Contracts Management and Administration
(Based on FIDIC Standard)
Conditions of Contract (FIDIC)

Construction Contracts

- The **purpose of a contract is to set out the rights, responsibilities and liabilities, of the parties**.
- Another purpose of a contract can be described as a **“means to allocate risk between parties”**.
- A **construction contract sets forth the intentions and procedures to be employed in a building effort**.
- Ideally, the **construction contract should be an easily understandable, mutually agreed-upon document that provides the answers to every project contingency**.
Which Form to use? (FIDIC)

Multiple organizations exist across the globe who can facilitate the drafting and negotiation of international construction contracts.

• Prominent National and International contractors or engineering associations, who offer standardized documents with regard to construction contracts are listed below:
  – FIDIC – International Federation of Consulting Engineers
  – ICE – Institution of Civil Engineers
  – NEC – The New Engineering Contract
  – IEE – Institution of Electrical Engineers
  – IChemE - Institute of Chemical Engineers
  – JCT – Joint Contracts Tribunal
  – GCC – The South African Institute of Contract for Construction Works
Historical Overview of the Formation of FIDIC

• The **FIDIC organization** was founded in 1913 by engineering organizations in France, Belgium and Switzerland.
  – The UK did not join until 1949.
• FIDIC often describes its Contract as having been prepared “by engineers for engineers”.
• FIDIC is best suited for civil engineering and infrastructure projects: Roads, Bridges, Dams, Tunnels, and Water and Sewage facilities.
• FIDIC Contract Suite is published in 13 Languages and is used in both Common Law and Civil Law countries.
FIDIC “Form” Comparisons - Snapshot

- **Red Book** – for Construction Contracts; Building and Engineering Works, Designed by the Employer
- **Yellow Book** – for Plant and Design-Build Contracts; Electrical and Mechanical Plant, and also for Building and Engineering Works – but Designed by the CONTRACTOR
- **Silver Book** – for EPC and Turnkey Contracts;
- **Green Book** – for “Short Form Contracts” – or low dollar, simply designed contracts (below 500,000 USD, generally)
Which Form to use? (FIDIC)

Focus on FIDIC

– Form of Contract for Dredging and Reclamation Works “Dredgers Contract”
Red Book – recommended for Buildings and Engineering works designed by the employer or by its representative, the Engineer.

– Under the usual arrangements for this type of contract, the contractor constructs the works in accordance with a design provided by the EMPLOYER. “Works” can include, however, some elements of contractor-designed civil, mechanical, electrical and/or construction works.
Which Form to use? (FIDIC)

Yellow Book – recommended for the provision of electrical and/or mechanical plant, and for the design and execution of building or engineering works.

- Under the usual arrangements for this type of contract, the CONTRACTOR designs and provides, in accordance with the employer’s requirements, plant and/or works, which may include any combination of civil, mechanical, electrical and/or construction works.

- Typically is a Lump Sum priced contract with payments made according to achieved milestones on the basis of certification.
Which Form to use? (FIDIC)

**Silver Book** – recommended where one entity takes total responsibility for the design and execution of an engineering project.

- Under the usual arrangements, the entity carries out all of the engineering, procurement and construction resulting in providing a fully-equipped facility, ready for operation (at the “turn of the key”)
- The Silver Book is used (typically) where the certainty of price and completion date is important.
- The Silver Book allows the employer to have greater certainty as to the project’s cost as the contractor assumes greater time and costs risks than as he would normally under either the Red or Yellow Books.

**IMPORTANT NOTE:** *There is NO ENGINEER under the Silver Book* form – as his responsibilities are assumed by the employer.
Which Form to use? (FIDIC)

**Green Book** – recommended for engineering and building works of relatively small capital value. However, depending on the type of work and circumstances, the Conditions may be suitable for contracts of considerably greater value. Green Book leads itself most suitable for fairly simple or repetitive work or work of short duration without the need for specialist subcontractors.

- The Short Form of Contract is usually paid for on a Lump Sum Price basis, with payments (generally) made on a monthly assessment submitted by the contractor to the Employer for payment consideration.
- Typically for projects lasting less than six months and valued at less than $500,000 USD.
- **IMPORTANT NOTE:** Under this form – *there is also NO ENGINEER*. 
Which Form to use? (FIDIC)

- **Blue Book** – or “*Dredgers Contract*” – is used in close collaboration with the International Association of Dredging Companies (IADC)
  - Recommended for dredging and reclamation work.
  - Typically, the contractor under Blue Book rules constructs the works in accordance with the employee’s design.

**NOTE:**
- As with all FIDIC forms listed, the aim has been to produce a straightforward document which includes all essential commercial provisions, with the Blue Book also being used for all types of ancillary construction with a variety of administration arrangements.
Which Form to use? (FIDIC)

• **Gold Book** – “*Conditions of Contract for Design, Build and Operate Projects*” – employed after completion of construction and is typically suitable where a ‘long-term operation and maintenance’ commitment is required via design and build obligations. Under this arrangement –
  
  – The contractor must operate and maintain the completed project on behalf of the employer for a period of typically 20 years from the date of the Commissioning Certificate.

  – During this 20 year period the contractor must meet certain targets and at the end of the period, the project must be returned to the employer in an agreed condition.

  – Released to public in 2008
Which Form to use? (FIDIC)

• **White Book** – "**FIDIC Client/Consultant Model Services Agreement**" – this form of contract is used to appoint consultants to provide services to the employer such as:
  
  – Feasibility Studies
  – Design
  – Contract Administration
  – Project Management
DECIDING ON WHAT FIDIC METHOD IS BEST FOR YOUR CONSTRUCTION PROJECT
Preparation of Conditions of Contract (FIDIC)

Delivery Methods under FIDIC Forms of Contract

• Construction Projects are a unique arrangement of processes that involve various participates with different tasks who are under influence of varied factors, including numerous hazards and related risks. Choosing the right “delivery method” (form of construction project) is important.

• Delivery Method generally selected by the Client.
Preparation of Conditions of Contract (FIDIC)

**Delivery Methods under FIDIC Forms of Contract (Con’t)**

- In General – three (3) approaches are found in Construction Projects:
  - Design-Bid-Build (a.k.a., “D/B/B”);
  - Design-Build (a.k.a., “D/B”); this includes Engineer-Procure-Construct (EPC) type contracts
  - Construction Management (a.k.a., “CM”)

- **Delivery Methods differ mainly in:**
  1. Design Responsibility
  2. Contract Price Determination
  3. Contract Administration Approach
  4. Risk Allocation
Preparation of Conditions of Contract (FIDIC)

Delivery Methods under FIDIC Forms of Contract (Con’t)

• Design Responsibility – Two (2) Possibilities
  – The Employer – responsible for the design, preparing detailed tender designs (Drawings, Specifications, Bill of Quantities, others)
  – The Contractor – prepares the Employer’s requirement not in much detail, for the sake of a particular tender – stating only purpose, scope, and other technical criteria (such as performance criteria).

• Contract Price Determination – Three (3) Main payment bases
  – Lump Sum
  – Re-Measurement
  – Cost Plus
Preparation of Conditions of Contract (FIDIC)

Delivery Methods under FIDIC Forms of Contract (Con’t)

• Contract Administration – Three (3) Possibilities
  – The Engineer: Employer’s agent whose job is to monitor and supervise the work with a duty to make fair determination on certain matters.
  – The Employers Representative: Contract is directly administered by the Employer or his representative.
  – Construction Manager: Employer’s agent hired to coordinate all processes on Professional Service Agreement basis without direct responsibility for design and works.
Preparation of Conditions of Contract (FIDIC)

Delivery Methods under FIDIC Forms of Contract (Con’t)

• NOTE: In terms of Risk Allocation, FIDIC Procurement Procedures Guide states:
  • Construction and Engineering Industry is a high risk industry;
  • Management of the risks has overriding importance;
  • Every risk must be allocated to one or other party;
  • A risk cannot “be left hanging in the air”
  • Practice over many years has shown that sensible and balanced risk allocation results in the lowest overall total cost for completed projects

• FIDIC Contracts are based on the “decentralization principle”
BREAKING DOWN FIDIC CONTRACTS
BY ITS ELEMENTS
Preparation of Conditions of Contract (FIDIC)

General Features of FIDIC Contracts

• FIDIC guidance divided into two (2) distinct parts:
  – Part I, “General Conditions”
  – Part II, “Conditions of Particular Application” – which includes guidelines for the preparation of Part II clauses;
• Part II - Introduces “project specific” information – such as project specific clauses, which language the contract will be written in, choice of law to govern the parties in case of a dispute, name(s) of the person or firm appointed to act as the “Engineer” or “Employers Representative”, etc.
## Conditions of Contract (FIDIC)

### FIDIC General Conditions List

<table>
<thead>
<tr>
<th>Clause</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>General Provisions</td>
</tr>
<tr>
<td>2</td>
<td>The Employer</td>
</tr>
<tr>
<td>3</td>
<td>The Engineer or the Employers Representative</td>
</tr>
<tr>
<td>4</td>
<td>The Contractor</td>
</tr>
<tr>
<td>5</td>
<td>Design (Silver Book) or Nominated Sub Contractor</td>
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<tr>
<td></td>
<td>• (Red Book)</td>
</tr>
<tr>
<td>6</td>
<td>Staff and Labor</td>
</tr>
<tr>
<td>7</td>
<td>Plant, Materials and Workmanship</td>
</tr>
<tr>
<td>8</td>
<td>Commencement, Delays and Suspension</td>
</tr>
</tbody>
</table>
Conditions of Contract (FIDIC)

FIDIC General Conditions List (Con’t)

- Clause 9  Tests on Completion
- Clause 10  Taking Over
- Clause 11  Defects Liability
- Clause 12  Tests after Completion
- Clause 13  Variations and Adjustments
- Clause 14  Contract Price and Payment
- Clause 15  Termination by Employer
- Clause 16  Suspensions and Terminations of Contractor
Conditions of Contract (FIDIC)

<table>
<thead>
<tr>
<th>FIDIC General Conditions List (Con’t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>– Clause 17 Risk and Responsibility</td>
</tr>
<tr>
<td>– Clause 18 Insurance</td>
</tr>
<tr>
<td>– Clause 19 Force Majeure</td>
</tr>
<tr>
<td>– Clause 20 Claims, Disputes and Arbitration</td>
</tr>
</tbody>
</table>

• NOTE:
  – Modifications to the General Conditions may be required in some legal jurisdictions;
  – The standard form contracts do not contain limitations on the duration of legal liability
  – Clauses listed under the General Conditions of FIDIC contracts are sometimes known as “chapters”.

• NOTE

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Managing FIDIC Contracts - Contract Documents

Contract Documents

• Typically used to describe the entire scope of a construction project;
• Contract Documents form the “Contract” and are the sole declaration of agreement between parties involved.
• Contract Documents normally consist of the following:
  – Agreement
  – General Conditions
  – Supplementary Conditions
  – Technical Specifications
  – Drawings
  – Addenda
  – Bonds
  – Insurance
  – Contractors Bid or Proposal
  – Notice of Award
  – Notice to Proceed
Managing FIDIC Contracts - Contract Documents

Contract Documents

• In some cases, Contract Documents include “Supplements”;
  – Invitation to Bid
  – Instructions to bidders
  – Shop Drawings
  – Written Interpretations
  – Clarifications

• Once Parties have executed the Contract Documents, the only way to amend them is by issuing Change Order or Work Order Directive
FIDIC Foundational Knowledge
STRONG LEGAL FOUNDATION
(Common Law)
Start-Up: Compliance with Local Law

UAE Construction Law Considerations

• Two Tiers of Government in the UAE
  – The Federal Government
  – Each Government of the Seven (7) Emirates

• “UAE Federal Government authority is the predominate authority governing Construction Law in the UAE.”
  – Each Emirate retains the power to enact legislation covering the construction industry, provided that such legislation does not conflict with any Federal laws “of general application”.
  – The Emirates of Abu Dhabi and Dubai in particular, have taken the opportunity to introduce a large number of laws regulating the construction industry with their respective borders.
Start-Up: Compliance with Local Law

UAE Construction Law Considerations (Con’t)

• **UAE legal system** was founded on the principles of Egyptian civil law incorporating Islamic law in certain areas.
  – UAE Civil Code is the primary source of law applicable to the construction contracts with a specific section called “Muqwala”:
    • Meaning - “the making of things” or “carrying out work”.

• Employers in the UAE frequently depart from FIDIC’s contract strategy and MODIFY Part I for their own use.
  – Modifications fall into two (2) categories:
    • Transferring the “risk” from the Employer to the Contractor
    • Allowing the Employer to retain control over the contract administration
Start-Up: Compliance with Local Law

UAE Construction Law Considerations (Con’t)

- **Example:** In 2006, the Emirate of Abu Dhabi introduced Law 21, adopting the principle features of FIDIC 1999 Red and Yellow Books, but only for “Build Only” and “Design Build” type contracts.

- **Notable Amendments to FIDIC standards under the Abu Dhabi Law:**
  - Under FIDIC – using Design-Build contract design -the Employer takes the risk of any “unforeseen physical conditions”; when discovered – the Contractor is entitled to an extension of time and additional costs.
  - *These FIDIC Provisions have been completely deleted in the new Abu Dhabi contracts; also there is an expressed provision which confirms the that contractor will assume responsibility for any design prepared by the Employer – irrespective of whether it contains errors.*
Groups of Contemporary Legal Systems

- **Where International Construction is concerned** – there are four (4) major groups of Legal Systems operating in on the World Stage:
  - The Roman-Germanic Group
  - The Common Law Group
  - The Islamic Law Group (which includes elements of the first two groups)
  - The Socialist Group
Groups of Contemporary Legal Systems (Con’t.)

• **Common Law** fills in gaps in the law, by declaring precedents which impose authority future judicial decisions.

• **Common Law** as a system of laws - uses the accumulation of “body of precedents” to incorporate two other closely linked principles of law:
  – Equity
  – Statute Law
Sources of Law in the Common Law Group

• Constitution;
• Judicial decisions when they are recognized as precedents in the common law;
• Equity;
• Legislation or Statute Law;
• Regulations and Delegated or Subordinated Legislation;
• International Treaties and Customs
Groups of Contemporary Legal Systems (Con’t.)

• Judicial Decisions
  – Follow “Rule of Precedent” – rules already defined by decided courts must be followed by lower courts;
  – When Judgements are rendered in superior courts (highest authority), the judge sets out the reasoning and the logic he has followed in reaching his decision in the particular case before him.
Groups of Contemporary Legal Systems (Con’t.)

Equity

• “Court of Chancery (Equity)” – follows general principles on which the court exercises its jurisdiction which are embodied in the “twelve maxims of equity”.

• When applied to Construction Contracts – the twelve maxims of equity “looks to the ‘intent’ rather than the ‘form’”;
  – “...Courts of equity make a distinction in all cases between that which is matter of substance and that which is matter of form; and if it finds that by insisting on the form, the substance will be defeated, it holds it to be inequitable to allow a person to insist on such form, and therefore defeat the substance...”
Groups of Contemporary Legal Systems (Con’t.)

• **Important Construction Contract Note:**
  – Equity regards “penalties” as inequitable; therefore – not bound by “liquidated damages” – if in truth, the sum specified is a penalty.

• **Legislation**
  – Can overrule common law;
  – Can alter existing flawed legal rule or restate a legal principle developed through precedence in the courts.
Construction and Engineering Contracts in particular under Islamic Law

Four (4) Principles of Islamic Law Relevant to Construction Contracts:

- “Riba” – board notion of “illicit gain or unjustified profit and enrichment – termed “usury” within the verses of the Qur’an;
  - The term “Riba” is also linked in the Qur’an specifically prohibiting (1) Gambling (2) Extortion (3) Bribery and (4) Corruption.
Four (4) Principles of Islamic Law Relevant to Construction Contracts (Con’t):

- "Gharar" – means an act with three characteristics:
  1. "Cheating"
  2. "Danger"
  3. "Unwariness"

- Islamic Definition of "Gharar" – (Metaphoric) is an arrangement that is alluring on the outside surface, but unknow in its inner content.

- An agreement containing "Gharar" is not permitted under Islamic Law!!!!!
Good Faith

• The theory of “good faith” in Islamic Law is traced to the Ottoman Empire – where it took the form of the “Al-Majalla Code”;

• This “Codification” – provides general principles of Islamic contract law to exist.

• The Al-Majalla – is a “fundamental principle” of Islamic contract law which forces all parties to a dispute as having the duty to “act in good faith”.
CONTRACT “TYPES” UTILIZED BY FIDIC
Managing FIDIC Contracts - Contract Documents

- **Contracts** between the owner and the contractor are frequently divided into several categories.
- Categories have several variations, typically determined by the type of fee the contractor is to be paid; **Categories consist of the following types of contract:**
  1. Lump Sum Contract
  2. Unit Price Contract
  3. Cost Plus Contract
  4. Design Build Contract
  5. Negotiated Contract
  6. Turnkey Contract
Managing FIDIC Contracts - Contract Types

“Lump Sum” Contract Definition:

• Lump Sum contract is also sometimes erroneously known as a “Fixed Price” Contract;
• Lump Sum Contracts do not have a “Maximum Upper Limit” amount;
• **Fixed Price contract** means the contractor is to receive a “Maximum” sum of money, which compensates the Contractor for the “costs of performing” the work. (Not-To-Exceed Amount)
• In Fixed Price contracts, the Contractor quotes a single, guaranteed price as compensation for all labor, materials, equipment, and services stipulated to complete the facility described in the construction contract.
“Unit Price” Contract Definition:

• Unit Price contracts *are used for those less-complicated projects that are based on readily identifiable units.*

• Examples of Unit Price Contracts are the following;
  
  – **Paving**: can be accurately quantified in units of area and thickness;
  
  – **Piling**: can be quantified in linear feet or number of piles, and mass concrete in cubic yards and pounds of reinforcing materials;
“Cost Plus” Contract Definition:

- Requires that *the contractor be compensated by the owner for the actual cost of construction, plus a fee* that may be fixed or may vary with the costs of construction.
- Cost Plus contracts work best when additional time and cost to scope and measurement accuracy of a project is in question.
- The “intent” of a Cost Price Contract is *to stipulate a fair cost for the contractor’s fees, expenses, and profit.*
- “Fixed” or “Percentage” fees, markups, profit, services, and work limits must be clearly defined in the contract under CP.
Managing FIDIC Contracts - Contract Types

“Design-Build” Contract Definition:

- **Under a DB contract** – the owner retains a single party to perform both design and construction services.

- **Advantage of Owner under DB** – If anything goes wrong, the contractor cannot point to any other party as being at fault;

- **Difficult for Owner** – must determine in advance the design parameters;
  - If design parameters not established correctly at commencement of project – owner might end up with a finished product that does not meet his needs.
Managing FIDIC Contracts - Contract Types

“Negotiated Contracting” Definition:

• **Negotiated contracting** is a process of contracting whereby the project cost is nearly always higher than other contracting processes.

• A “Cost Premium” is generally paid by the client, *but saving time on the project is usually the trade-off in this process.*

• Typically, this type of contract appoints a single contractor by assessing the firms past performance and competitiveness on an identical, similar or geographically adjacent project, preferably carried out by the same client.
“Turn-Key” Contract Definition:

• Literally speaking – the owner under this type of contract is “looking to the contractor to provide all services, down to the turning over the key to the building”;

• This method is the ultimate in trust and commitment – the owner and contractor are pursuing a common goal of a quality project, taking into account that “design-build” method is included in “turnkey” contracts.

• A “true” turn-key contract – is actually more like a “Purchase Order” contract than a construction contract;
  – The principle of the turn-key contract is to “simply hand over the Bank Check (Owner), turn over the key (Contractor) and begin working on the first day after commissioning (Owner)”.

Managing FIDIC Contracts - Contract Types
Responsibilities of the Main Parties

Three Main Entities operate under FIDIC Contracts

- **Employer** — usually the financier and/or owner of the construction project contemplated. Carries the ultimate responsibility for the success of the project;

- **Engineer** — appointed by the Employer with delegated authority to oversee all aspects of the construction project contemplated;

- **Contractor** — selected expert in construction who has the necessary resources and expertise to execute all aspects of the contemplated construction project as designed by the Employer.

  - **Subcontractors** — Selected by contractor, approved by Engineer, to augment specific works on a construction project where additional manpower or expertise are needed.
Start-Up: Appoint of the Engineer (FIDIC)

Appointment of the Engineer

• Under FIDIC General Provisions, Sub-Sub Clause 1.1.2, [Parties and Persons] – the Engineer appointment is formalized as follows:
  – “…Person appointed by the Employer to act as the Engineer for the purposes of the Contract and named in the Contract Data, or other person(s) appointed from time-to-time by the Employer and notified to the Contractor under Sub-Clause 3.4 [Replacement of the Engineer]…”;

• The “Engineer” appointed may be a named Person or may be a Company.
  – Should a company be named as the Engineer, then the company has to advise the name of the person who will specifically be allocated the duties of the Engineer.
Start-Up: Contractor’s Representative

• Contractor shall appoint the Contractor’s Representative (frequently referred to as the Site Manager, Site Agent or similar) and shall give him all authority to act on the Contractor’s behalf for the performance of the Contract.

• The Contractor’s Representative and his key staff shall be fluent in the language for communications defined in Sub-Clause 1.4. The provision of interpreters by the Contractor may be obligatory.

  – [Sub-Clause 1.4] states “Both the applicable law and the language of communication are to be defined in the contract documents”.
BEGINNING THE CONTRACT – SETTING YOUR CONTRACTS ADMINISTRATION UP CORRECTLY
Start-Up: Contractor’s Representative

- Invariably the applicable law is that of the country where the contract is to be executed; this is more so, if the Employer is also resident in that country. Even if the applicable law is not that of the country of execution, it may happen that the local courts will claim jurisdiction regardless of the wording of the contract. **Legal advice should be sought should such a situation arise.**

  - Frequently the Employer may require that correspondence addressed to him be written in his own language. Given the vagaries of site translations, it is recommended that correspondence to the Employer and other public bodies be provided simultaneously in both the language of the contract and the local language.
Start-Up: Work’s Programme and Cash Flow

Work’s Programme Definition and Understanding

• Sub-Clause 8.3 [Programme] – Contractor submitted Plan to the Engineer.
  – Plan must be submitted within 28 days after receiving Commencement of Work Notice (Sub-Clause 8.1 [Commencement of Works]);
  – Must be detailed with regard to Project Milestones (time programme);
  – Required to “re-submit” a revised programme whenever the previous programme is inconsistent with actual progress or with the Contractor’s obligations.
  – **Within 21 days** after receiving the programme, the Engineer must provide notice to the Contractor stating the extent to which their submitted programme does not comply with the Contract conditions.
Start-Up: Work’s Programme and Cash Flow

Cash Flow Considerations under FIDIC Conditions

- **Cash flow** has been called the life blood to a contractor. Therefore, to be paid what is properly due on time is very much a question of life and death to a contractor.

- To ensure, at least with a high incentive to the Employer, that the Contractor is paid promptly what is due under the Contract, the Contractor’s right to suspend work is provided for in Clause 16.1.

- **SUFFICE TO SAY** – almost EVERY ASPECT of a construction project has the ability to negatively effect a contractor’s cashflow.
Start-Up: Work’s Programme and Cash Flow

Cash Flow Considerations under FIDIC Conditions (Con’t)

• The Contractor's action shall not prejudice his entitlements to financing charges under *Sub-Clause 14.8 [Delayed Payment]* and to termination under *Sub-Clause 16.2 [Termination by Contractor]*.

• If the Contractor subsequently receives such Payment Certificate, evidence or payment *(as described in the relevant Sub-Clause and in the above notice)* before giving a notice of termination, the Contractor shall resume normal working as soon as is reasonably practicable.

• If the Contractor suffers delay and/or incurs Cost as a result of suspending work (or reducing the rate of work) in accordance with this Sub-Clause, the Contractor shall give notice to the Engineer and shall be entitled subject to *Sub-Clause 20.1 [Contractor's Claims]* to:
  – (a) an extension of time for any such delay, if completion is or will be delayed, under *Sub-Clause 8.4 [Extension of Time for Completion]*, and
  – (b) payment of any such Cost plus reasonable profit, which shall be included in the Contract Price
Start-Up: Quality Assurance and Control

Quality Assurance

Per **Sub-Clause 4.9 [Quality Assurance]** - The Contractor shall institute a quality assurance system to demonstrate compliance with the requirements of the Contract. The system shall be in accordance with the details stated in the Contract.

- The Engineer shall be entitled to audit any aspect of the system. Details of all procedures and compliance documents shall be submitted to the Engineer for information before each design and execution stage is commenced. When any document of a technical nature is issued to the Engineer, evidence of the prior approval by the Contractor himself shall be apparent on the document itself.

- Compliance with the quality assurance system shall not relieve the Contractor of any of his duties, obligations or responsibilities under the Contract.
Start-Up: Quality Assurance and Control

Quality Control

Clause 7, “Plant, Material and Workmanship” – contains language allowing the Contractor the necessary tools to ensure relatively sound Quality Control of the construction project undertaken.

• Sub-Clause 7.2 [Samples]; The Contractor shall submit the following samples of Materials, and relevant information, to the Engineer for consent prior to using the Materials in or for the Works:
  • (a) manufacturer’s standard samples of Materials and samples specified in the Contract, all at the Contractor’s cost, and
  • (b) additional samples instructed by the Engineer as a Variation. Each sample shall be labelled as to origin and intended use in the Works.
Start-Up: Contractor’s Reports

Required Reporting under FIDIC Conditions

• Primarily a Responsibility of the CONTRACTOR;
  – Sub-Clause 4.21 [Progress Reports]; Unless otherwise stated in the Particular Conditions, monthly progress reports shall be prepared by the Contractor and submitted to the Engineer in six copies. The first report shall cover the period up to the end of the first calendar month following the Commencement Date.
  – Reports shall be submitted monthly thereafter, each within 7 days after the last day of the period to which it relates. Reporting shall continue until the Contractor has completed all work which is known to be outstanding at the completion date stated in the Taking-Over Certificate for the Works.
Start-Up: Contractor’s Reports

Required Reporting under FIDIC Conditions

• Additional Reporting Requirements
  – **Sub-Clause 6.7 [Health and Safety]**; “...The Contractor shall send, to the Engineer, details of any accident as soon as practicable after its occurrence. The Contractor shall maintain records and make reports concerning health, safety and welfare of persons, and damage to property, as the Engineer may reasonably require...”
  – **Sub-Clause 7.4 [Testing]**; “... The Contractor shall promptly forward to the Engineer duly certified reports of the tests. When the specified tests have been passed, the Engineer shall endorse the Contractor’s test certificate, or issue a certificate to him, to that effect. If the Engineer has not attended the tests, he shall be deemed to have accepted the readings as accurate...”