

## **CONSTRUCTION DISPUTE RESOLUTION**

The New Hanover County Board of Education hereby adopts this dispute resolution process for construction projects pursuant to North Carolina General Statute §143-128(f1). This Policy applies only to disputes involving construction contracts or the construction process and which have an amount in controversy exceeding Fifteen Thousand Dollars (\$15,000.00).

This process, when applicable, shall be available to all parties involved in the construction project including but not limited to the Board, the architect, the engineer, the construction manager, the contractors and the first-tier and lower-tier subcontractors.

Prior to initiating litigation, a party that has a dispute covered by this Policy shall participate in non-binding mediation in an effort to resolve the dispute. All parties to the dispute who are bound by this Policy must participate in good faith in such mediation. The cost of such mediation shall be divided equally among the parties to the dispute, except that if the Board is a party to the dispute the Board shall pay at least one-third of the reasonable cost of the mediation. However, any party may initiate litigation without first participating in mediation in order to meet a deadline such as a statute of limitations. In such event, the parties to the dispute shall participate in good faith in non-binding mediation as expeditiously as practical after initiating such litigation, dividing the cost as set forth above.

The terms of this Policy shall be incorporated into all contracts between the Board and other parties involving the Board's construction projects. Parties that enter into contracts with the Board regarding construction projects shall require their subcontractors and consultants to be bound by this Policy, to the extent it is applicable.

The requirements of this Policy are supplemental to and not in lieu of any dispute resolution process specified in a contract between the Board and a Design Consultant, such as an architect or engineer.

The Board encourages all parties to a dispute to attempt to reach a fair resolution as quickly and economically as possible using any reasonable means, prior to invoking mediation under this Policy.

LEGAL REF: NCGS §143-128(f1)

Adopted: 07/07/15