
CRM ASSOCIATES



**INTEGRATED CONSTRUCTION RISK SOLUTIONS
FOR PROJECT FINANCIERS**

INTRODUCTION AND SCOPE OF SERVICE

CRM Associates (**CRM**) is an association of experienced construction, risk management and insurance consultancies with a wide range of technical and commercial skills. In combining their individual strengths and expertise, CRM provides a unique and comprehensive service specifically designed to safeguard the interests of clients involved in the financing of major infrastructure, building and other construction projects.

The members of CRM have extensive international experience in providing practical advice and assistance in their specialist areas. In offering a fully integrated construction and engineering management¹ service, CRM is able to provide effective independent support to clients throughout the duration of a project, from initial concept and development stages through to completion.

As well as providing advice in respect of key construction and commercial considerations at project outset, CRM provides its clients with a continuing overview of site activities and the comfort that emerging problems have been recognised and that appropriate responsive measures have been adopted by the borrower.

The service provided by CRM comprises the following phased processes:

RISK ASSESSMENT



RISK DISSIPATION & INSURANCE



PROJECT MONITORING

Aimed at providing clients with assurance that:

- The potential commercial and engineering risks inherent in the project have been properly identified and that mechanisms are in place from the outset to deal with the consequences should any of these risks manifest themselves during construction

¹ CRM has established relationships enabling it to draw on the skills and resources of a number of prominent international engineering consultants.

- Key design issues have been resolved with due regard to salient considerations, including cost, buildability and speed of construction
- The project insurances provide an appropriate and effective breadth of protection
- Appropriate mechanisms are in place to identify and permit early resolution of emerging construction and commercial problems and to reduce the scope for delays and related claims and/or disputes
- Work on site is undertaken in accordance with the developer's proposals and that sums 'drawn-down' by the developer are consistent with works progress

RISK ASSESSMENT

Phase One of the CRM service involves an initial assessment to ensure that the risks inherent in the project have been recognised in its planning and design, these include:

- Commercial risks related to, for example, the nature and location of the site, environmental considerations, supplier failure, etc.
- Design efficacy, engineering viability and buildability

The service also extends to:

- Review of risks presented by the proposed contracting arrangements
- Identification of likely insurable risks including, where appropriate, political risks

RISK DISSIPATION & INSURANCE

Having identified the nature and extent of risk in the project, **Phase Two** ascertains the proposed manner in which identified risks are to be dealt with, be they dissipated by way of the construction contracts, insurance arrangements or otherwise (e.g. engineered out) or retained by the borrower. Thereafter, CRM undertakes further review of salient issues, including:

- The adequacy of contract documentation in respect of effective risk distribution
- The adequacy of insurance arrangements
- The extent to which the implications of retained risks have been considered and addressed

- Whether measures should be taken to safeguard the client's interests in the event of a significant loss (for example, by arranging for first call on insurance payouts, implementing 'step-in' rights, etc.)

PROJECT MONITORING

Phase Three of the service involves periodic monitoring of construction progress in order to:

- Ensure that the rate of funding draw-down is consistent with works progress (thereby ensuring that sums borrowed do not exceed the value of the developing asset)
- Assess (where practicable) the likely implications of emerging delays
- Ascertain the likely date for completion (and thereby the timing of realisation of related income streams)

OTHER SERVICES

CRM provides a full range of construction, commercial, engineering and insurance services, including:

- Drafting of 'tailor-made' contract documentation
- Tender analysis - viability of proposals
- Establishment of self-insurance schemes or captive insurance programmes
- Value engineering
- Design review and durability analyses
- Contract administration and commercial management
- Provision of web-based document management and design control and change management systems
- Forensic engineering
- Preparation, defence, negotiation and settlement of contractual claims
- Advice on insurance arrangements
- Preparation, negotiation and settlement of insurance claims
- Management of (or assistance in) the resolution of disputes
- Mediation, arbitration, adjudication and expert witness services
- Pre-acquisition audits
- Troubleshooting

ASSOCIATE PROFILES



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Hambleton Risk Management Limited and its wholly-owned subsidiary company, Hambleton Pacific Limited, provide bespoke specialist commercial and risk management services to all sectors of the construction industry. Hambleton's established and expanding client network includes prominent international developers, operators, law firms and consultants, as well as leading general and specialist contractors and suppliers.

The wide range of services available include advice on procurement strategy, drafting contract documentation, review and furnishing of advice on project risk and risk dissipation, the provision of commercial management services and related advice during the construction process, development and defence of time and monetary claims and the provision of dispute resolution support services, including expert witness services.

Hambleton also provides bespoke web-based document management and design control and change management systems for individual or multi-project applications.



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Kingsbridge Risk Solutions Limited is an insurance broking and risk management consultancy focused on delivering a first class service to clients. Often described as a "niche" insurance adviser, our business is based on the following fundamental principles:

- Our clients' needs and objectives come first
- We challenge traditional solutions to problems and encourage creativity to maximise results for our clients
- We are committed to excellence in all aspects of our business

Kingsbridge Risk Solutions has a wealth of experience in arranging and managing construction insurance programmes for major infrastructure and engineering projects and provides advice on all construction and operational-related risk and insurance issues from outline design through to operation. Audit, tender evaluation, benchmarking and insurance purchase are some of the many services available.

Kingsbridge Risk Solutions Limited is authorised and regulated by the Financial Services Authority