

CHAPTER 10

Understanding and Solving Typical Construction Problems and Contract Disputes

THE MOST COMMON PROBLEMS

Differing Site Conditions

In U.S. government contracting, the government assumes the risk of the contractor running into surprises at the construction site. If the physical conditions of a construction site (for example, rock or water) are unusual or differ radically from what the government led the bidders to expect in the formal solicitation document, the government will pay the contractor for the additional costs incurred for working with the differing site conditions.

For example, a competent bidder on an Alaskan project will know about permafrost; but a bidder on a re-roofing project who discovers double roofing in an area where the trade practice is to use single roofs can be reimbursed for the additional cost associated with removing the second roof.

This escape valve encourage bidders to base their bids solely on (1) the bid documents provided by the government and (2) what bidders know about the site and consider usual for that area. However, a bidder is presumed to know what a reasonable inspection of the site would have uncovered. Thus, *Canadian firms or their representatives must expect to make a reasonable inspection of the site of a construction project prior to submitting bids.* Fortunately, the inspection need not be done by an expert. Elaborate scientific scrutiny, such as test borings, for example, need not be taken to win the bid. All that is required is a site inspection by a