent years and the business now operates in 13 countries, servicing the agriculture, construction and mining industries.

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### **DLA Piper advises Timor-Leste on historic maritime treaty**

6 MAR 2018

DLA Piper has been advising the Government of Timor-Leste, for more than four years, on its historic maritime treaty with the Australian Government, signed today at the United Nations Headquarters in New York, following the successful outcome of a compulsory conciliation process.

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