

Dispute Resolution

Dispute resolution is covered by statute under Texas Government Code Chapter 2260 and it covers some of the contract claims against the state. The goal of any dispute resolution process is to resolve all problems before they escalate to the next level. To avoid escalation of problems to the next level and ensure the agency has not exacerbated potential problems, it is imperative that agency personnel respond promptly to all contractor inquiries. Initial steps to be taken are:

1. Identify the problem - many times what may appear to be a problem can be resolved by providing the contractor with information or clarification.
2. Research facts – the agency should obtain all the information regarding the potential problem from all relevant sources, including the project manager and the contractor.
3. Evaluation – the agency should review all of the facts in conjunction with the requirements and terms and conditions of the contract. The agency should then determine the appropriate course of action.
4. Proper dispute resolution is a core skill of successful contract management. Identification of problems early in the performance period, effectively communicating and formalizing the process in writing via a cure notice procedure or less formal written procedure is essential. A contract termination is a failure by BOTH parties to a contract. Termination is the last resort that rarely needs to be done.