

---

GENERAL CONDITIONS

---

GUIDANCE FOR THE  
PREPARATION OF  
PARTICULAR CONDITIONS  
AND ANNEXES: FORMS  
OF SECURITIES

---

FORMS OF LETTER OF  
TENDER, LETTER OF  
ACCEPTANCE, CONTRACT  
AGREEMENT AND DAAB  
AGREEMENT

---

FIDIC® Conditions of Contract for  
**PLANT and DESIGN-BUILD**

FOR ELECTRICAL & MECHANICAL PLANT,  
AND FOR BUILDING AND ENGINEERING  
WORKS, DESIGNED BY THE CONTRACTOR

General Conditions

FEDERATION INTERNATIONALE DES INGENIEURS-CONSEILS  
INTERNATIONAL FEDERATION OF CONSULTING ENGINEERS  
INTERNATIONALE VEREINIGUNG BERATENDER INGENIEURE  
FEDERACION INTERNACIONAL DE INGENIEROS CONSULTORES





# General Conditions

## CONTENTS

<b>1</b>	<b>GENERAL PROVISIONS .....</b>	<b>1</b>
1.1	Definitions	
1.2	Interpretation	
1.3	Notices and Other Communications	
1.4	Law and Language	
1.5	Priority of Documents	
1.6	Contract Agreement	
1.7	Assignment	
1.8	Care and Supply of Documents	
1.9	Errors in the Employer's Requirements	
1.10	Employer's Use of Contractor's Documents	
1.11	Contractor's Use of Employer's Documents	
1.12	Confidentiality	
1.13	Compliance with Laws	
1.14	Joint and Several Liability	
1.15	Limitation of Liability	
1.16	Contract Termination	
<b>2</b>	<b>THE EMPLOYER.....</b>	<b>15</b>
2.1	Right of Access to the Site	
2.2	Assistance	
2.3	Employer's Personnel and Other Contractors	
2.4	Employer's Financial Arrangements	
2.5	Site Data and Items of Reference	
2.6	Employer-Supplied Materials and Employer's Equipment	
<b>3</b>	<b>THE ENGINEER .....</b>	<b>17</b>
3.1	The Engineer	
3.2	Engineer's Duties and Authority	
3.3	The Engineer's Representative	
3.4	Delegation by the Engineer	

3.5	Engineer's Instructions	
3.6	Replacement of the Engineer	
3.7	Agreement or Determination	
3.8	Meetings	
<b>4</b>	<b>THE CONTRACTOR</b>	<b>23</b>
4.1	Contractor's General Obligations	
4.2	Performance Security	
4.3	Contractor's Representative	
4.4	Subcontractors	
4.5	Nominated Subcontractors	
4.6	Co-operation	
4.7	Setting Out	
4.8	Health and Safety Obligations	
4.9	Quality, Management and Compliance Verification Systems	
4.10	Use of Site Data	
4.11	Sufficiency of the Accepted Contract Amount	
4.12	Unforeseeable Physical Conditions	
4.13	Rights of Way and Facilities	
4.14	Avoidance of Interference	
4.15	Access Route	
4.16	Transport of Goods	
4.17	Contractor's Equipment	
4.18	Protection of the Environment	
4.19	Temporary Utilities	
4.20	Progress Reports	
4.21	Security of the Site	
4.22	Contractor's Operations on Site	
4.23	Archaeological and Geological Findings	
<b>5</b>	<b>DESIGN</b>	<b>37</b>
5.1	General Design Obligations	
5.2	Contractor's Documents	
5.3	Contractor's Undertaking	
5.4	Technical Standards and Regulations	
5.5	Training	
5.6	As-Built Documents	
5.7	Operation and Maintenance Manuals	
5.8	Design Error	
<b>6</b>	<b>STAFF AND LABOUR</b>	<b>42</b>
6.1	Engagement of Staff and Labour	
6.2	Rates of Wages and Conditions of Labour	
6.3	Recruitment of Persons	
6.4	Labour Laws	
6.5	Working Hours	

6.6	Facilities for Staff and Labour	
6.7	Health and Safety of Personnel	
6.8	Contractor's Superintendence	
6.9	Contractor's Personnel	
6.10	Contractor's Records	
6.11	Disorderly Conduct	
6.12	Key Personnel	
<b>7</b>	<b>PLANT, MATERIALS AND WORKMANSHIP .....</b>	<b>45</b>
7.1	Manner of Execution	
7.2	Samples	
7.3	Inspection	
7.4	Testing by the Contractor	
7.5	Defects and Rejection	
7.6	Remedial Work	
7.7	Ownership of Plant and Materials	
7.8	Royalties	
<b>8</b>	<b>COMMENCEMENT, DELAYS AND SUSPENSION .....</b>	<b>49</b>
8.1	Commencement of Works	
8.2	Time for Completion	
8.3	Programme	
8.4	Advance Warning	
8.5	Extension of Time for Completion	
8.6	Delays Caused by Authorities	
8.7	Rate of Progress	
8.8	Delay Damages	
8.9	Employer's Suspension	
8.10	Consequences of Employer's Suspension	
8.11	Payment for Plant and Materials after Employer's Suspension	
8.12	Prolonged Suspension	
8.13	Resumption of Work	
<b>9</b>	<b>TESTS ON COMPLETION .....</b>	<b>54</b>
9.1	Contractor's Obligations	
9.2	Delayed Tests	
9.3	Retesting	
9.4	Failure to Pass Tests on Completion	
<b>10</b>	<b>EMPLOYER'S TAKING OVER .....</b>	<b>57</b>
10.1	Taking Over the Works and Sections	
10.2	Taking Over Parts	
10.3	Interference with Tests on Completion	
10.4	Surfaces Requiring Reinstatement	

<b>11</b>	<b>DEFECTS AFTERTAKING OVER .....</b>	<b>59</b>
11.1	Completion of Outstanding Work and Remedying Defects	
11.2	Cost of Remedying Defects	
11.3	Extension of Defects Notification Period	
11.4	Failure to Remedy Defects	
11.5	Remedying of Defective Work off Site	
11.6	Further Tests after Remedying Defects	
11.7	Right of Access after Taking Over	
11.8	Contractor to Search	
11.9	Performance Certificate	
11.10	Unfulfilled Obligations	
11.11	Clearance of Site	
<b>12</b>	<b>TESTS AFTER COMPLETION .....</b>	<b>64</b>
12.1	Procedure for Tests after Completion	
12.2	Delayed Tests	
12.3	Retesting	
12.4	Failure to Pass Tests after Completion	
<b>13</b>	<b>VARIATIONS AND ADJUSTMENTS .....</b>	<b>66</b>
13.1	Right to Vary	
13.2	Value Engineering	
13.3	Variation Procedure	
13.4	Provisional Sums	
13.5	Daywork	
13.6	Adjustments for Changes in Laws	
13.7	Adjustments for Changes in Cost	
<b>14</b>	<b>CONTRACT PRICE AND PAYMENT .....</b>	<b>72</b>
14.1	The Contract Price	
14.2	Advance Payment	
14.3	Application for Interim Payment	
14.4	Schedule of Payments	
14.5	Plant and Materials intended for the Works	
14.6	Issue of IPC	
14.7	Payment	
14.8	Delayed Payment	
14.9	Release of Retention Money	
14.10	Statement at Completion	
14.11	Final Statement	
14.12	Discharge	
14.13	Issue of FPC	
14.14	Cessation of Employer's Liability	
14.15	Currencies of Payment	

<b>15</b>	<b>TERMINATION BY EMPLOYER .....</b>	<b>83</b>
15.1	Notice to Correct	
15.2	Termination for Contractor's Default	
15.3	Valuation after Termination for Contractor's Default	
15.4	Payment after Termination for Contractor's Default	
15.5	Termination for Employer's Convenience	
15.6	Valuation after Termination for Employer's Convenience	
15.7	Payment after Termination for Employer's Convenience	
<b>16</b>	<b>SUSPENSION AND TERMINATION BY CONTRACTOR.....</b>	<b>87</b>
16.1	Suspension by Contractor	
16.2	Termination by Contractor	
16.3	Contractor's Obligations After Termination	
16.4	Payment after Termination by Contractor	
<b>17</b>	<b>CARE OF THE WORKS AND INDEMNITIES .....</b>	<b>90</b>
17.1	Responsibility for Care of the Works	
17.2	Liability for Care of the Works	
17.3	Intellectual and Industrial Property Rights	
17.4	Indemnities by Contractor	
17.5	Indemnities by Employer	
17.6	Shared Indemnities	
<b>18</b>	<b>EXCEPTIONAL EVENTS.....</b>	<b>93</b>
18.1	Exceptional Events	
18.2	Notice of an Exceptional Event	
18.3	Duty to Minimise Delay	
18.4	Consequences of an Exceptional Event	
18.5	Optional Termination	
18.6	Release from Performance under the Law	
<b>19</b>	<b>INSURANCE .....</b>	<b>95</b>
19.1	General Requirements	
19.2	Insurance to be provided by the Contractor	
<b>20</b>	<b>EMPLOYER'S AND CONTRACTOR'S CLAIMS .....</b>	<b>99</b>
20.1	Claims	
20.2	Claims For Payment and/or EOT	

**21. DISPUTES AND ARBITRATION ..... 103**

- 21.1 Constitution of the DAAB
- 21.2 Failure to Appoint DAAB Member(s)
- 21.3 Avoidance of Disputes
- 21.4 Obtaining DAAB's Decision
- 21.5 Amicable Settlement
- 21.6 Arbitration
- 21.7 Failure to Comply with DAAB's Decision
- 21.8 No DAAB In Place

**APPENDIX ..... 110**

GENERAL CONDITIONS OF DISPUTE AVOIDANCE/ADJUDICATION  
AGREEMENT

**INDEX OF SUB-CLAUSES ..... 128**



# General Conditions

## 1 General Provisions

### 1.1

#### Definitions

In the Contract the following words and expressions shall have the meanings stated, except where the context requires otherwise

- 1.1.1 “**Accepted Contract Amount**” means the amount accepted in the Letter of Acceptance for the execution of the Works in accordance with the Contract.
- 1.1.2 “**Advance Payment Certificate**” means a Payment Certificate issued by the Engineer for advance payment under Sub-Clause 14.2.2 [*Advance Payment Certificate*].
- 1.1.3 “**Advance Payment Guarantee**” means the guarantee under Sub-Clause 14.2.1 [*Advance Payment Guarantee*].
- 1.1.4 “**Base Date**” means the date 28 days before the latest date for submission of the Tender.
- 1.1.5 “**Claim**” means a request or assertion by one Party to the other Party for an entitlement or relief under any Clause of these Conditions or otherwise in connection with, or arising out of, the Contract or the execution of the Works.
- 1.1.6 “**Commencement Date**” means the date as stated in the Engineer’s Notice issued under Sub-Clause 8.1 [*Commencement of Works*].
- 1.1.7 “**Compliance Verification System**” means the compliance verification system to be prepared and implemented by the Contractor for the Works in accordance with Sub-Clause 4.9.2 [*Compliance Verification System*].
- 1.1.8 “**Conditions of Contract**” or “these Conditions” means these General Conditions as amended by the Particular Conditions.
- 1.1.9 “**Contract**” means the Contract Agreement, the Letter of Acceptance, the Letter of Tender, any addenda referred to in the Contract Agreement, these Conditions, the Employer’s Requirements, the Schedules, the Contractor’s Proposal, the JV Undertaking (if applicable) and the further documents (if any) which are listed in the Contract Agreement or in the Letter of Acceptance.
- 1.1.10 “**Contract Agreement**” means the agreement entered into by both Parties in accordance with Sub-Clause 1.6 [*Contract Agreement*].
- 1.1.11 “**Contract Data**” means the pages, entitled contract data which constitute Part A of the Particular Conditions.
- 1.1.12 “**Contract Price**” means the price defined in Sub-Clause 14.1 [*The Contract Price*].
- 1.1.13 “**Contractor**” means the person(s) named as contractor in the Letter of Tender accepted by the Employer and the legal successors in title of such person(s).

- 1.1.14 “**Contractor’s Documents**” means the documents prepared by the Contractor as described in Sub-Clause 5.2 [*Contractor’s Documents*], including calculations, digital files, computer programs and other software, drawings, manuals, models, specifications and other documents of a technical nature.
- 1.1.15 “**Contractor’s Equipment**” means all apparatus, equipment, machinery, construction plant, vehicles and other items required by the Contractor for the execution of the Works. Contractor’s Equipment excludes Temporary Works, Plant, Materials and any other things intended to form or forming part of the Permanent Works.
- 1.1.16 “**Contractor’s Personnel**” means the Contractor’s Representative and all personnel whom the Contractor utilises on Site or other places where the Works are being carried out, including the staff, labour and other employees of the Contractor and of each Subcontractor; and any other personnel assisting the Contractor in the execution of the Works.
- 1.1.17 “**Contractor’s Proposal**” means the part of the Tender stated or implied as being the Contractor’s proposal for execution of the Works, as included in the Contract. Such documents may include the Contractor’s preliminary design.
- 1.1.18 “**Contractor’s Representative**” means the natural person named by the Contractor in the Contract or appointed by the Contractor under Sub-Clause 4.3 [*Contractor’s Representative*], who acts on behalf of the Contractor.
- 1.1.19 “**Cost**” means all expenditure reasonably incurred (or to be incurred) by the Contractor in performing the Contract, whether on or off the Site, including taxes, overheads and similar charges, but does not include profit. Where the Contractor is entitled under a Sub-Clause of these Conditions to payment of Cost, it shall be added to the Contract Price.
- 1.1.20 “**Cost Plus Profit**” means Cost plus the applicable percentage for profit stated in the Contract Data (if not stated, five percent (5%)). Such percentage shall only be added to Cost, and Cost Plus Profit shall only be added to the Contract Price, where the Contractor is entitled under a Sub-Clause of these Conditions to payment of Cost Plus Profit.
- 1.1.21 “**Country**” means the country in which the Site (or most of it) is located, where the Permanent Works are to be executed.
- 1.1.22 “**DAAB**” or “**Dispute Avoidance/Adjudication Board**” means the sole member or three members (as the case may be) so named in the Contract, or appointed under Sub-Clause 21.1 [*Constitution of the DAAB*] or Sub-Clause 21.2 [*Failure to Appoint DAAB Member(s)*].
- 1.1.23 “**DAAB Agreement**” means the agreement signed or deemed to have been signed by both Parties and the sole member or each of the three members (as the case may be) of the DAAB in accordance with Sub-Clause 21.1 [*Constitution of the DAAB*] or Sub-Clause 21.2 [*Failure to Appoint DAAB Member(s)*], incorporating by reference the General Conditions of Dispute Avoidance/Adjudication Agreement contained in the Appendix to these General Conditions with such amendments as are agreed.
- 1.1.24 “**Date of Completion**” means the date stated in the Taking-Over Certificate issued by the Engineer; or, if the last paragraph of Sub-Clause 10.1 [*Taking Over the Works and Sections*] applies, the date on which the Works or Section