

Construction Law Blog

Litigation. Arbitration. Mediation. What is the Difference and Who Should Care?

By Courtney Paulk and Kelly Bundy and Nathaniel Story on 01.23.2019 Posted in Arbitration, Contracts, Dispute Resolution, Litigation, Mediation

Most design and construction contracts contain "dispute resolution" provisions that require mediation, arbitration, or litigation. In this post we provide a reference chart identifying some of the differences, pros and cons among these three options.

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As the chart shows, construction industry contracts and policy generally favor arbitration over litigation. This is primarily because the parties can select an arbitrator who has knowledge of the construction industry. We have found, however, that the policy goals of arbitration – speed, industry knowledge, efficiency, and reduced cost – are seldom realized. Accordingly, when drafting contracts we usually discuss the pros and cons of pursuing litigation in favor of arbitration to resolve disputes.

Have questions about the nuances of dispute resolution? Contact a member of the Hirschler construction team.