Session 6: Evolution of Dispute Board Practices
Dispute Board Program for the Rio 2016 Olympic and Paralympic Games

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Agenda

1. General Overview of Rio 2016 Games

2. Types of Contracts and the Dispute Resolution System Designed for the Games

3. Dispute Board Program of Rio 2016 Olympic and Paralympic Games
   - 3.1 – The Challenge
   - 3.2 – The Strategy
   - 3.3 – The Mechanics
1 | General Overview of Rio 2016 Games
World Championships

6 + 5 = 11

Test Events

45

Ceremonies (Openings and Closings)

4

100 Days of Torch Relay (Countrywide)

Paralympic Games

23 World Championships in 12 Days

Olympic Games

42 World Championships in 17 Days
**OLYMPIC GAMES**

- **August 5th to 21st**
- **10,903 athletes from 204 countries**
- **45,000 volunteers**
- **25,100 accredited media professionals**
- **6,700 members of national Olympic committees**
- **3,200 referees and assistants**

**PARALYMPIC GAMES**

- **September 7th to 18th**
- **4,350 athletes from 164 countries**
- **25,000 volunteers**
- **7,200 accredited media professionals**
- **6,700 members of national Olympic committees**
- **Referees and assistants**
2 | Types of Contracts and the Dispute Resolution System Designed for the Games
Two types of contracts...

Delivery of City Bid Commitments
- Main Venues
- Transportation
- Infrastructure
- Port
- Tourism
- Environment
- Others

Delivery of The Games
- Broadcasting
- Sponsorship
- Licensing
- Ticketing
- Ceremonies
- Overlays
- Venues Use Agreements
- Others

Government
(Federal, State and Municipality)

Rio 2016
About Rio 2016 Contracts

### Delivery of The Games
- Broadcasting
- Sponsorship
- Licensing
- Ticketing
- Ceremonies
- Overlays
- Venues Use Agreements
- Others

### Specificities
- Strong control of Budget
- Due date: August 5th – no extensions!
- Inefficiency of local courts
- Local culture of litigation

### Common problems
- Lack of maturity of executive projects
- Fast-changing environment
- Change orders
- Temporality of the Project (commitment of contract managers)
Dispute Resolution System Designed for the Games

Delivery of The Games
- Broadcasting
- Sponsorship
- Licensing
- Ticketing
- Ceremonies
- Overlays
- Venues Use Agreements
- Others

Advantages
- Focus on problem solving: deliver the Games on time and on Budget.
- Avoid local courts
- Reduce legacy of disputes after the Games

Corporate Mediation
- For all contracts

Arbitration
- For some contracts
- Preserve relationship
- Confidentiality

Dispute Boards
- For Overlays contracts
- Specially designed for the Rio 2016 Games
3 | Dispute Board Program of Rio 2016 Olympic and Paralympic Games

3.1 – The Challenge
3.2 – The Strategy
3.3 – The Mechanics
The Challenge

- Installation and Administration of 30/40 DBs involving construction, maintenance and post-event disassembly of non-permanent structures (mostly turn key solutions)
- No local Arbitral Institutions able to provide administrative services to the Parties
- Few months until the signature of first contracts
- Incipient local culture on Dispute Boards
- No reference list of members
- Need for neutrality and transparency

Develop the program from the ground up!
The Challenge
The Challenge

<table>
<thead>
<tr>
<th>Project Description</th>
<th>2014</th>
<th>2015</th>
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<tbody>
<tr>
<td>C1205: Riqiao (Transmission, Esportiva e Apresentação do Esporte) - Riqiao (Broadcast, Sport and Entertainment)</td>
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<td>C516: Iluminação (Transmission, Esportiva e Apresentação do Esporte) - Lighting (Broadcast, Sport)</td>
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<td>C1266: FF&amp;E - Colchões - FF&amp;E - Mattresses</td>
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<td>C551: Sistema Temporário de Água e Esgoto - Water and Waste Temporary System</td>
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<td>C1288: Tendas Lotes Adicionais - Tents Additional Lots</td>
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<td>C1264: Condicional Trato e Manutenção - GE - GE Scan Containers</td>
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<td>C517: Tribunais e Posições de Comentários - Commentators Positions &amp; Tribunes</td>
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<td>C532: Equipamento de Exhibição - Exhibition Equipment</td>
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<td>C1285 Edifício Modulares - Modular Buildings</td>
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<td>C520: Cobertura Temporária de Piso (Trackways) - Temporary Ground Covering (Trackways)</td>
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<td>C522: Iluminação Externa Temporária (Back of House &amp; Front of House) - Temporary Site Lighting (B)</td>
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<td>C1267: Estruturas Técnicas - Technical Structures</td>
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<td>C531: Estruturas Metálicas e Pontes Temporárias - Scaffolds and Temporary Bridges</td>
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<td>C1287: Overlay Turn Key Forte Copacabana</td>
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<td>C1288: Overlay Turn Key Vôlei de Praia</td>
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<td>C1285: Overview Turn Key Lagos</td>
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<td>C515: Barreiras Concreto - Concrete Barriers</td>
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<td>C610: Mastro - Flagpoles</td>
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<td>C1013: Sinalização de Emergência - Statutory Signage</td>
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<td>C1255: Obras em Interiores - Interior Build-out</td>
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<td>C1256: Obras Complementares para Entregas de Logado - Complementary Works for Government Del</td>
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<td>C1257: Obras Civis - Civil Works</td>
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<td>C1258: Aterramento - Grounding</td>
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<td>C318: Gestão de Cantoeiro de Obra - Construction Site Management</td>
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The Strategy

• Find an institution that could provide credibility, experience and neutrality to the Project
• First contact with the DRBF on beginning October 2014
• 2 months to develop and implement the program: first contracts to be signed on January 2015
• Fast track implementation of a Dispute Boards program for Rio 2016 Olympic and Paralympic games, elaboration of the Rules, administration of program and creation of a list of reference
• Creation of the role of a Program Manager: support and administration of all DBs
  • Coordination and discipline
  • Administrative problem solving
  • Not involved in merits
• Local workshops to train potential members and feed the lists:
  • Members: http://www.drb.org/brazil-membros.htm
  • Chairs: http://www.drb.org/brazil-presidentes.htm
The Mechanics

A. Separate DBs: one for each contract
   1. Permanent or ad hoc, 1 or 3 members (preferentially permanent and 3 members DBs)
   2. Applicable rules specially developed for the Project

B. 3 Exhibits to Master Contract:
   1. DB Rules
   2. DB Costs and Administration fees Agreement; and
   3. Three Party Agreement

C. Party-selected members to be chosen from list of trained and certified local members
   1. Necessarily trained under Rio 2016 DAB Training Program
   2. Certified to be on the list
   3. Must speak Portuguese or Spanish fluently
   4. Either Party will have the right to reject a Party-selected member
The Mechanics

D. DAB Chairs to be selected also from the DRBF list:
   1. Fluency in Portuguese or Spanish. English is a plus
   2. Previous experience in DBs
   3. Knowledge on local law desired
   4. Geographic proximity (reduced travel costs)

E. DABs to meet regularly (remotely, if necessary) to discuss status of project, observe project, hear disputes, and otherwise assist the parties regarding matters prior to them becoming disputes

F. Monthly fees include regular activities above mentioned and decisions on claims

G. DBs decisions will be binding until overturned by arbitration.

H. DBs Fees/Costs:
   1. Split 50/50 between Parties
   2. Fees to include administration charges and Program Manager fee
Thank You
..and see you in Rio!