# CONTENTS

About the Editors .......................... xxv
About the Authors ......................... xxvii
Acknowledgments ......................... xxxvii
Introduction ................................ xxxix

**Chapter 1**

**Drafting the Arbitration Clause** ........................................ 1
**Daniel Yamshon**

I. Importance of Clause ........................................ 1
II. Standard Forms ........................................ 1
III. Modify Standard Forms or Ab Initio Drafting? ................. 2
IV. What to Insist Upon Retaining/Rejecting When .................
    Negotiating an ADR Clause .............................. 8
V. Analysis of Popular Form ADR Clauses .............. 8

**Chapter 2**

**Enforcing Arbitration Agreements** .............................. 13
**Andrew D. Ness and Thomas E. Lynch**

I. Drafting Enforceable Arbitration Agreements .............. 13
II. Federal and State Laws Support Enforcing Agreements ....
    to Arbitrate .......................................... 15
III. General Considerations for Enforcing Arbitration ...
    Agreements ........................................... 16
    A. The Parties to the Arbitration Agreement .......... 17
    B. Types of Assistance Available from Courts to Enforce...
        Agreements to Arbitrate ......................... 18
        1. Court Orders Compelling Arbitration and Staying
            Litigation of Disputes Subject to Arbitration .... 18
        2. Court Orders Providing Procedural Assistance ....
            for the Organization of an Arbitration .......... 19
        3. Provisional Remedies in Aid of Arbitration .... 20
    C. Jurisdiction and Venue Are Required to Obtain Assistance ...
        from Courts ......................................... 21
        1. Subject-Matter Jurisdiction ......................... 21
        2. Personal Jurisdiction ................................ 23
        3. Venue ............................................. 23
IV. Conditions Precedent to Arbitration Can Serve to Limit ...
    or Delay Enforcement of Arbitration Agreements, But Often ...
    for Productive Purposes ................................... 23
V. The Terms of Arbitration Agreements Define Their Scope, and Therefore the Extent to Which They Can Be Enforced 24
   A. Broad and Narrow Arbitration Clauses 25

VI. Arbitrability and Enforcement: What Have the Parties Agreed to Arbitrate, and Who Decides? 28
   A. Courts Versus Arbitrators as the Deciders of Arbitrability 29
   B. Arbitrability Is Distinct from the Validity of the Contract 31
   C. Arbitrability Remains Distinct from Other Contract Defenses 32
   D. Relevance of the Parties’ Agreements Regarding Arbitrability, Including Through Incorporation of Arbitration Provisions 32

VII. Some Special Considerations for Enforcing Agreements to Arbitrate 33
   A. Parties Can Waive Their Rights to Arbitrate 33
   B. Parties Can Place Time Limits on Their Right to Arbitrate 35
   C. Parties Can Agree to Unilateral Arbitration Provisions 36

VIII. Types of Claims Frequently Relevant to Efforts to Enforce Arbitration Agreements 36
   A. Breach of Contract Claims 36
   B. Tort Claims 37
   C. Statutory Rights and Remedies 37

IX. Common Defenses to the Enforcement of Arbitration Agreements 38
   A. Contract Formation and the Identities of the Parties 38
   B. Fraud, Unconscionability, and Illegality 39

X. Conclusion 40

Chapter 3

Arbitration Providers 41
Philip L. Bruner and Albert Bates Jr.

I. Introduction 41

II. American Arbitration Association 42
   A. History 42
   B. The AAA Organization 42
   C. Philosophy 43
   D. Involvement in and Service to the Construction Industry 44
   E. Office Locations 44
   F. Websites 45
   G. AAA Construction Neutrals 45
   H. AAA Distinguishing Characteristics 45
   I. AAA Construction Industry Rules and Procedures 46
H. ICC Arbitration Rules and Procedures
  1. Rules
  2. Filing and Fees
  3. Information Exchange
  4. Hearings
  5. Award
  6. Post-Award
  7. Appellate Process

VII. The London Court of International Arbitration
  A. History
  B. Makeup of Organization
  C. Philosophy
  D. Involvement in and Service to the Construction Industry
  E. LCIA Location
  F. Website
  G. Where LCIA Neutrals Come From, and How One Becomes an LCIA Neutral
  H. LCIA Distinguishing Characteristics
     I. LCIA Rules and Procedures
        1. Filing and Fees
        2. Neutral Selection
        3. Information Exchange
        4. Hearings
        5. Award
        6. Post-Award
        7. Appellate Process

VIII. Conclusion

Chapter 4
Types of Arbitration in Construction
Charles M. Sink
  I. Claims Resolution in the Construction Industry
  II. AIA Approach to Dispute Resolution in Contracts
  III. Arbitration under AIA Document A201
    A. Arbitration Is Optional
    B. Incorporation of AAA Rules
    C. A Broad Arbitration Clause
    D. Enforcement of Award
    E. Consolidation and Joinder Are Permitted
  IV. ConsensusDocs 200’s Approach to Arbitration
  V. Solo Arbitrator versus a Panel
  VI. Party-Appointed Arbitrators
  VII. “Baseball” Arbitration
Chapter 5
Arbitrators
Paul M. Lurie and Kenneth M. Roberts

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Introduction</td>
<td>103</td>
</tr>
<tr>
<td>II. Selection of Arbitrators</td>
<td>104</td>
</tr>
<tr>
<td>III. Problems with Selecting Party-Appointed Arbitrators</td>
<td>106</td>
</tr>
<tr>
<td>IV. Number of Arbitrators</td>
<td>107</td>
</tr>
<tr>
<td>V. Special Arbitrators</td>
<td>108</td>
</tr>
<tr>
<td>A. Consolidation and Joinder</td>
<td>108</td>
</tr>
<tr>
<td>B. Special Arbitrator for Preliminary Relief</td>
<td>108</td>
</tr>
<tr>
<td>C. Consent Award Arbitrator</td>
<td>109</td>
</tr>
<tr>
<td>VI. Decisions Reserved for the Agency</td>
<td>109</td>
</tr>
<tr>
<td>VII. Qualifications of Arbitrators</td>
<td>110</td>
</tr>
<tr>
<td>VIII. The Panel Chair</td>
<td>112</td>
</tr>
<tr>
<td>IX. Court Appointment of Arbitrators</td>
<td>112</td>
</tr>
<tr>
<td>X. Arbitrator Disclosures Affecting Neutrality</td>
<td>113</td>
</tr>
<tr>
<td>XI. The AAA/ABA Code of Ethics</td>
<td>113</td>
</tr>
<tr>
<td>XII. Agency Rules for Disclosure</td>
<td>114</td>
</tr>
<tr>
<td>XIII. California Standards</td>
<td>117</td>
</tr>
<tr>
<td>XIV. Timely Issuance of Award</td>
<td>119</td>
</tr>
<tr>
<td>XV. Arbitrator Compensation</td>
<td>120</td>
</tr>
<tr>
<td>XVI. Confidentiality</td>
<td>120</td>
</tr>
<tr>
<td>XVII. Arbitral Immunity</td>
<td>120</td>
</tr>
<tr>
<td>XVIII. Professional Liability Insurance</td>
<td>121</td>
</tr>
</tbody>
</table>

Chapter 6
Consolidation and Joinder
Charles M. Sink

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Introduction</td>
<td>123</td>
</tr>
<tr>
<td>II. Standard-Form Clauses</td>
<td>124</td>
</tr>
<tr>
<td>III. American Arbitration Association’s “R-7 Arbitrator”</td>
<td>126</td>
</tr>
<tr>
<td>IV. JAMS's Equivalent Process for Consolidation and Joinder</td>
<td>130</td>
</tr>
<tr>
<td>V. Judicial Assistance for Consolidation and Joinder in Arbitration Proceedings</td>
<td>131</td>
</tr>
<tr>
<td>A. Federal Arbitration Act</td>
<td>132</td>
</tr>
<tr>
<td>B. State Laws Promoting Consolidation and Judicial Doctrines</td>
<td>134</td>
</tr>
<tr>
<td>VI. Typical Parties Consolidated or Joined in a Construction Case</td>
<td>140</td>
</tr>
<tr>
<td>A. Design Professional</td>
<td>140</td>
</tr>
<tr>
<td>B. Subcontractor</td>
<td>143</td>
</tr>
<tr>
<td>C. Owner</td>
<td>145</td>
</tr>
<tr>
<td>VII. Conclusion</td>
<td>146</td>
</tr>
</tbody>
</table>
Chapter 7
Choice of Law and Venue  
Douglas S. Oles and Benjamin D. Greenberg
I. Choice of Law—Selection by Contract Drafting  
II. Governing Law—When None Is Specified  
III. Venue—Selection by Contract Drafting  
IV. Venue—When None Is Specified

Chapter 8
Discovery  
Richard J. Tyler
I. Discovery  
II. Arbitration Laws  
A. Federal Arbitration Act  
B. State Arbitration Acts  
1. Uniform Arbitration Act  
2. Revised Uniform Arbitration Act  
III. Arbitration Rules  
A. American Arbitration Association  
B. JAMS  
C. Guidelines  
IV. Discovery Generally  
V. Pre-Arbitration Discovery  
VI. Document Production  
A. Party Document Production  
B. Non-Party Document Production  
1. Yes, No, Maybe  
2. No Authority, But Not Powerless  
VII. Depositions  
A. Party Depositions  
B. Non-Party Depositions  
VIII. Electronically Stored Information  
IX. Issuance and Service of Arbitral Subpoenas  
X. Enforcement of Arbitral Discovery Orders and Subpoenas  
A. Party Sanctions  
1. Inherent Authority  
2. Broad Construction of the Arbitration Rules  
3. Broad Construction of the Parties’ Arbitration Agreement  
B. Non-Party Sanctions  
C. Subpoenas

Appendix 1
Compendium of State Arbitration Laws

Chapter 9
Prehearing Procedures  
J. Snowden Stanley, Jr.
Contents

I. Prehearing Conferences 201
   A. Agenda for Prehearing Conferences 202
II. Case Management Order 206
III. Claim Submission 208
IV. Motions Practice 209
   A. Dispositive Motions 210
   B. Jurisdiction or Arbitrability 210
   C. Bifurcation 211
   D. Motions in Limine 213
   E. Sanctions 214
   F. Continuances 215
   G. Disqualification of Arbitrators 216
   H. Disqualification of Counsel 217
V. Prehearing Briefs 217

Appendix

Agenda for Prehearing Conference 219

Chapter 10

The Arbitration Hearing 227
Edmund M. Amorosi and Richard F. Smith

I. Purpose of the Hearing 227
II. Representation by Counsel 227
   A. Rules Applicable to Legal Representation
      and Pro Se 227
   B. Unauthorized Practice of Law 228
III. Venue 229
IV. Role of the Arbitrator 230
V. Due Process 231
VI. Subpoena Power Over Witnesses and Documents
    for the Hearing 233
   A. Subpoenas for Attendance of Witnesses 233
   B. Subpoenas for Documents 234
VII. Prehearing Submissions 234
VIII. Form of the Hearing 235
IX. Convening the Hearing 236
X. Opening Statements 236
XI. Standards for Admission of Evidence
    at the Hearing 237
XII. Presentation of the Evidence 237
    A. Fact Witness Testimony 238
    B. Expert Witnesses 240
    C. Documentary Evidence 242
       1. Process for Admission 242
       2. Core Exhibits/“Bundle” 242
       3. Evidentiary Exhibits 242
       4. Demonstrative Exhibits 243
       5. Managing Exhibits 243
D. Other Types of Evidence 243
   1. Site Visit 243
   2. Independent Investigation by the Arbitrator 244
   3. Video Conferencing 244
   4. Use of Affidavits 244
   5. Rule Against Witnesses 245
   6. Time Allocation 245
   7. Transcript 246
E. Multiparty Hearing/Third-Party Claims 246
F. Adjournment of the Hearing 248
G. Closing Arguments 249
H. Posthearing Briefs 249
I. Closing the Hearing/Submission of the Case 250
J. Confidentiality of the Hearing 251
K. Award Type: Reasoned or Regular 251
L. Award of Costs 252
VIII. Conclusion 253

Chapter 11

Secrets of a Winning Presentation 255
Judith B. Ittig

I. Introduction 255
II. Prehearing 255
   A. Dispositive Arbitral Motions—Taking Advantage and Controlling Abuses 255
      1. Motions that Are Not Expected to Succeed in Arbitration 255
      2. Other Motions, and Disposing of Them 256
   B. Separate the Claims into Hearing Segments 256
   C. Reservation of Claims 257
III. Opening Presentation 257
   A. What the Arbitrator Wants to Hear and Needs to Hear 257
   B. A Secret Lies in the Manner of Presenting Your Opening 257
   C. Waiving/Reserving the Opening 258
IV. Presentation of Evidence 258
   A. Use of Witnesses’ Personal Traits and Abilities 258
      1. The Runaway Witness 259
      2. Where There Is a Language Challenge 259
      3. The Profane Witness 260
      4. The Quick Witness 260
   B. The Expert Witness 260
      1. Dueling Experts (“Hot Tubbing”) 261
      2. Confronting the Other Expert When There Is No “Duel” 261
      3. Voir Dire of the Expert 262
   C. Put Key Exhibits in a Separate Binder 262
   D. No Writing Speaks for Itself 263
   E. The Smoking Gun Exhibit 263
Chapter 12

The Award

Carl F. Ingwalson, Jr.

I. Potential Arbitrators Must Review Dispute Resolution Provisions Prior to Accepting an Appointment 273
II. If the Appointment Is Accepted, the Arbitrator Should Address Award Issues Early 274
III. Interim, Interlocutory, and Partial Final Awards 276
   A. Lack of Uniformity 276
   B. Finality 278
   C. Ripeness 279
   D. Conclusion 279
IV. Concluding the Hearing 280
V. Interest, Attorney’s Fees, and Costs 282
VI. Remedies 284
VII. Preparation of Award 286
VIII. Estoppel and Res Judicata 289
IX. Conclusion 290

Chapter 13

Post-Award Procedures

Judah Lifschitz and Scott D. Burke

I. Introduction 291
II. Confirming an Award 291
   A. Federal Standards and Procedures 292
      1. Where to File for Confirmation 292
      2. When to File for Confirmation 293
VI. Conduct of the Arbitral Proceedings 358
   A. Preliminary Procedural Conferences 358
   B. Pleadings and Prehearing Procedures; in General 360
      1. Counterclaims 361
      2. Cross-Claims 362
      3. Amendments 362
      4. Common and Civil Law Perspectives on Pleading 362
   C. Terms of Reference 363
   D. Timetable and Schedule 364
   E. Motions and Applications to Tribunal 365
   F. Disclosure, Exchange of Evidence and Discovery 366
      1. In General 366
      2. Institutional Rules 367
      3. Electronically Stored Information (ESI) 368
      4. National Laws 370
      5. Summary 370
   G. Tribunal and Party-Appointed Experts 370
   H. Conducting the Hearing 373
      1. In General 373
      2. Due Process and Procedures 374
      3. Hearing Location 374
      4. Attendees and Privacy 375
      5. Rules of Evidence 375
      6. Common Law and Civil Law Approaches to Evidence 376
      7. Burden of Proof 377
      8. Objections to Evidence 377
      9. Opening Statements 378
     10. Order of Evidence 378
     11. Witness Evidence 379
     12. Written Witness Statements 379
     13. Oral Statements 380
     14. Managing Expert Evidence 380
     15. Direct Examination 381
     16. Cross-Examination 383
     17. Sequestration 383
     18. Documentary Evidence 384
     19. Time Management 386
     20. Recording Evidence 387
   I. Posthearing Matters 388
      1. Arguments and Closing Submissions 388
      2. Closing the Record 389
      3. Tribunal Deliberations 390

VII. Fast-Track International Construction Arbitrations 391
   A. In General 391
   B. Representative Rules 392
   C. Cost-Benefit Analysis 393
VIII. Arbitral Awards 394
   A. Basic Requirements 394
   B. Rationale for Basic Requirements 395
   C. Additional Requirements and Good Practice 395
IX. Post-Award Relief from Awards 398
X. Summary—the Future 400

Chapter 15
Arbitrator Ethics 401
James R. Madison
   I. Introduction 401
   II. Pre-Appointment Obligations 401
   III. Appointment Acceptance Ethics: Disclosure 402
      A. General 402
      B. Case Developments 402
         1. Federal 402
         2. State 403
      C. Statutes 403
         1. California 403
         2. Other States 407
      D. AAA/ABA Code of Ethics 410
   IV. Ethical Obligations During Service 411
   V. Postservice Obligations 413
   VI. Party-Appointed Arbitrators 414

Chapter 16
Introduction to Mediation 415
Alan E. Harris and Kelly M. Matayoshi
   I. What Is Mediation? 415
   II. Is Mandatory Mediation Helpful and/or Appropriate? 417
   III. When Should You Mediate? 419
   IV. Mediator Neutrality and Disclosures 420
   V. Mediation Agreement 422
   VI. Conclusion 425

Chapter 17
The Mediator 427
Adrian L. Bastianelli III and Robert A. Rubin
   I. Role of the Mediator 427
      A. Authority 427
      B. Rules and Procedures 427
      C. Privacy 428
      D. Ex Parte Communications 428
   II. Mediator's Skills 428
      A. A Mediator's Skills as Distinguished from Those of a Litigator, Judge, Arbitrator, or DRB Member 428
B. Mediators Skill Sets
1. Ability to Analyze Facts, Law, and People Quickly
2. Active Listening Skills
3. Sensitivity to the Psychology of Others, Hidden Agendas, and Below-the-Surface Issues
4. Engender Trust, Confidence, and Respect
5. Ability to Develop Relationships with Decision Makers
6. Ability to Withstand Stress and Pressure
7. Perseverance
8. Good Negotiator
9. Neutrality
10. Other Personal Attributes
C. Mediation Training and Experience
D. Legal Training and Experience
E. Construction Training and Experience

III. Mediator’s Style
A. Facilitative
B. Evaluative
C. Combination Facilitative and Evaluative
D. Combination Aggressive and Laid-Back

IV. Co-Mediators
V. How and Where to Find a Mediator
VI. Questions to Ask a Prospective Mediator
VII. Disclosures
VIII. Conclusion

Chapter 18
Pre-mediation Phase
Steve Nelson

I. Preparing the Client for Mediation—Explain the Process of Mediation
A. The Decision to Mediate
B. The Commitment to Mediate
C. Timing of Mediation
D. Locale
E. Attendance by Decision Makers and Stakeholders
F. Confidentiality
G. The Opening Session
   1. The Case for the Opening Session
   2. The Case for Early Party Separation
H. Serious Case Evaluation
   1. Economic Analysis
   2. Know Your BANTA
I. A Discussion on the Possible Outcomes of a Mediation Session
J. Begin to Develop Settlement Options and Potential for Creative Solutions 451
K. Discuss Specific Settlement Terms 451

II. Determine if Additional Information Exchanges Are Necessary or Desirable 452

III. Plan Your Two-Minute Drill 454

Chapter 19
The Mediation 457
Peter J. Ippolito and Laurence R. Phillips

I. Mediator’s Opening Remarks and Joint Session Presentations 457
A. Mediator’s Opening Remarks 457
B. Joint Session 458
1. Pros 458
2. Cons 459
3. Use of Technology and Demonstrative Exhibits During Joint Sessions 460
4. How Much Is Too Much? 460
C. Who Should Be Present? 460
1. Participants with Settlement Authority 460
2. Use of Experts 461
3. Managing Emotions and Expectations 461

II. Private Sessions (Caucus) 462
A. General 462
B. Negotiations, Strategy, and Tactics 462
1. Opening Offers 463
2. Counteroffers 463
3. Candor, Confidentiality, and Trustworthiness 464

III. Closing the Deal 464
A. Tips to Successful Closure 464
B. Written Versus Oral Agreements 465
C. Enforceability 465

IV. Settlement Tools Dealing with Impasse 465

V. Multiparty Mediation 467
A. Nonparticipating Party; Multiparty Mediations 467
B. Mediations within Mediations 468
C. Public Agencies 468
D. Private Owners 468
1. Claimants 468
2. Respondents 469
E. Prime Contractors 469
1. Claimant 469
2. Respondent 469
F. Subcontractors 469
G. Designers 470
H. Insurance Carriers 470
I. Sureties 470
VI. Conclusion 471

Chapter 20
Special Issues in Mediation 473
Kerry L. Kester and Krista L. Kester
I. Introduction 473
II. Enforcing Mandatory Mediation Provisions 474
   A. Mediation As a Condition Precedent to Dispute Proceedings 474
   B. Methods of Fulfilling Mediation Requirements 475
   C. Futility As an Excuse for Failure to Mediate 476
III. Failure to Mediate in Good Faith 477
   A. Background 477
   B. Sources of Good-Faith Requirements 478
   C. Contractual Remedies for Failure to Mediate in Good Faith 480
IV. Confidentiality of the Mediation Process and Communications 481
   A. Background and Purposes of Confidentiality in Mediation 482
   B. Sources and Scope of Confidentiality Requirements 483
      1. The Privilege Approach to Protecting the Confidentiality of the Mediation Process 485
      2. Broad-Based Confidentiality Requirements 485
      3. Tensions Between Confidentiality and Other Interests 486
      4. Exceptions to Confidentiality Requirements 487
      5. Remedies for Breach of Confidentiality Requirements 492
      6. Use of Settlement Agreement (Oral or Written) 493
V. Mediation Programs and Providers 495
   A. Court and Court-Annexed Mediation Programs 495
      1. Federal District Courts 496
      2. Federal Courts of Appeal 498
      3. State Courts 498
   B. Mediation Outside Court-Annexed Programs 498
      1. Dispute Resolution Offices Connected to the State or Local Courts 498
      2. Private Mediation Providers 499
      3. Selection of a Mediator in Construction Disputes 500
VI. Conclusion 503
## Chapter 21
**Ethics in Mediation**
*Mark J. Heley*

### I. Determination of Standards for Mediator Ethics
- A. Does a Mediator Practice Law? 506
- B. Sources of Ethical Standards for Mediators 509
  1. Model Standards of Conduct for Mediators 509
  2. Uniform Mediation Act 510
  3. Provider Organizations 510
  4. State and Federal Statutes, Agency Rules and Regulations, and Local Court Rules 511

### II. Generally Recognized Ethical Standards
- A. Party Self-Determination 512
- B. Impartiality and Neutrality 516
  1. Conflicts of Interest 516
  2. Mediator Bias 518
  3. Conduct That Casts Doubt on the Mediator’s Impartiality and Neutrality 518
- C. Confidentiality 519
- D. Competency 522
- E. Quality of Process 522
- F. Advertising and Solicitation 523
- G. Fees 524
- H. When Should a Mediator Withdraw from a Mediation? 524

### III. The Ethical Considerations for Lawyers Representing Parties in Mediation
- A. Mediation Participation Must Be in Good Faith 527
- B. Negotiation Tactics 528
- C. Interference with the Settlement 530

### IV. Conclusion 530

## Chapter 22
**Alternative Dispute Resolution in Federal Government Contracting**
*James F. Nagle*

### I. The Government and the Prime Contractor
- A. The Statutory Basis 532
  1. Alternative Dispute Resolution Act of 1990 532
  2. Administrative Dispute Resolution Act of 1996 532
- B. Regulatory Application 536
- C. Agency Implementation 538
- D. ADR Use in Government Contracts Forum 539
  1. Bid Protests 539
2. Contract Administration, Requests for Equitable Adjustment, Claims and Appeals 540

II. ADR Between the Prime and Subcontractor 543
A. Applicable Law 544
C. Why Would Two Private Parties Choose Federal Procurement Law? 546
D. The Arbitration Decision/Mediation Statement in Disputes Between Federal Prime and Subcontractors 546

Chapter 23
Initial Decision Maker (IDM) 549
Suzanne H. Harness
I. The Architect as Initial Decision Maker 549
II. Industry Parallels 553
A. The Contracting Officer’s Decision 553
B. The Engineer’s Decision 555
III. Introducing a Third-Party Neutral into AIA Documents 555
A. A201-2007: The Initial Decision Maker (IDM) 556
B. Selecting the IDM 558
C. IDM Agreement 558
D. Authority of the IDM 559
E. Responding to the Claim 559
F. Content of the Decision 560
G. Communicating with the Parties 560
H. Ethical Concerns 560
I. Protecting the IDM 561
J. A Party’s Response to the Decision 561
K. Initial Decision Is Final and Binding 562
L. Appealing the Decision 562
IV. Alternatives to the Initial Decision 563
A. Stepped Negotiations 563
B. Dispute Review Board 563
C. Dispute Adjudication Board 564
D. Standing Neutral 564
E. Compare Alternatives 564
1. Speed of Decision 564
2. Admissibility 565
3. Cost Effectiveness 565
V. Industry Acceptance of the IDM in AIA Contracts 565
VI. Conclusion 566
Chapter 24
Dispute Review Boards and Other Forms of Construction ADR 569
Adrian L. Bastianelli III and Robert A. Rubin
I. What Is a DRB? 569
II. The Dispute Resolution Board Foundation 570
III. Selection of DRB Members 571
   A. Methods of Selection of DRB Members 571
   B. Complete Neutrality 571
   C. Use of Lawyers as DRB Members 571
IV. Regular Meetings and Site Visits 572
V. DRB Hearings 573
VI. Findings and Recommendations 574
VII. The Informal or Advisory DRB Process 575
VIII. Drafting the DRB Clauses and Agreements 575
IX. Removal or Termination of a DRB Member 576
X. Subcontractor or Design Professional Claims 577
XI. Cost of the DRB 578
XII. Other Forms of ADR 578
   A. Early Neutral Evaluation 578
   B. Standing or Project Neutral 579
   C. Minitrial 580
XIII. Conclusion 582

Chapter 25
Construction ADR from the Owner’s Perspective 583
Deborah Bovarnick Mastin
I. Owner’s Objectives 583
   A. The Endgame—Predictable Time, Cost, and Quality 583
   B. The Means to the End—Communications and Civility 584
   C. Frosting on the Cake—Enhancing Business Relationships 585
   D. Evaluating the Merits or Effectiveness of an Alternate Dispute Resolution Process 586
II. ADR Options Available to Owner During Project Performance for Dispute Mitigation and Avoidance 586
   A. Partnering and Facilitation 587
   B. Dispute Review Boards 587
   C. Standing Neutral 588
   D. Dispute Adjudication Board 589
III. Additional ADR Processes Available to Owner After Project Completion 589
   A. Pre-suit Mediation—Pros and Cons 590
   B. Arbitration—Pros and Cons 591
Chapter 26

The Design Professional's Perspective on ADR

L. Tyrone Holt, Kevin P. Walsh, Carrie L. Okizaki, Raymond D. Jones, and Cornelius DuBois

I. Introduction

II. Whether to Include an ADR Provision in the Design Professional's Written Agreement
   A. The Specific Facts and Circumstances Surrounding the Project or Contract
   B. The Types of Claims Most Commonly Made By and Against Design Professionals
   C. The Terms of the Design Professional's Liability Insurance Policies

III. The Design Professional's Role in Resolving Disputes Among Project Participants During Construction

IV. Crafting the Language of the ADR Provision
   A. Negotiation, Mediation, and Arbitration from the Design Professional's Perspective
   B. "Stepped" ADR Clauses from the Design Professional's Perspective
   C. ADR Language Used in Owner-Design Professional Form Agreements
      1. The AIA Document B101-2007 Approach to Dispute Resolution
      2. The ConsensusDocs 240 Approach to Dispute Resolution
      3. The EJCDC E-500 Approach to Dispute Resolution
   D. ADR Language to Be Considered for Use in the Design Professional/Client Agreement
      1. Prevailing Party Clauses
      2. Waiver of CONSEQUENTIAL DAMAGES Clauses
      3. Clauses Specifying the Arbitrator(s) of the Dispute

V. Negotiating the Desired Language into the Design Professional's Written Agreement

VI. Project Documents: The Design Professional's Best Asset for Preventing Construction Disputes and Prevailing in Them

VII. Conclusion
Chapter 27
ADR from the Contractor’s Perspective  
Allen L. Overcash

I. Introduction 629
II. The Rise of the Strong Sub/Supplier 630
III. The Modern Position of the Prime Contractor 632
IV. How Strong Sub/Suppliers Affect the Contractor’s ADR Procedures 633
V. The Pass-Through Claim Process 635
VI. Managing Claims Ahead of the Liquidation Agreement 639
VII. Managing Claims in an ADR Procedure
   A. Arbitration Proceedings 640
   B. Other Proceedings 642
VIII. Conclusion 644

Chapter 28
Construction ADR Processes from the Subcontractor’s Perspective 645
David R. Hendrick

I. Introduction 645
II. General Subcontracting Considerations Regarding ADR 647
   A. Compare and Contrast Standard Form Subcontract ADR Treatment and Options 648
   B. Incorporation by Reference and “Conduit” Clauses 651
   C. Unilateral Election of ADR Process by Prime Contractor 654
   D. Binding Effect of an Initial “Decision” Regarding Subcontract Dispute 656
   E. Venue and Forum Selection Clauses 656
III. Subcontractor and Consolidation and Joinder Issues 657
IV. Considerations Regarding Subcontractor “Pass-Through” Claims and Disputes
   A. Severin Doctrine 661
   B. Liquidation and Pass-Through Agreement 663
   C. Tolling Agreement 663
   D. Join Claim Cooperation and Confidentiality Agreement 663
V. Dispute Resolution with “Downstream” Subcontractors or Suppliers 664
VI. The Subcontractor and Arbitration of Surety Bond Claims 667
   A. Miller Act Payment Bonds 668
   B. Non-Miller Act Payment Bonds 670
   C. Performance Bonds 671
   D. Lien Discharge Bond 672
VII. Arbitration and Mechanic’s Lien Law 672
VIII. Arbitration and Third-Party Issues 675
IX. Subcontractor Dispute Resolution, IPD, and Lean Construction Delivery Systems 675
X. Dispute Review Boards and Procedures and Subcontractors 677
XI. Mediation and the Subcontractor 681
XII. Conclusion 682

Chapter 29
The Business of Being a Construction Neutral 685
Christi L. Underwood
I. Introduction 685
II. Business Organization and Goals 685
A. Solo Practice or Group 685
B. ADR Focus Area(s) 686
C. Time Commitment, Financial Resources 687
III. Basic Mechanics 688
A. Experience, Training, Panel Rosters 688
B. Licensing, Insurance, Bills, and Invoices 689
C. Office Location, Conference Rooms 689
IV. Marketing and Public Relations 690
A. Advertising: Yes or No? 690
B. Professional Association Memberships 691
C. Social Media, Websites 691
V. Special Needs of an ADR Practitioner 692
A. Conflicts Database, Disclosures 692
B. Engagement Agreements and Immunity 693
VI. How Do I . . . ? 694
A. Get Appointed to Cases 694
B. Stay Current with Best Practices 695
VII. Lessons Learned 696
A. Observations of Successful Construction ADR Neutrals 696
B. The Life/Work Balance 696
C. Don’t Fear Change 696

Index 699
Table of Cases 729