



ICC Sweden Introduction to and Practical Training on Effective Conflict Management



CASE SCENARIO 1 – TRANSACTION

In November 2021 the Infrastructure Management Company (“Employer”) of the Host State (“Host State”) and Best Builders, an international construction company registered in the Kingdom of Atlantis, (“Contractor”) entered into an agreement based on a standard contract (the “Construction Agreement”) for the repair of Conference Facilities for COP100 in the capital city of the Host State (the “Project”).

The amount of the Agreement was for 5 million euros. Under the Construction Agreement, the Contractor was supposed to repair the Conference Facilities by 31 October 2023 in line with the Project Specifications provided by the Employer. Under the Construction Agreement, the Contractor was required to make available all the equipment and personnel before the repair works commenced. The repair works were supposed to start within 2 weeks after signing of the Construction Agreement. The Contractor made a representation in the Construction Agreement that it currently possesses and freely disposes all the required equipment and personnel to complete the repair. The Agreement also included the following provision: *“The Contractor shall take all reasonable steps to protect the environment (both on and off the Site) and to limit damage and nuisance to people and property resulting from pollution, noise and other results of his operations.”*

The repair of the Conference Facilities was subject to a strict deadline since the facility was required to be completed before COP100 started on 30 November 2023.

A month after signing the Construction Agreement, the Contractor entered into a supply agreement with the Local Construction Procurement LLC (the “Subcontractor”) to buy all the local materials required for the construction with a value of 500 000 euros (the “Supply Agreement”). The Supply Agreement also included a provision requiring the Subcontractor to take all the measures to provide goods that are environmentally friendly.



Draft the dispute resolution clause of the Construction Agreement and Supply Agreement: which dispute resolution mechanisms would you include?