

Brief Description: CHALLENGES OF MANAGING SHIPYARD PROJECTS

by Dr. Kenneth W. Fisher

Published by R.I.N.A. London, International Journal of Maritime Engineering, Oct.-Dec. 2021

Shipyards projects involving ship construction, repair, conversion and modification, along with the associated design processes, involve a wide variety of contracts. Almost always multiple contracts are part of each shipyard project. Disputes often arise when potential risks within the accomplishment of the project were not adequately addressed within the project's contracts. Also, inconsistencies between related contracts often are the core reason for disputes.

The management of projects under such circumstances constitutes a significant challenge to the success of the project. This paper identifies many of those potential risks to assist in addressing them in the contracts before the project commences.

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3. Purpose And Elements of Contracts
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17. The False "Attractiveness" of Project Mismanagement
18. Resolving Disputes Quickly and Cost Effectively
19. Final Considerations

The discussions in those chapters cover too much scope to be summarized. Instead, the following points are offered to assist the reader to focus on some of the more-subtle points of those discussions.

- Optimism is not a substitute for research and planning.
- Mismanagement of any one topic, no matter how small, can completely destroy the economic benefits of the project for either or both the owner and the contractor.
- Remember the purpose of a contract.
- Success is dependent on having appropriate staff.
- Resources have to be given adequate time to achieve their professional standards (haste makes waste).
- Excellent designs get compromised by insufficient contracting strategies.
- A test is a test – something might go wrong. Plan accordingly.
- Hope and prayer are never an adequate substitute for thorough engineering analyses.
- Nearly every shipyard project today is essentially an undertaking of cables and the equipment to which they are attached. For many ships, everything else is to support those systems.

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