

## Building confidence

Managing suspensions, delays and disruption due to COVID-19



Issues with supply and health and safety concerns are causing delays and suspensions to construction projects around the world.

In these unprecedented times, it will likely be necessary for counterparties to work together and administer the contract in the best interest of the project. While today's priority is to ensure safety of employees and construction sites, tomorrow's task will be to re-commence works to achieve project completion, which will include an assessment of the true impact of COVID-19.

Our construction and engineering lawyers have experience guiding employers and contractors through difficult and complex circumstances and can help you put in place suitable practical arrangements to mitigate against the current risks.

As a starting point, you should consider taking the following practical steps:



(1) **review and comply with contractual procedures and notice requirements** to ensure that all requests for relief (for example due to force majeure) are made/ responded to under the correct contract mechanism and within the prescribed time limits



(5) **review insurance arrangements** to understand who is responsible for insuring the site and whether insurance cover suspended works. Consider whether the term of the policy may need to be extended to cover delays to the project and whether there are any business interruption arrangements that might cover COVID-19



(2) **obtain detailed records of the status of the works and updated programme** against which the impact of delays and suspensions can be measured



(6) **consider finance arrangements:** has there been a MAC? Would a long suspension to construction amount to a breach? Do finance arrangements need to be extended?



(3) **agree mitigation measures**, by identifying work streams that can continue off-site, and re-scheduling the programme accordingly



(7) **communicate and plan ahead:** prepare to sit down with your development partners and financiers in the project to identify what steps need to be carried out in the best interests for the project



(4) if works are to be suspended, **put in place suitable security measures**



(8) Above all, whether employer or contractor, ensure that **detailed contemporaneous records are made and retained**



## More information

For more information about managing suspensions, delays and disruption due to COVID-19 please contact:



**Jessica Neuberger**  
*Partner*

T: +44 207 919 4797  
M: +44 7769 243296  
jessicaneuberger@  
eversheds-sutherland.com



**Lucy Chadwick**  
*Principal Associate*

T: +44 207 919 4995  
M: +44 792 057 3620  
lucychadwick@  
eversheds-sutherland.com



**Jonathan Douglas**

*Head of Construction and Engineering*

T: +44 20 7919 4626  
M: +44 7803 581 831  
jonathandouglas@  
eversheds-sutherland.com



**Nick Pinder**  
*Partner*

T: +44 207 919 0829  
M: +44 734 271 7408  
nickpinder@  
eversheds-sutherland.com



**Richard Black**

*Principal Associate*

T: +44 207 919 0789  
M: +44 7826 779 229  
richardblack@  
eversheds-sutherland.com

**eversheds-sutherland.com**

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