

Wet weather variation and works insurance claims

Background

Due to the recent wet weather in several parts of the state of New South Wales, RTA has received a number of enquiries regarding the distinction between what constitutes a wet weather variation under the RMCC's and, compensation that may be claimed through work insurance. This newsletter attempts to clarify the issue.

Wet weather costs

Costs incurred for the *delay in completion of works* due to inclement or wet weather may be considered for compensation as defined in Clause 8.11 of the RMCC Guidelines which is an essential companion document of the contract. In keeping with the price transparency and risk sharing theme of the RMCC, Clause 8.5(d) of the same document clarifies that the pricing of Ordered Work is to be based on the assumption of dry weather and that RTA will pay actual costs incurred for the delay in completion of works due to inclement weather conditions rather than provide contingencies in advance.

The RMCC Guideline further clarifies that any consideration of cost adjustments due to wet or inclement weather is subject to a number of requirements such as an approved wet weather contingency plan; etc. [Clause 11.5(b) of the "Contract"],

RTA's Program Managers are aware of their responsibility to hold a contingency of funds against their annual program for any such eventuality.

In summary wet weather costs are the actual costs *for the delay in completion of works*, which may be considered for payment by the RTA provided all other conditions as stated in the Contract are met.

Insurance claims under PAI

RTA has effected an insurance policy to cover RTA, the Council and all subcontractors employed from time to time for the physical work undertaken under the RMCC and as detailed in Clause 18 of the "Contract".

As stated in Clause 18(a) of the "Contract", RTA has provided PAI for covering liabilities with respect to:

- (i) Contract works - material damage
- (ii) Third Party liability

In summary, claims for any material damage to the contracted works or claims against a third party liability issue arising as a result of inclement or wet weather or due to a Force Majeure event may be submitted for consideration through the PAI process. PAI Forms are available for downloading from the RMCC website.

Conclusion

RTA and Council staff should refer to the RMCC documents and understand the distinction between claiming a variation for the delay for completion of works and claiming for material damage or third party liability under the PAI scheme.

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References:

- RMCC Contract
- RMCC Guidelines
- RTA's Engineering Contracts Manual (ECM)