

## Identification and Resolution of Compensation Issues Adopting an Efficient and Structured Approach

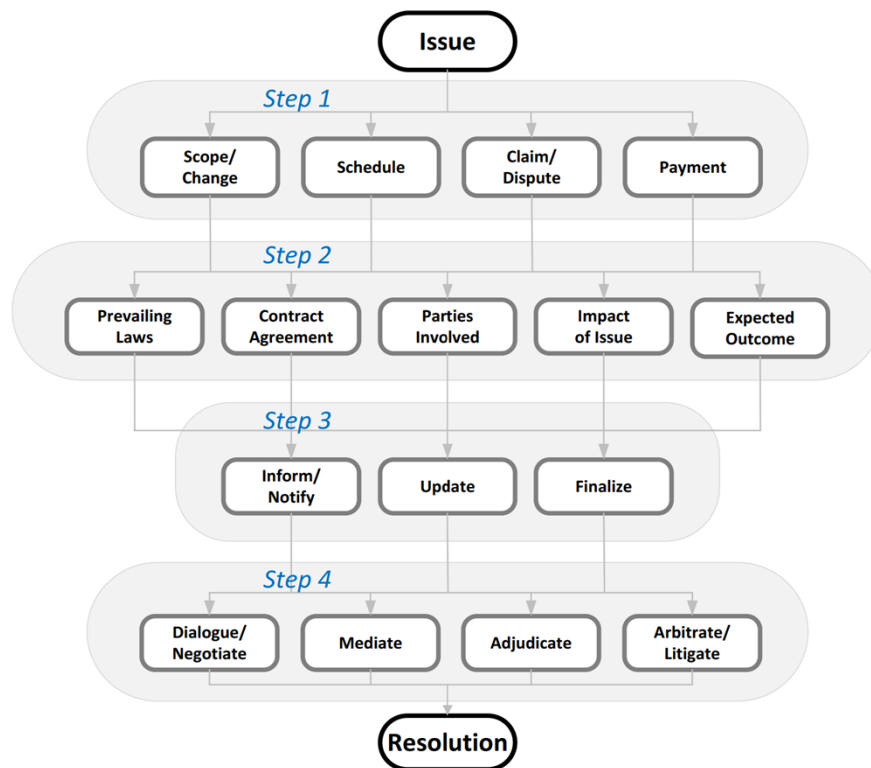
During the performance of a project, issues arise that relate to compensation (dollars) which require an approach that is appropriate to the magnitude of the issue. Irrespective of where such issues occur in the construction pyramid, this requires an approach that is structured and consists of the following steps:

**Step 1** - *Identify* the specifics of the issue which may be related to scope, changes to the scope, time, changes to the schedule and matters related to claims, disputes, and sufficiency/timing of payment.

**Step 2** - *Understand* the prevailing law, terms & conditions of the contract agreement, the identity of the parties involved, stakeholders, the impact of the issue, and the expected outcome.

**Step 3** - *Communicate* the issue, including formal notification to the other party, provide updates, and finalize information/substantiation in support of the issue.

**Step 4** - *Engage* in a process that is consistent with the expected outcome recognizing the information obtained from Steps 1, 2, and 3 which may include different methods of issue resolution as shown below in the lifecycle of Issue to Resolution:



### Issue to Resolution Lifecycle

Adopting a structured approach ensures that compensation issues are reviewed and resolved in a manner that is efficient and enables informed decision making.

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