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FOR IMMEDIATE RELEASE:

**CONSTRUCTION MANAGEMENT THOUGHT LEADER ADDRESSES  
5 AREAS OF LEGAL CONCERN CONTRACTORS FACE DUE TO  
RISING MATERIALS COSTS IN ONGOING PROJECTS**

(NEW JERSEY) Contractors throughout the construction industry have seen the effects of rising materials costs, indicating a coming ripple in legal repercussions. From determining estimates for bidding to negotiating contractual escalation clauses, the same cost-based strategies from previous projects are likely to create more complicated claims outcomes in this period of price increases and materials shortages.

“The industry was anticipating some type of cost impact as a result of the pandemic, but with more contractors trying to get back to work now, trying to recoup expenses over the last year, the issue is how the increases effect projects that had been underway or on hold,” explains construction management thought leader Jeff Kozek, Principal at Resolution Management Consultants, Inc. “The first step is examining relevant contractual obligations and clauses—what work must be completed, what claims are permitted within the contract, what legal parameters exist to renegotiate. Unfortunately, these circumstances may force some contractors to have to decide which outcome is least bad, rather than best, for the future of the company.”

Kozek identifies 5 essential questions that contractors will need to address in current projects, as well as factor into future preparations:

- What legal parameters are present to renegotiate a lump-sum contract?
- What cost increases and overages are covered by an existing escalation clause?
- What penalties will be incurred due to a materials shortage and other related delays?
- What will happen when materials prices eventually come back down?
- How will you prepare for unforeseen circumstances in future contracts?

Notes Kozek, "contractors and construction owners will have to take a harder look at the significance of the claim they're filing related to cost increases, the likelihood of success and potential for recovery, and the added risks of having to wait longer for discovery and a trial to occur and for a judge to rule on motions or decide a case while the legal backlog persists. These are not new factors, just ones that take on a greater significance due to the current environment."

### **About Resolution Management Consultants, Inc.**

Resolution Management Consultants, Inc. (RMC) is a nationally recognized consulting firm headquartered in Marlton, NJ. There are two sides to the business: the construction planning and management aspect – helping clients build more successful projects – and the litigation aspect – should matters go to court, providing analysis and testimony as expert witnesses. Founded in 1993 by veterans in the construction, contracting and engineering professions, RMC has assisted numerous private owners, public agencies and contractors in either achieving project goals or resolving cost and time disputes between the contracting parties.

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