

Title: Extension Of Time The Issue Of Delay Notification

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Abstract :

When a project suffers delayed completion, the contractual remedy for the employer is to deduct liquidated and ascertained damages (LAD). In this situation, the contractor may attempt to avoid payment of liquidated and ascertained damages by applying for extension of time. However, it must be noted that the process to obtain a time extension is always knotty and difficult for the contractors. Extension of time clauses do not automatically mean contractors are entitled to them. Procedures must be followed if damages are to be avoided; otherwise, the contractor may lose his entitlement to an extension of time. Based on such issue, this study aims to establish the common problem among the contractors in complying with the procedures for applying extension of time. In order to achieve the research objective, the author carried out an in depth case study on a list of related legal cases. After scrutinizing the legal cases from the United Kingdom, the United States, Australia and Singapore, the giving of delay notice is found to be the common problem among the contractors to comply with the application procedures for extension of time. These cases indicated that many contractors had lost their entitlements to extension of time claim by failing to follow with the notification procedures. The contractor's notice of delay is now made mandatory in applying extension of time by the most widely used standard forms of contract, namely JCT 80, FIDIC, PAM 98 and etc. This step is a condition precedent for the architect or superintending officer to perform his duty in granting time extension. Failure to serve prompt notice in the correct format will definitely prejudice the contractor's entitlement to extension of time. As a whole, this study is expected to draw the attention of the contractors towards the issue of delay notification, so that they are in a better position to protect their claims.