

DHHS POLICIES AND PROCEDURES

Section VI:	Property and Construction
Title:	Capital Improvement Projects/Dispute Resolution
Current Effective Date:	8/1/02
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Purpose

The purpose of this policy is to clarify the way disputes arising from capital improvement projects for the North Carolina Department of Health and Human Services (NC DHHS) are resolved.

Policy

On occasion disputes will occur between individual contractors or contractors and designers concerning schedule delays, increases in costs, etc. It is the responsibility of the design firm to identify and resolve any potential disputes within the contract terms and budget of the project.

Implementation

The division, facility, school or other DHHS entity involved in the project must inform the Property and Construction Division of potential disputes before there are any schedule delays or cost overruns and seek our advice for resolution of the dispute. If the dispute cannot be resolved informally the design firm will arrange a meeting with the disputing parties at the office of the Division of Property and Construction. The meeting will include representation from the division, facility, school or other DHHS entity involved. Every effort will be made to resolve the dispute internally before it will be referred to the State Construction Office. If the dispute cannot be resolved at this level it will be presented to the State Construction Office pursuant to their established procedures. All disputed issues must be presented to the Division of Property and Construction for resolution prior to being presented to the State Construction Office.

Reference

DHHS Directive Number II-17 and G.S. 143 B-10; 122C-403(1) through (8); G. S. 160A-148

For questions or clarification on any of the information contained in this policy, please contact [Property and Construction](#). For general questions about department-wide policies and procedures, contact the [DHHS Policy Coordinator](#)