

Construction Group Of The Year: King & Spalding

By **Adrian Cruz**

Law360 (February 23, 2022, 4:39 PM EST) -- King & Spalding LLP worked on major projects over the past year, including the development of a \$500 billion Saudi city from scratch, earning it a third consecutive year as one of Law360's 2021 Construction Groups of the Year.

King & Spalding's construction practice has around 50 attorneys dedicated to dispute work and a further 20 on the transactional side located throughout the firm's offices in Austin, Texas; Houston; New York City; Atlanta; San Francisco; Washington, D.C.; London; Paris; Singapore; Abu Dhabi; and Dubai, according to partners Scott Greer and Mike Stenglein.

"We look to be involved in the biggest and nastiest disputes in the world," Stenglein said. "Our vision is to combine our international arbitration expertise with construction expertise and go out into the world, finding the biggest construction disputes we can. If you have disputes with billions of dollars on the line, you'll have a client looking for the best expertise, and because we have premier practices in both of those areas, you can count the number of competitors for King and Spalding on two or three fingers."

One of the most ambitious projects King & Spalding has been working on is the city of Neom, serving as lead counsel on the development of a proposed futuristic city in Saudi Arabia's northwestern region. Expected to cost \$500 billion to develop and be built on an area the size of Belgium, Neom has been touted as a future tourist destination completely powered by renewable energy.

Since the city's 2019 inception, King & Spalding attorneys have negotiated more than 150 construction contracts for it, including for roads and civil works, and for solar, wind, green hydrogen and other clean energy projects. They've also represented the company's developer on a variety of claims arising from the COVID-19 pandemic.

"If there's enough money and risk involved in the projects, whether it's energy, tech or infrastructure, that's where clients look to our expertise, because we've been involved in these megaprojects on both the transactional and dispute side around the world," Stenglein said.

Greer said that because of the international nature of the construction team's work, outside factors can pose massive challenges to the construction of infrastructure projects. One project he cited as



particularly notable was the construction of a \$25 billion liquid natural gas facility in Mozambique. First started in 2010 by Anadarko Petroleum, the facility was eventually sold to French oil company Total and halted due to terrorist attacks compromising the safety of staff.

"Unfortunately, and this shows the international nature of some of these projects, the client had to declare force majeure because there were ISIS attacks in the area," Greer said. "The project has been stalled because of security issues."

Along with billion-dollar projects and transactions, King & Spalding's construction team has also been involved with high-profile arbitrations, including representing Colombian oil refinery Reficar at the International Court of Arbitration in a suit against international contractor CB&I over the construction of an oil refinery in Cartagena. The project, labeled as the largest in the South American nation's history, experienced cost overruns exceeding \$4 billion and delays of nearly three years, and litigation has happened in a variety of forums including New York and Oregon federal courts and Texas state courts.

Stenglein said that one of the biggest challenges from the Reficar matter was the variety of proceedings going on beyond litigation in U.S. courts, including Colombian regulatory and congressional hearings, requiring parties to fly down.

"Colombia's GDP actually shrank during the years of that construction because of the cost overruns, and as a result, there's been criminal trials, people have been under house arrest for years, and Colombia even tried to extradite the CEO of the CB&I from the United States and put him in jail," he said. "You had parallel criminal, regulatory and congressional proceedings going along at the same time as the ICC arbitration, so coordinating between the dispute plus what was going on in a highly politicized environment was challenging to say the least."

--Editing by Adam LoBelia.
