

Press release

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Final judgment in the Wilhelmina Lock dispute offers leeway for restart

Joint Heijmans and Province of Noord-Holland press release

Construction company Heijmans is entitled to an additional compensation of €8 million from the Province of North Holland for the implementation of a more expensive design for the Wilhelmina Lock in Zaandam. This is the final judgment of the Arbitration Board for the building industry in a dispute about the project. The compensation is considerably lower than the amount claimed by the construction company. Earlier, the Arbitration Board had already conferred the right on the province to collect a fine of €2.7 million from Heijmans due to the delay in implementation. On the basis of the judgment, both parties want to discuss the decision and the possible restart of the project as soon as possible.

A difference of opinion about the technical implementation and planning of the project arose in 2014. Since mutual discussions about the design, progress and construction failed to produce the desired result, it was decided that the case should be submitted to the Arbitration Board. The Arbitration Board gave an interim award in October 2017. In this, it ruled that a modified design was 'an unforeseeable circumstance', a situation that no one could have foreseen and for which neither party was therefore to blame. However, from a legal perspective, the risk of such an unforeseeable circumstance rests with the client. The Arbitration Board for the building industry therefore argued that Heijmans was entitled to a reimbursement of costs from the province and to be allowed a longer construction time. On 17 April 2018, the Arbitration Board considered this claim and arrived at the decision mentioned above.

The ruling offers the parties sufficient perspective to reach final agreements about extra costs and the implications for the schedule. After finalizing these agreements, implementation activities will be resumed and the project will be completed jointly by the parties.

With the compensation received by Heijmans as a result of this ruling, the financial consequences remain within the negative financial scope indicated previously (see annual report 2017, Article 6.29). The exact level depends on agreements to be reached with the province. Heijmans will discuss this during the presentation of the half-year figures in August 2018.