

## **Preventive and Amicable Dispute Resolution Method in Ethiopian Road Authority**

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### **ABSTRACT**

Construction disputes are fairly common, and they vary in their nature, size and complexity. (Mark Appel), senior vice president of the American Arbitration Association, stated that he construction industry is really the industry that sponsors our work?". Contractual disputes are time consuming, expensive and unpleasant. They can add substantially to the cost of a contract and can also impact on the achievement of value for money. Inevitably, however, they do occur from time to time and the importance of bringing the dispute to a conclusion as efficiently and cost effectively as possible cannot be overstated. It is important to keep lines of communication with the Contractor open at all times when dealing with claims and to avoid adopting entrenched positions. The procedures applicable to dispute resolution in the contract should be adhered to but this does not preclude "without prejudice" discussions taking place between the contracting authority and the Contractor throughout the process with a view to arriving at a settlement of the dispute. From the onset of a dispute, it is important that it is managed actively and positively and at the appropriate senior level within the contracting authority, in order to encourage early and effective settlement. Unnecessary delays and inefficiencies can lead to rapid escalation of costs.

**Key words:** *Construction, Dispute, Costs, Industry, Conflict*