



# Tips for success in contract administration for infrastructure and construction projects

**Date: Sunday September 22, 2024**

Contract administration is a critical function of infrastructure and construction projects. Effective contract administration involves overseeing the project's progress, managing risks, and resolving disputes, among other requirements. This area of practice often requires and attracts experienced professionals with relevant industry experience.

## The day-to-day activities in contract administration

Administering a contract in infrastructure or construction projects involves a variety of day-to-day activities that ensure the project stays on track, adheres to the agreed terms, and addresses any issues that arise.

These activities typically include:

- Document management;
- Monitoring progress and compliance;
- Communication and coordination;
- Change management;
- Risk management;
- Payment processing;
- Dispute resolution;
- Compliance checks;

- Reporting; and
- Quality control.

## 5 tips for success in contract administration

Whether this function is performed by the project manager or a dedicated resource, the following tips for effective contract administration ensure that the contract is executed smoothly and that the project is completed successfully within the agreed-upon parameters.

### 1. Establish clear and comprehensive contracts

The foundation of successful contract administration lies in the establishment of clear, comprehensive, and well-drafted contracts. Contracts should unambiguously outline the roles, responsibilities, and expectations of all parties involved. Once contract negotiations are completed, it is important to ensure that the entire contract is compiled and summarised for easy referencing over the project's life cycle.

Some tips for ensuring success in contract administration.

#### Ensure a detailed scope of work

Collaboration between contract administrators and technical teams is key to ensuring that the scope of work is well drafted. Often, due to the technical nature of the scope of work for an infrastructure project, the scope may be easily overlooked during the contract negotiations stage and left to the engineering or technical discipline.

It is important for contract administrators to also thoroughly review the scope as it may reveal discrepancies that may not be evident to those who are responsible for the technical aspects. This helps to ensure that all parties, whether technically minded or not, have a shared understanding of the project deliverables, timelines, and milestones.

#### Incorporate and thoroughly check specific terms and conditions

A comprehensively compiled contract should include specific terms and conditions that address key aspects such as payment schedules, performance guarantees, penalties for delays, and dispute resolution mechanisms. This clarity helps to manage expectations and reduces the likelihood of disputes.

#### Mitigation of ambiguities

As with reviewing the technical scope, the collaboration of legal experts and contract specialists in the drafting process is highly recommended to ensure that the contract is free from ambiguities that could lead to disputes. Effectively, a contract administrator can act as a second pair of eyes to review the draft proposed by either party to the contract.

You may also find it useful to understand some of the errors in contracts that can lead to issues in the project by reading our earlier article, [“5 common errors in contracts used in infrastructure and construction projects”](#).

## 2. Effective communication and stakeholder engagement

Effective communication is a cornerstone of successful contract administration. Infrastructure and construction projects often involve multiple stakeholders, including clients, contractors, subcontractors, suppliers, and regulatory authorities. Ensuring clear and consistent communication among these parties is crucial for project success.

Here are some of the key requirements for successful communication.

### Sharing information

Holding regular progress meetings with all stakeholders ensures that everyone is informed about the project's status, upcoming tasks, and any potential issues.

Information from meetings should be shared promptly. Digital tools and project management software can facilitate communication by providing a centralised platform for sharing documents, tracking progress, and managing correspondence.

### Engaging stakeholders early and often

Engaging stakeholders early in the project and maintaining continuous engagement throughout the project lifecycle helps to align expectations and build a collaborative working environment. This approach also allows for the early identification of potential issues and the development of proactive solutions.

## 3. Efficient document management

Efficient document management is another cornerstone for successful contract administration in a construction and infrastructure project. Effective document management is essential for ensuring that all project-related information is accurate, up-to-date, and easily accessible. Proper documentation supports decision-making, facilitates communication, and provides evidence in the event of disputes.

Here are some of our tips for efficient and effective document management.

## A centralised document management system

Implementing a centralised document management system helps to organise and store all project-related documents in one place. The Contract Administrator should ensure that the system is accessible to all relevant stakeholders. Such a system should include version control to ensure that the most current documents are being used.

## Consistent documentation practices

Establishing consistent documentation practices across the project team ensures that all documents are created, reviewed, and filed in a standardised manner. This consistency helps to maintain the integrity and accuracy of the documentation.

## Regular audits and reviews

A regular cadence of audits and reviews of the project documentation helps to identify any gaps or inconsistencies. These reviews should be conducted at key project milestones and should include an assessment of the completeness and accuracy of the documentation.

# 4. Performance monitoring and quality control

This is part of the reporting function of contract administration. The contract administrator can assist the project manager in ensuring that the project meets the required quality standards and that performance is aligned with contractual obligations, which is essential for project success. This can be done by following the below recommendations.

## Regular performance reviews

Conducting regular performance reviews helps to assess whether the project is on track and whether the contractors are meeting their obligations. These reviews should be based on predefined performance indicators and should include an assessment of the project's progress, quality, and compliance with the contract.

## Quality control procedures

These procedures should include regular inspections, testing, and audits, as well as a process for addressing any quality issues that arise.

## 5. Facilitating effective dispute resolution

Disputes are a common occurrence in infrastructure and construction projects. Contract Administrators can play a vital role through:

### Early identification and resolution of triggers to disputes

Identifying and resolving triggers that can lead to disputes early can prevent them from escalating and causing significant delays or cost overruns. Regular communication and progress meetings can help to identify potential disputes early on and allow for prompt resolution.

### Promoting a collaborative approach

Promoting a collaborative approach to dispute resolution helps to maintain positive relationships between the parties and fosters a spirit of cooperation. This approach involves open communication, mutual respect, and a willingness to find mutually acceptable solutions.

## Get help from a construction lawyer

Infrastructure projects continue to grow in complexity and scale.

In addition to providing legal services for infrastructure and construction projects, Wambeti Legal has the skills and expertise to assist you in the art of contract administration.

Get in touch to see how we can help you to ensure that your project is delivered on time, within budget, and to the required quality standards.

### Contacting Wambeti Legal

0423 825 235

[hello@wambetilegal.com.au](mailto:hello@wambetilegal.com.au)

---

*This blog is of a general nature and should not be relied upon as legal advice. If you require further information, advice or assistance for your specific circumstances, please contact us.*