

A photograph of a construction site. In the foreground, a large yellow Hyundai excavator is positioned on the right, with its arm extended. Several workers in orange and blue uniforms and red hard hats are working in a trench. A large black pipe is visible on the left. The background shows a fenced area with a building and a white pickup truck.

INVESTIGATION OF REPEATED DAMAGES TO UNDERGROUND SERVICES REVEALS A SERIOUS DEFICIENCY IN CONTRACT METHOD STATEMENT

Case Study



Developing a better method statement that addressed the rocky nature of the soil was needed

To help combat flooding, several projects were initiated in 2016/2017 across a bustling capital in the Middle east. The general scope of works included the design and construction of more efficient drainage network using larger perforated pipes, swale, and surface storage channels.

During the execution of these projects, multiple liability claims for damage to underground services were reported. These claims involved damage to electrical

cables of different voltage ratings, water lines of different sizes and other data and video signal cables. In all cases, electric, water and communication authorities responded and affected repairs as required. The cost of these repairs was in the hundreds of thousands of dollars and caused the insurers to question the adequacy of the method statement used in the projects and whether new ways to manage the risk on these projects are needed.

Expert Involvement

CEERISK was appointed by insurers to investigate the claims. Based on the comprehensive investigation carried out by CEERISK, our experts ascertained certain facts about each incident. It was concluded that multiple contributing factors, consistent across all work locations, contributed to the high loss rate, including.

The method statement specified in the contract and the cited local codes and regulations were not consistently or accurately applied. Record drawings that were meant to be general guidelines for the location of underground

services were actually treated as exact location plans. Workers who were assigned to excavation works did not carry out consistent site investigations before commencing work.

Devices used to identify the location of services were not correctly used and had limitations that were not accounted for by excavation supervisors at the site. Once services were exposed, they were not properly marked as required by local regulations and excavation works continued with minimal protection.

Bridging the Gap

Based on the CEERISK's conclusions, insurers were able to apply policy warranties and exclusions in areas where method statements were not followed. Insurers were also able to use CEERISK's findings to work with the Ministry of Public Works on developing a better method statement that addressed the rocky nature of the soil.

Contractors working on these infrastructure projects, needed to be closely monitored by consultants to ensure that local regulations are closely adhered to

during excavation works. Method statement and local regulations prohibited the use of mechanical excavators around services, it was impossible for contractors to break through the rocky soil or to effectively rely on hand tools. CEERISK experts recommended instead the careful use of pneumatic and hand-held power jack hammers under strict conditions and with careful guidance.