
Global Certificate in Construction Law (Mauritius)

Construction Law Fundamentals

Construction law is the body of legal rules, regulations and case law that governs the planning, design, execution, and completion of building projects. In the Global Certificate in Construction Law (Mauritius) the learner must master a set of core terms that form the language of the discipline. The following explanation provides a comprehensive catalogue of those terms, illustrated with examples, practical applications and typical challenges encountered on the ground.

Contract is the foundational legal instrument that creates rights and obligations between parties. In construction it may be a lump-sum contract, a cost-plus contract, or a unit-price contract. For example, a developer may award a lump-sum contract to a general contractor for the erection of a residential complex, fixing the total price at US\$5 million. A key challenge is ensuring that the contract accurately reflects the intended scope, because any ambiguity can give rise to disputes over what work is included.

Principal (also called employer or client) is the party who commissions the work and typically provides the financing. In Mauritius many projects are undertaken by the State-owned Enterprises or private developers. The principal's responsibilities often include providing the site, approving designs and making progress payments. A common difficulty is the principal's failure to supply timely instructions, which can trigger delay claims.

Contractor is the entity that undertakes the construction work in exchange for payment. The contractor may be a general contractor who directly engages trades, or a main contractor who sub-contracts portions of the work. A practical example: A main contractor hired to build a hotel may subcontract the façade installation to a specialist façade contractor. The contractor must manage risks, coordinate trades, and ensure compliance with the contract's technical specifications.

Subcontractor is a party engaged by the main contractor to perform a specific portion of the work. Subcontractors are frequently used for specialised tasks such as electrical installation, HVAC, or concrete works. In Mauritius, the Construction Contracts Act (if applicable) may impose direct contractual relationships between the principal and certain subcontractors, which raises the challenge of managing multiple layers of liability.

Design-build is a procurement method where a single entity is responsible for both design and construction. This model can accelerate project delivery because design and construction phases overlap. For instance, a design-build consortium may be awarded a contract to deliver a new airport terminal, delivering both the architectural drawings and the built structure. The challenge lies in ensuring that the design-build entity's design meets the principal's performance criteria while remaining within budget.

Tender refers to the formal invitation to submit a bid for a project. The tender document usually comprises the scope of work, technical specifications, drawings, and the contractual terms. A typical Mauritian public project may be advertised on the Public Procurement Portal, where interested firms submit their proposals

by a set deadline. The tender process must be transparent; failure to follow procedural fairness can result in challenges before the Administrative Tribunal.

Bid is the submission made by a prospective contractor in response to a tender. Bids may be evaluated on price, technical merit, and experience. A common problem is the “low-ball” bid, where a contractor underestimates costs to win the contract, later seeking variations or additional payments to cover the shortfall.

Scope of work defines the exact tasks, deliverables and performance standards that the contractor must achieve. It is normally set out in the contract’s Statement of Work (SOW). For example, a scope of work might specify the construction of a 10-storey office block with a total floor area of 15 000 m², including all mechanical, electrical and plumbing services. Inadequate definition of scope can lead to “scope creep”, where the contractor is asked to perform extra work without proper compensation.

Specification is a written description of the required standards, materials, workmanship and testing procedures. The specification may be performance-based (defining the result) or prescriptive (defining the method). An example is a specification that requires concrete to achieve a 28-day compressive strength of 35 MPa. Misinterpretation of specifications often becomes a source of defect claims.

Drawing (or construction drawing) provides graphic detail of the project, including plans, elevations, sections and details. Drawings must be coordinated with the specification. In practice, a contractor may discover clashes between structural and architectural drawings, leading to the need for a clash detection process before construction proceeds.

Change order is a written instruction that alters the original contract, typically affecting scope, price or time. Change orders may arise from design revisions, unforeseen site conditions, or client requests. A practical scenario: During excavation a contractor encounters rock that was not anticipated, necessitating a change order for additional excavation work. The challenge is to quantify the cost and time impact accurately and to obtain the principal’s formal approval.

Variation is a broader term that includes any change to the scope, whether initiated by the principal or the contractor. Variations may be “directed” (ordered by the principal) or “constructive” (implied by the contractor’s actions). Proper documentation of variations is essential to avoid disputes over payment.

Delay describes any postponement in the progress of the works beyond the contract schedule. Delays can be caused by weather, labor strikes, material shortages, or client-issued instructions. In Mauritius, tropical cyclones often cause weather-related delays. The contract usually contains provisions for an extension of time (EOT) to compensate for excusable delays.

Extension of time (EOT) is a contractual mechanism that grants the contractor additional days to complete the works without penalty. To obtain an EOT, the contractor must usually provide notice, a detailed justification and supporting evidence. Failure to follow the notice requirements can result in the loss of the right to claim an extension, leading to liquidated damages.

Liquidated damages are pre-agreed sums payable by the contractor for each day of delay beyond the

completion date. The purpose is to compensate the principal for losses such as lost rental income. For example, a contract may stipulate US\$2 000 per day of delay. A challenge is ensuring that the liquidated damages clause is not deemed a penalty, which would be unenforceable under Mauritian contract law.

Retention is a portion of each progress payment (commonly 5-10%) withheld by the principal to ensure the contractor completes the works and rectifies defects. The retained amount is usually released after the issuance of a practical completion certificate and the subsequent defects liability period. A common dispute arises when the principal refuses to release retention without satisfactory completion of punch-list items.

Defects liability period (DLP) is a fixed period after practical completion during which the contractor must remedy any defects identified. The length of the DLP varies but is often 12 months. The contractor's obligation to repair defects is a form of warranty under the contract. Challenges include differentiating between latent defects (which may arise later) and normal wear and tear.

Warranty is a contractual promise that the work will be free from defects for a specified period. In construction, warranties can be expressed (written) or implied (by law). For instance, a contractor may provide a 24-month warranty on all mechanical installations. The principal may enforce the warranty through a notice of defect and may withhold further payments until the defect is remedied.

Insurance is a risk-transfer mechanism that protects parties against loss. Typical policies in construction include contractor's all-risks (CAR) insurance, professional indemnity insurance for designers, and public liability insurance. In Mauritius, the Insurance Act governs the issuance of such policies. Failure to maintain required insurance can result in breach of contract and exposure to uninsured losses.

Performance bond is a guarantee issued by a bank or surety that the contractor will fulfill its obligations. If the contractor defaults, the bond can be called upon to provide financial compensation to the principal. For example, a US\$500 000 performance bond may be required for a high-value public works contract. A challenge is that bonds often have strict conditions for claim, and the principal must demonstrate that the contractor has failed to perform.

Surety is a third-party guarantor that undertakes to pay the principal if the contractor defaults. Unlike a performance bond, a surety may also have the right to step into the contractor's shoes and complete the works. The selection of a reputable surety is critical, as the principal's recovery depends on the surety's financial strength.

Indemnity is a contractual clause whereby one party agrees to compensate the other for losses arising from specified risks. An indemnity clause may state that the contractor indemnifies the principal against third-party claims arising from the contractor's negligence. Careful drafting is required to avoid overly broad indemnities that could be unenforceable under local law.

Force majeure refers to events beyond the parties' control that prevent performance, such as natural disasters, war or governmental actions. In Mauritius, the inclusion of a force majeure clause is common due to the island's exposure to cyclones. The clause typically excuses performance for the duration of the event, but may also allow for termination if performance becomes impossible. A challenge is proving that the event truly qualifies as force majeure and that the affected party took reasonable mitigation steps.

Risk allocation is the process of assigning responsibility for identified risks between the principal and contractor. Effective risk allocation seeks to place each risk with the party best able to manage it. For instance, design risk is often allocated to the designer, while site-condition risk may be allocated to the contractor. Misallocation can lead to costly disputes and claims.

Notice is a formal communication required by the contract to trigger rights or obligations. Typical notices include a notice of delay, a notice of claim, or a notice of termination. The contract usually specifies the method of delivery (e.G., Registered mail) and the time frame within which notice must be given. Failure to provide proper notice can bar a party from exercising its rights.

Claim is a demand for additional payment or time, usually arising from a variation, delay or disruption. A claim must be supported by detailed documentation, such as daily logs, cost breakdowns and schedule analyses. In practice, a contractor may submit a claim for US\$250 000 due to unforeseen ground conditions, attaching geotechnical reports and revised quantities. The principal will assess the claim for validity and may negotiate a settlement.

Dispute resolution encompasses the mechanisms used to resolve conflicts, including adjudication, arbitration, mediation and litigation. The contract typically designates a preferred method; many Mauritian contracts adopt adjudication as a fast-track process, followed by arbitration if the dispute remains unresolved. Each method has distinct procedural rules, costs and enforceability considerations.

Adjudication is a statutory or contractual process that provides a rapid, interim determination of a dispute, often within 30 days. The adjudicator's decision is binding unless challenged in arbitration or court. Adjudication is popular in construction because it allows works to continue while the dispute is being resolved. A practical difficulty is ensuring that the adjudicator's award is enforceable against a foreign contractor.

Arbitration is a private dispute-resolution process where an arbitrator (or panel) renders a final and binding award. Arbitration clauses often specify the seat of arbitration (e.G., Port Louis) and the governing rules (e.G., ICC or LCIA). The award is enforceable under the New York Convention, to which Mauritius is a signatory. Challenges include the cost of arbitration and the limited scope for appeal.

Mediation is a voluntary, non-binding process where a neutral mediator assists the parties in reaching a settlement. Mediation can preserve business relationships and is often used before resorting to adjudication or arbitration. In Mauritius, the Commercial Mediation Centre provides facilities for construction mediation.

Litigation involves resolving disputes in the courts. Although less common for construction disputes due to the length and expense, litigation may be necessary when parties cannot agree on arbitration or when enforcement of an arbitral award is contested. The Mauritian legal system blends civil-law principles with common-law influences, which may affect the interpretation of contract terms.

Governing law designates the legal system that will apply to the contract. In international projects, parties often choose English law for its predictability, but Mauritian contracts may specify the Mauritius Civil Code or the Common Law as the governing law. The choice of law impacts issues such as limitation periods,

interpretation of penalty clauses and the enforceability of security instruments.

Jurisdiction determines which court or tribunal has authority to hear any litigation. A contract may confer exclusive jurisdiction to the courts of Mauritius, or may provide for arbitration in a foreign seat. Proper jurisdiction clauses are essential to avoid jurisdictional disputes that can delay resolution.

Termination is the right of a party to end the contract before completion, usually for breach, insolvency or convenience. A termination for convenience clause allows the principal to end the contract without fault, typically subject to payment of a termination settlement. A termination for breach may be invoked if the contractor fails to cure a material breach after notice. The challenge lies in calculating the compensation owed upon termination.

Suspension is a temporary halt to the works, either at the request of the principal (e.G., For redesign) or the contractor (e.G., For safety). The contract will allocate the risk of cost escalation during suspension. A practical issue is that prolonged suspension can lead to demobilisation costs and loss of productivity.

Novation is the substitution of one party for another in an existing contract, with the consent of all original parties. For example, a principal may novate a contract to a new developer after a corporate restructuring. The novated party assumes the rights and obligations of the original party. Documentation must clearly reflect the novation to avoid confusion over liability.

Assignment transfers contractual rights (but not obligations) to a third party. A contractor may assign its right to receive payment to a factoring company. The principal must be notified, and the contract may restrict assignment without consent. A challenge is ensuring that the assignee's creditworthiness satisfies the principal's standards.

Subordination is an agreement that ranks one creditor's claim behind another's in case of default. In construction financing, a lender may require that the contractor's lien be subordinate to the bank's mortgage. Subordination agreements must be carefully drafted to protect the senior creditor's interests.

Mechanic's lien (or construction lien) is a security interest granted to contractors, subcontractors and suppliers over the property on which they have performed work. In Mauritius, the Construction Lien Act (if enacted) may provide a statutory basis for such liens. The lien allows the claimant to enforce payment by forcing the sale of the property. A practical difficulty is the strict time limits for filing a lien; missing a deadline extinguishes the right.

Public procurement refers to the process by which government entities acquire goods, services and works. Mauritian public procurement is governed by the Public Procurement Act, which mandates competitive bidding, transparency and anti-corruption measures. Contractors must comply with pre-qualification criteria, bid submission rules and post-award reporting obligations. Failure to adhere can result in disqualification or legal challenges.

Procurement method determines how a project is sourced. Common methods include design-bid-build, design-build, construction-management and public-private partnership (PPP). Each method allocates risk differently. For instance, a PPP may transfer long-term operation risk to the private

partner, while design-bid-build places design risk on the principal.

Pre-qualification is a screening process to assess a contractor's capability, financial standing and past performance before they are invited to tender. In Mauritius, pre-qualification may involve submission of audited financial statements, a record of completed projects and references. An inadequate pre-qualification process can lead to awarding contracts to unqualified firms, increasing the likelihood of delays and defects.

Bid evaluation is the systematic assessment of submitted bids against the criteria set out in the tender documents. Evaluation may be based on price, technical compliance, experience and sustainability. A typical scoring matrix assigns 40% weight to price and 60% to technical factors. The challenge is maintaining objectivity and avoiding bias, which could lead to procurement disputes.

Schedule of works (or programme) is a detailed timeline that outlines the sequence of activities, milestones and critical path. The contractor prepares the schedule, often using software such as Primavera or MS Project. The schedule is a key tool for monitoring progress and for assessing delay claims. In practice, inaccurate scheduling can result in unrealistic expectations and subsequent liquidated-damage exposure.

Critical path is the longest sequence of dependent activities that determines the earliest possible completion date. Any delay on a critical-path activity directly impacts the project's finish date. Contractors use float analysis to identify non-critical activities that have scheduling flexibility. A common challenge is that contractors may under-allocate resources to critical-path tasks, leading to bottlenecks.

Milestone is a significant event or deliverable in the project timeline, such as "completion of foundations" or "substantial completion of the superstructure". Milestones are often linked to payment triggers; for example, a 20% progress payment may be released upon achieving the "foundation completion" milestone. Accurate verification of milestones is essential to avoid premature payments.

Progress payment is an interim payment made to the contractor based on work performed to date. The contract usually defines a measurement and certification process, often involving a quantity surveyor or architect. A typical payment cycle is monthly, with the contractor submitting an invoice, the architect issuing a measurement statement, and the principal releasing funds. Disputes frequently arise over the valuation of work, especially when variations have not yet been formalised.

Interim payment is synonymous with progress payment but may refer specifically to payments made before practical completion. Interim payments are subject to retention deductions and may be subject to a pay-when-paid clause, which ties the contractor's receipt of payment to the principal's receipt of funds from its own client. This clause can create cash-flow problems for contractors if the principal's funding is delayed.

Final account is the comprehensive statement of all costs, variations, adjustments and retentions, prepared at the end of the project. The final account forms the basis for the final payment, usually after the issuance of a certificate of completion. The contractor must reconcile all interim payments, variations and any disputed items. A challenge is that the principal may withhold final payment pending resolution of minor defects, leading to prolonged disputes.

Retention release occurs when the principal disburses the retained amounts held as security. Retention may be released in stages—for example, 50 % upon practical completion and the remaining 50 % after the defects liability period. The contract may stipulate that the contractor must provide a performance guarantee in lieu of retention. Disagreements often arise over whether the contractor has satisfied the conditions for release.

Escrow is a financial arrangement where a third party holds funds until specified conditions are met. In construction, escrow may be used to protect the principal's funds while the contractor completes a critical milestone. The escrow agreement must define the release triggers and the responsibilities of the escrow agent. Mismanagement of escrow can lead to disputes over access to the funds.

Surety bond (different from performance bond) is a three-party agreement where the surety guarantees the principal's performance to a third party, typically a lender. In large projects, lenders may require a surety bond to secure loan repayments. The surety's obligations are triggered by a default event, which must be clearly defined. The principal must verify the surety's credit rating before acceptance.

Professional indemnity insurance (PI) shields designers and consultants against claims arising from professional negligence, errors or omissions. In Mauritius, architects and engineers are often required to carry PI insurance before being allowed to sign off on designs. A typical PI policy may provide coverage of up to US\$1 million per claim. The challenge is ensuring that the policy limits are sufficient for the scale of the project.

Contractor's all-risks (CAR) insurance provides broad coverage for loss or damage to the works, materials, equipment and site during construction. CAR policies usually cover fire, theft, accidental damage and natural disasters. The policy may also include "delay in start-up" coverage, compensating the principal for loss of income due to a covered peril. Exclusions such as "wear and tear" must be understood to avoid gaps in protection.

Employer's risk insurance is the insurance taken by the principal to cover its own exposures, such as liability for third-party injuries on the site, environmental contamination, or loss of revenue. The principal may also carry a "business interruption" policy to mitigate financial impact of project delays caused by insured events. Coordination between employer's risk and contractor's all-risks policies is essential to avoid duplicate coverage.

Public liability insurance protects against claims for bodily injury or property damage suffered by third parties as a result of the construction activities. In Mauritius, public liability coverage is often mandated for all contractors working on public projects. The policy limits must be adequate to cover potential claims arising from high-risk activities such as demolition.

Environmental liability addresses obligations arising from environmental damage, such as pollution, waste mismanagement or breach of environmental permits. Contracts may contain an environmental indemnity clause requiring the contractor to remediate any contamination and to indemnify the principal for fines. Compliance with Mauritian environmental regulations, such as the Environmental Protection Act, is a prerequisite for project approval.

Disruption is a loss of productivity caused by interruptions, changes or delays that affect the contractor's ability to work efficiently. Disruption claims often require a detailed analysis of the contractor's baseline programme, the impact of the disruption, and the resulting cost increase. Quantifying disruption can be complex, as it involves assessing lost profit, additional overhead and the cost of idle resources.

Concurrent delay occurs when both the principal and the contractor cause delays at the same time. The allocation of responsibility for concurrent delays is a contentious issue, as it determines whether the contractor is liable for liquidated damages or entitled to an extension of time. Courts and tribunals may apply the "no-fault" principle, granting an extension of time without assigning liability, or they may apportion responsibility based on the relative contribution of each party.

Delay damages are the monetary compensation payable by the party responsible for delay to the other party for losses incurred. In construction, delay damages typically take the form of liquidated damages, but they may also be assessed on a "actual loss" basis if the contract does not contain a liquidated damages clause. Accurate measurement of delay damages requires evidence of the principal's lost revenue or additional costs.

Acceleration is the act of speeding up the works to recover time lost due to delays. Acceleration may be directed by the principal, who may order the contractor to increase resources, work overtime or adopt alternative methods. The contractor may be entitled to additional payment for acceleration costs, provided the contract permits such claims. A practical challenge is that acceleration can increase the risk of defects and safety incidents.

Defence of frustration is a legal argument that a contract has been rendered impossible to perform due to an unforeseeable event, excusing both parties from further performance. In Mauritius, frustration is recognised under the Civil Code, but the threshold is high; the event must be beyond the control of the parties and must fundamentally alter the contract's purpose. Frustration can be invoked in extreme cases such as the destruction of the site by a cyclone.

Doctrine of impossibility is similar to frustration but is a common-law concept that may be applied in contracts governed by English law. It excuses performance when an event makes performance objectively impossible, such as the loss of essential equipment. The doctrine is rarely successful, as courts prefer to enforce risk allocation clauses that assign the loss to one party.

Set-off is a contractual right allowing a party to deduct amounts it owes from amounts owed to it. For example, a principal may set-off disputed amounts against the contractor's progress payments. Set-off provisions must be clearly expressed in the contract, otherwise they may be deemed a breach of the payment obligation.

Waiver is the voluntary relinquishment of a known right. A principal may waive a breach by accepting an incomplete work without objection, thereby losing the right to later enforce the breach. Waivers must be documented in writing to avoid later disputes. The challenge is that inadvertent waivers can undermine a party's contractual position.

Force-majeure clause typically lists specific events (e.G., Cyclone, earthquake, war, strike) and sets out the

procedure for notifying the other party, the effect on performance, and any entitlement to extensions or termination. In Mauritius, contracts often incorporate a “notice-within-10-days” requirement. Failure to comply with the notice period can result in the clause being ineffective.

Termination for convenience allows the principal to end the contract without cause. The contract will specify the compensation payable, which may include payment for work performed, demobilisation costs and a reasonable profit on variations. The contractor must manage the financial impact of sudden termination, which may affect cash flow and resource allocation.

Termination for default is exercised when the other party breaches a material term and fails to cure after notice. The terminating party may either suspend the contract or terminate it outright. The contract will outline the steps, including a cure period, notice requirements and the calculation of damages. A challenge is proving that the breach was material and that the cure period was reasonable.

Suspension of work may be ordered by the principal for safety, design changes or regulatory reasons. The contract will allocate the cost of suspension, often requiring the contractor to bear its own costs while the principal bears the cost of the cause. Prolonged suspension can lead to increased overhead, loss of productivity and potential claims for compensation.

Demobilisation is the process of withdrawing labour, equipment and materials from the site at the end of a contract or during suspension. Demobilisation costs can be significant, especially for large projects involving heavy plant. Contracts may provide a demobilisation schedule and associated payment terms. Failure to properly plan demobilisation can result in penalties or loss of retained equipment.

Substantial completion is the point at which the works are sufficiently complete for the principal to occupy or use the project for its intended purpose, even though minor defects may remain. A certificate of substantial completion is usually issued by the architect or engineer. The issuance triggers the start of the defects liability period and often the release of a large portion of retention. Determining substantial completion can be contentious when parties disagree on the presence of minor items.

Practical completion is a term used in some jurisdictions, synonymous with substantial completion, indicating that the works are ready for occupation. In Mauritian practice, the term “practical completion” is common in contracts modelled on FIDIC. The practical completion certificate is a key milestone for payment, risk transfer and insurance.

Defects notice is a formal notice issued by the principal to the contractor identifying defects that must be rectified within a specified period. The contractor must respond and carry out remedial works. Failure to address defects can lead to withholding of final payment, retention and potentially the issuance of a notice of breach.

Retention bank is a financial arrangement where the retained amounts are placed in a bank account, often with a third-party administrator, to ensure that the funds are available for release upon satisfactory completion. Retention banks provide transparency and protect the contractor’s interests, especially in cases where the principal may be insolvent.

Performance security is a broader term encompassing performance bonds, guarantees and escrow arrangements that secure the contractor's performance. The security is usually released after the contractor has fulfilled all obligations, including defect remediation. The principal may retain a portion of the security as a final guarantee against latent defects.

Liquidated-damage schedule sets out the daily rates for various milestones, such as "delay in reaching structural completion" or "delay in commissioning". The schedule provides clarity on the monetary consequences of each type of delay. However, the schedule must be reasonable; otherwise it may be struck down as a penalty.

Penalty clause is a contractual provision that imposes an excessive or punitive payment for breach, which is generally unenforceable under Mauritian law. The distinction between a legitimate liquidated-damage clause and an unlawful penalty depends on whether the amount is a genuine pre-estimate of loss. Drafting clauses that reflect a realistic estimate helps avoid penalty challenges.

Set-off clause allows the principal to deduct disputed amounts from the contractor's payment. This clause can be a source of conflict if the contractor believes the principal is improperly withholding funds. Clear procedures for dispute resolution of set-off amounts can mitigate the risk of escalation.

Notice of suspension is a formal communication required before the principal can suspend the works. The notice must specify the reason, expected duration and any compensation payable. The contractor may be entitled to payment for costs incurred during the suspension, such as idle labour and equipment.

Change management is the systematic process for handling variations, change orders and scope adjustments. Effective change management includes a change register, documentation of the cause, cost impact analysis and approval workflow. Poor change management leads to cost overruns and schedule slippage.

Cost control involves monitoring actual expenditures against the budget, identifying variances and implementing corrective actions. Tools such as earned value management (EVM) are widely used. In practice, contractors may use EVM to demonstrate cost performance to the principal and to support claims for additional time or money.

Earned value management (EVM) integrates scope, schedule and cost data to assess project performance. Key metrics include Cost Performance Index (CPI) and Schedule Performance Index (SPI). An EVM analysis that shows a CPI of 0.85 indicates cost overruns, which may trigger a claim for additional funding.

Risk register is a documented list of identified risks, their probability, impact, mitigation measures and responsible parties. The risk register is a living document, updated throughout the project lifecycle. For example, a risk register may list "delay in steel delivery" with a mitigation strategy of securing alternative suppliers.

Mitigation strategy outlines actions taken to reduce the likelihood or impact of a risk. In the steel delivery example, the mitigation strategy may involve pre-ordering steel with a buffer stock and establishing a penalty clause for late delivery. Effective mitigation reduces the incidence of claims.

Force-majeure event triggers the contractual provisions that excuse performance. The event must be beyond the parties' control, unforeseeable, and must prevent performance. Documentation such as meteorological reports, government orders or insurance certificates is essential to substantiate a force-majeure claim.

Dispute adjudication board (DAB) is a panel of independent experts appointed under the contract to resolve disputes as they arise. The DAB's decisions are usually binding unless challenged in arbitration. The DAB can provide rapid resolutions, preserving the project's momentum.

Joint venture (JV) is a collaborative arrangement where two or more parties pool resources to undertake a specific project. In construction, a JV may be formed between a local contractor and an international firm to combine local knowledge with technical expertise. The JV agreement must allocate profit, risk, management authority and dispute-resolution mechanisms.

Consortium is similar to a joint venture but generally refers to a looser association of parties that share a contract but retain separate legal identities. Consortia are common in large infrastructure projects, such as bridge construction, where each member undertakes a distinct portion of the work. The consortium agreement governs coordination, cost sharing and liability.

Parent company guarantee (PCG) is a promise by the parent of a contractor to fulfill the contractor's obligations if the contractor defaults. PCGs provide additional security for the principal, especially when the contractor is a newly-formed entity. The guarantee must be unconditional and enforceable under the governing law.

Retention bank (re-mentioned for emphasis) ensures that retained sums are safeguarded, preventing the principal from misusing the funds. The bank may release the retention only upon receipt of a satisfactory completion certificate and clearance of all liens.

Sub-contractor hierarchy outlines the chain of responsibility among the main contractor, subcontractors and lower-tier subcontractors. A clear hierarchy helps allocate risk, manage communication and enforce contractual obligations. In practice, a lack of hierarchy can lead to confusion over who is responsible for a defect.

Construction lien priority determines the order in which lienholders are paid in the event of insolvency. In Mauritius, the statutory lien scheme may give priority to certain categories of creditors, such as contractors, over general unsecured creditors. Understanding lien priority is essential for contractors seeking to protect their payment rights.

Statutory warranty is a legal guarantee imposed by legislation, requiring that construction works meet certain standards for a prescribed period. In Mauritius, the Construction Standards Act may impose a statutory warranty of five years for structural works. The statutory warranty operates in addition to contractual warranties and may limit the contractor's liability.

Contractual warranty is a promise made in the contract, often specifying a shorter period than the statutory warranty. The contractual warranty may cover non-structural elements such as finishes and fittings. The

contractor must be aware of both contractual and statutory warranty obligations to avoid double liability.

Defect liability period (re-mentioned) is the timeframe after practical completion during which the contractor must remedy defects. The period may be extended if the contractor fails to address defects within the agreed time, leading to a new deadline.

Performance measurement involves assessing whether the contractor has met the contract's quality, time and cost criteria. Techniques include visual inspections, testing reports and compliance checklists. Accurate performance measurement underpins payment certification and dispute avoidance.