

CAIRO REGIONAL CENTRE FOR  
INTERNATIONAL COMMERCIAL  
ARBITRATION "CRCICA"

EGYPTIAN SOCIETY OF  
CONSULTING ENGINEERS  
"ESCONE" / MEMBER OF FIDIC

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**THE 1998 FIDIC's**

**FOUR INTERNATIONAL NEW  
FORMS OF CONTRACT**

**PART 1 : HISTORY AND SCOPE**

**PART 2 : FEATURES OF THE NEW FORMS IN  
COMPARISON WITH EXISTING ONES**

By  
**G.Nassar**

ESCONE / FIDIC  
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# THE 1998 FIDIC's FOUR NEW FORMS OF CONTRACT

## PART 1 HISTORY AND SCOPE

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### INTRODUCTION

FIDIC is probably best known to the world at large as the organisation which produces standard forms of contract for Engineering construction and for the provision of mechanical and electrical plant. For example, the form for civil Engineering construction, the Red Book, is known to many as the "FIDIC Contract". In fact the document is often just called "FIDIC" with many people having no idea of the actual meaning of the five capital letters.

**FIDIC** is the **Federation Internationale Des Ingenieurs-Conseils** (or the International Federation of Consulting Engineers) and was founded in Belgium in 1913 by France, Belgium and Switzerland. In its early years FIDIC was aggravated by the two world wars and until the period immediately following the second world war, it remained



essentially a continental European organisation. The United Kingdom only signed up as a member in 1949 followed by the United States in 1958. The newly industrialised countries started to become members in the 1970's and hence it was only then that FIDIC could truly claim to be an international rather than a European organisation.

**Egypt** joined FIDIC in 1991. In 1994 the author was elected for the membership of the Executive Committee of FIDIC and became responsible for the two most important committees of FIDIC, namely, the Contracts Committee (CC) and the Arbitrators/Mediators/Adjudicators/ Review Committee (ARB/MED/ADJ RC), in addition to being the Secretary General of the FIDIC Group of African Members Associations composed of 14 African Countries.

At present membership is drawn from 68 countries. FIDIC is an association of national member associations and thus individual firms of consulting Engineers are not themselves members of FIDIC. Many of these national associations represent other construction professionals such as architects in addition to consulting Engineers. FIDIC also has affiliate members who are not Engineers or construction professionals but organisations who have an interest in the work it undertakes such as lawyers and insurers.

Since its formation, FIDIC has addressed a whole range of professional issues affecting consulting Engineers but it has become known outside the profession, particularly amongst CLIENT bodies, the International Financing Institutions (IFIs), lawyers and Contractors, because of its work in preparing and publishing standard forms of contract, often referred to as the "FIDIC Rainbow".

Documents which currently make up the "Rainbow" are listed hereunder :

## **LIST OF FIDIC DOCUMENTS** **(THE FIDIC RAINBOW)**

### **1- Conditions of Contract for Works of Civil Engineering Construction** **(Red Book)**

Part I - General Conditions with forms of tender and agreement

Part II - Conditions of particular application with guidelines for preparation of Part II Clauses

Fourth edition 1987

Reprinted 1988 with editorial amendments

Reprinted 1992 with further amendments

### **2- Conditions of Contract for Electrical and Mechanical Works including erection on site (Yellow Book)**

With forms of tender and agreement

Part I - General Conditions

Part II - Special Conditions

Third edition 1987



- 3- **Conditions of Contract for Design-Build and Turnkey (Orange Book)**  
Part I - General Conditions  
Part II - Guidance for the preparation of conditions of particular application  
Forms of Tender and Agreement  
First edition 1995
  
- 4- **Conditions of Sub-contract for Works of Civil Engineering Construction (Red)**  
Part I - General Conditions  
Part II - Guidance for the preparation of conditions of particular application  
Forms of offer and agreement  
First edition 1994
  
- 5- **Tendering Procedure(Blue)**  
Second edition 1994
  
- 6- **Client/Consultant - Model Services Agreement (White Book)**  
Part I - Standard Conditions  
Part II - Conditions of particular application  
Second edition 1991  
*(Note - this document replaces the previous three documents IGRA 1979 D and S, IGP,A 1979 PI and IGRA 1980 PM)*
  
- 7- **Joint Venture (Consortium) - Agreement**  
First edition 1992
  
- 8- **Sub-consultancy Agreement**  
First edition 1992

Besides, FIDIC's "Tendering Procedure" which was first published in 1982 and its second edition was brought out in 1994. "Tendering Procedure" sets out a systematic approach for selection of tenderers and the subsequent obtaining and evaluation of tenders for both civil Engineering and electrical and mechanical works. The document is intended to assist both the Employer and the Engineer in obtaining responsive and competitive tenders with a minimum of qualification, formulated in such a way that the tenders can be quickly and fairly assessed.

The documents referred to above relate to contracts for the carrying out of works or supply of plant and equipment. Of equal important for FIDIC members are the forms of contract with clients or with each other. To this end FIDIC has produced the White Book which is a standard form of agreement between a client and a consultant. In addition FIDIC has produced a joint venture agreement and a sub-consultancy agreement.



It should be noted that Guides have been published for the Red, Yellow, Orange, and White Books. One of the objectives of the Guides is to indicate what the drafting committees intended when preparing the documents. Of course, in the event of a dispute, the ultimate interpretation of individual Clauses in a specific contract will be determined by the courts or by arbitration.

The FIDIC contract documents have for many years proved popular with both Clients, IFIs and Contractors.

The World Bank Standard Bidding Document for the Procurement of Works (published in January 1995) mandated FIDIC Red Book, albeit with certain amendments particularly in the area of dispute resolution.

In preparing documents, FIDIC has always tried to consult widely with those sectors likely to be involved with the use of the documents. FIDIC has welcomed the active participation of the World Bank over a long period and acknowledges the useful comments received from bank officials during the course of drafting documents.

FIDIC has also involved Contractor's organisations in preparing its documents. Today FIDIC works closely with the European International Contractors (EIC) and with Orgalime, an international organisation representing leading mechanical and electrical manufacturers.

It may not always be possible to adopt all the suggestions made by Contractors and manufacturers but FIDIC welcomes their participation particularly in trying to ensure a fair balance on issues involving risk and payment.

In addition FIDIC has drawn heavily on advice from the International Bar Association (IBA) on the legal drafting of its documents. FIDIC has also had help from many experts in specialist fields, such as insurance and project financing.

However, the contents of the FIDIC documents are essentially determined by Engineers drawing on their extensive experience in contract management. Lawyers have performed a useful and important role in ensuring legal consistency. However, the topics covered and the principles involved are determined by Engineers.

FIDIC has periodically updated its standard forms. In 1994, FIDIC commenced major revisions of the Red and Yellow Books aiming to produce new documents which meet market demands. This has led, not only to the revising of the traditional Red and Yellow forms, but to the introduction of two new forms, the Silver Book for EPC Turnkey Contracts and a Short Form.

In carrying out the revisions FIDIC has consulted widely with many outside experts and organisations including the World Bank and FIDIC's own member associations.

In addition a useful survey commissioned jointly by EIC and FIDIC and covering Employers, Contractors and consulting Engineers was carried out by Reading University/UK. This survey provided valuable pointers on the way in which the documents should be revised.

Basically, the main aim of consulting Engineers is the successful execution of the projects with which they are involved. Hence, the principal task of the FIDIC's



contracts committee is to prepare documents which form a basis for good project management

Underlying all FIDIC contract documents has been a fair allocation of risks between the Parties to a contract. It has long been a basic principle in FIDIC documents that *risks should be borne by the party best able to control those risks.*

This basis for risk allocation is being maintained in the new revisions, although for reasons which will be explained, in the new Silver Book the Contractor will carry more risks than has been the case with earlier forms.

Today we are going to talk about the new FIDIC documents which are :

- **Conditions of Contract for Construction**  
(for Building and Engineering Works designed by the Employer)  
**New Red Book**
- **Conditions of Contract for Plant and Design-Build**  
(for Electrical and Mechanical Works designed by the Contractor)  
**New Yellow Book**
- **Conditions of Contract for EPC Turnkey Projects**  
(Engineering , Procurement and Construction )  
**Silver Book**
- **Short Form of Contract**

Today we will discuss certain aspects in some detail. However, it is important that we do not lose sight of the overall aim which is to have documents which will assist in good project management.

Consultat's prime objective has been to prepare contract documents the use of which will ensure completion of projects on time and within budget, while providing fair payment provisions for both Employer and Contractor.



# THE 1998 FIDIC's FOUR NEW FORMS OF CONTRACT

## PART 2 FEATURES OF THE NEW BOOKS

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### 1- FIDIC'S PREVIOUS FORMS OF CONTRACTS<sup>[1]</sup>

Prior to 1998, Federation Internationale des Ingenieurs-Conseils (FIDIC) published three forms of building and engineering contracts, namely:

1. For civil engineering works (known as the **Red Book**),  
**Conditions of Contract for Works of Civil Engineering Construction**  
Part I - General Conditions with forms of tender and agreement  
Part II - Conditions of particular application with guidelines for  
preparation of Part II Clauses  
Fourth edition 1987  
Reprinted 1988 with editorial amendments  
Reprinted 1992 with further amendments
2. For electrical and mechanical works (known as the **Yellow Book**),  
**Conditions of Contract for Electrical and Mechanical Works including erection on site**  
With forms of tender and agreement  
Part I - General Conditions



Part II - Special Conditions

Third edition 1987 , and

3. For design-build (known as the **Orange Book**).

**Conditions of Contract for Design-Build and Turnkey**

**Part I - General Conditions**

Part II - Guidance for the preparation of conditions of particular application

Forms of Tender and Agreement

First edition 1995

- ◆ These three previous forms indicate a steady development over two decades. Starting with the 1977 edition of the **Red Book**, its Explanatory Memorandum stated that "*The Clauses of universal application have been grouped together and are referred to as Part I*"; and there were thus no payment terms in Part I. Numerical data was to be contained in an Appendix to Tender, but other data including payment provisions, law and language was to be included in a Part II of each contract. The document concluded with notes intended as an aide-memoire in the preparation of the Part II, but many organisations developed standard Part II of their own.
- ◆ The 1980 edition of the **Yellow Book** similarly contained clauses of universal application in Part I; and numerical data was to be contained in an Appendix to Tender. Other data was to be included in Part II; and the document concluded with brief guidance for its preparation.
- ◆ The Foreword of the 1987 edition of the **Red Book** stated that:  
"The Clauses of general application have been grouped together in this document and are referred to as Part I";  
The latter contained detailed payment provisions, but nothing for an advance payment. Again, numerical data was to be contained in an Appendix to Tender, and other data (law, language, etc) was to be included in a Part II of each contract. Guidance and example wording for the preparation of such a Part II was published in a separate document, which was itself called Part II.
- ◆ The 1987 edition of the **Yellow Book** contained a more detailed Part I, and introduced a Preamble for insertion of essential data in lieu of an Appendix to Tender. The data which was to be included in the Part II of each contract, for which some sample wording was given, was stated as being required if alternative solutions to the relevant Part I provisions were necessary.

Thus, the **Red** and **Yellow Books** have developed in the direction of "**user-friendliness**", where the "users" are the individuals who write and administer the contracts.

Prior to 1987, these Books contained the terms which were not expected to be changed; and any job-specific terms had to be drafted by the user. The 1987 editions included far more within the Part I, accepting the reality that many users amend it. These users needed to take care in avoiding errors in their drafting of each Part II, and tenderers had to be careful to read the tender documents thoroughly.





User-friendliness was developed further in the **Yellow Book**. It provided a focal point and thus a check-list for all essential data, with Part I not having to rely on provisions or data to be stated in Part II.

Part I contained provisions which were considered to apply to the option most often used, leaving users to amend in Part II if they so required.

This provision of a focal point for essential data continued in the **Orange Book**, by expanding the Appendix to Tender.

## 2- THE NEW RED, YELLOW AND SILVER BOOKS

FIDIC's 1998 "Test Editions" comprise in addition to the following three new books, a new "Short Form of Contract".

The standard forms for the three major works, the "New Books" are :

- ◆ **Red Book** - *Conditions of Contract for Construction For Building and Engineering Works Designed by the Employer*
  - *General Conditions*
  - *Guidance for the preparation of the particular conditions*
  - *Forms of tender, contract agreement and dispute adjudication agreement*
- ◆ **Yellow Book** - *Conditions of Contract for Plant and Design-Build For Electrical And Mechanical Plant, And For Building and Engineering Works Designed by the Contractor*
  - *General Conditions*
  - *Guidance for the preparation of the particular conditions*
  - *Forms of tender, contract agreement and dispute adjudication agreement*
- ◆ **Silver Book** - *Conditions of Contract for EPC Turnkey Projects*
  - *General Conditions*
  - *Guidance for the preparation of the particular conditions*
  - *Forms of tender, contract agreement and dispute adjudication agreement*

The contents of these three books were kept as far as possible similar. The number of Clauses is the same in all three books. The text and wording was also maintained identical where ever possible. Due to the different natures of the procurement strategies applied to projects and the different principles for the allocation of risks, some very necessary differences had to be introduced.

A glance to the contents of the General Conditions of the three books shows clearly the above principles.

### PART 1: GENERAL CONDITIONS

- 1 GENERAL PROVISIONS
  - 1.1 Definitions
  - 1.2 Interpretation
  - 1.3 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 *Red - Delayed Drawings or Instructions*  
*Yellow - Errors In The Employer's Requirements*  
*Silver - Confidentiality*
- 1.10 Employer's Use of Contractor's Documents
- 1.11 Contractor's Use of Employer's Documents
- 1.12 Confidential Details
- 1.13 Compliance with Laws
- 1.14 Joint and Several Liability
  
- 2 **THE EMPLOYER**
- 2.1 Right of Access to the Site
- 2.2 Permits, Licences or Approvals
- 2.3 Employer's Personnel
- 2.4 Employer's Financial Arrangements
- 2.5 Employer's Claims
  
- RED & YELLOW**
- 3 **THE ENGINEER**
- 3.1 *Delegation by the Engineer*
- 3.2 *Engineer's Duties and Authority*
- 3.3 *Instructions of the Engineer*
- 3.4 *Adjudication by the Engineer*
- 3.5 *Determinations*
  
- SILVER**
- 3 **THE EMPLOYER'S ADMINISTRATION**
- 3.1 *The Employer's Representative*
- 3.2 *Other Employer's Personnel*
- 3.3 *Delegated Persons*
- 3.4 *Instructions*
- 3.5 *Determinations*
  
- 4 **THE CONTRACTOR**
- 4.1 Contractor's General Obligations
- 4.2 Performance Security
- 4.3 Contractor's Representative
- 4.4 Subcontractors
- 4.5 Assignment of Benefit of Subcontract
- 4.6 Co-ordination
- 4.7 Setting Out
- 4.8 Safety Procedures
- 4.9 Quality Assurance
- 4.10 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 Electricity, Water and Gas
- 4.20 Employer's Equipment and Free-Issue Material
- 4.21 Progress Reports
- 4.22 Security of the Site
- 4.23 Contractor's Operations on Site
- 4.24 Fossils

**RED**

- 5 NOMINATED SUBCONTRACTORS**
- 5.1 *Definition of "nominated Subcontractor"*
- 5.2 *Objection to Nomination*
- 5.3 *Payments to nominated Subcontractors*
- 5.4 *Evidence of Payments*

**YELLOW & SILVER**

- 5 DESIGN**
- 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*

- 6 STAFF AND LABOUR**
- 6.1 Engagement of Staff and Labour
- 6.2 Rates of Wages and Conditions of Labour
- 6.3 Persons in the Service of Others
- 6.4 Labour Laws
- 6.5 Working Hours
- 6.6 Facilities for Staff and Labour
- 6.7 Health and Safety
- 6.8 Contractor's Superintendence
- 6.9 Contractor's Personnel
- 6.10 Records of Contractor's Personnel and Equipment
- 6.11 Disorderly Conduct

- 7 PLANT, MATERIALS AND WORKMANSHIP**
- 7.1 Manner of Execution
- 7.2 Samples
- 7.3 Inspection
- 7.4 Testing
- 7.5 Rejection
- 7.6 Remedial Work
- 7.7 Ownership of Plant and Materials



7.8 Royalties

**8 COMMENCEMENT, DELAYS AND SUSPENSION**

- 8.1 Commencement of Works
- 8.2 Time for Completion
- 8.3 Programme
- 8.4 Extension of Time for Completion
- 8.5 Delays Caused by Authorities
- 8.6 Rate of Progress
- 8.7 Delay Damages
- 8.8 Suspension of Work
- 8.9 Consequences of Suspension
- 8.10 Payment for Plant and Materials in Event of Suspension
- 8.11 Prolonged Suspension
- 8.12 Resumption of Work

**9 TESTS ON COMPLETION**

- 9.1 Contractor's Obligations
- 9.2 Delayed Tests
- 9.3 Retesting
- 9.4 Failure to Pass Tests on Completion

**10 EMPLOYER'S TAKING OVER**

- 10.1 Taking Over of the Works and Sections
- 10.2 Taking Over of Parts of the Works
- 10.3 Interference with Tests on Completion
- 10.4 Surfaces Requiring Reinstatement

**11 DEFECTS LIABILITY**

- 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 Removal of Defective Work
- 11.6 Further Tests
- 11.7 Right of Access
- 11.8 Contractor to Search
- 11.9 Performance Certificate
- 11.10 Unfulfilled Obligations
- 11.11 Clearance of Site

**RED**

**12 MEASUREMENT AND EVALUATION**

- 12.1 Works to be Measured
- 12.2 Method of Measurement
- 12.3 Evaluation
- 12.4 Omissions



**YELLOW & SILVER**

**12 Tests After Completion**

12.1 Procedure for Tests after Completion

12.2 Delayed Tests

12.3 Retesting

12.4 Failure To Pass Tests After Completion

**13 VARIATIONS AND ADJUSTMENTS**

13.1 Right to Vary

13.2 Value Engineering

13.3 Variation Procedure

13.4 Payment in Applicable Currencies

13.5 Provisional Sums

13.6 Daywork

13.7 Adjustments for Changes in Legislation

13.8 Adjustments for Changes in Cost

**14 CONTRACT PRICE AND PAYMENT**

14.1 The Contract Price

14.2 Advance Payment

14.3 Application for Interim Payment Certificates

14.4 Schedule of Payments

14.5 Plant and Materials intended for the Works

14.6 Issue of Interim Payment Certificates

14.7 Payment

14.8 Delayed Payment

14.9 Payment of Retention Money

14.10 Statement at Completion

14.11 Application for Final Payment Certificate

14.12 Discharge

14.13 Issue of Final Payment Certificate

14.14 Cessation of Employer's Liability

14.15 Currencies of Payment

**15 DEFAULT OF CONTRACTOR**

15.1 Notice to Correct

15.2 Termination by Employer

15.3 Valuation at Date of Termination

15.4 Payment after Termination

15.5 Employer's Entitlement to Termination

**16 DEFAULT OF EMPLOYER**

16.1 Contractor's Entitlement to Suspend Work

16.2 Termination by Contractor

16.3 Cessation of Work and Removal of Contractor's Equipment

16.4 Payment on Termination

**17 RISK AND RESPONSIBILITY**

17.1 Indemnities

17.2 Contractor's Care of the Works

17.3 Employer's Risks

17.4 Consequences of Employer's Risks



- 17.5 Intellectual and Industrial Property Rights
- 17.6 Limitation of Liability

## 18 INSURANCE

- 18.1 General Requirements for Insurances
- 18.2 Insurance for Works and Contractor's Equipment
- 18.3 Insurance against Injury to Persons and Damage to Property
- 18.4 Insurance for Workers

## 19 FORCE MAJEURE

- 19.1 Definition of Force Majeure
- 19.2 Notice of Force Majeure
- 19.3 Time of Notice
- 19.4 Duty to Minimise Delay
- 19.5 Consequences of Force Majeure
- 19.6 Optional Termination, Payment and Release
- 19.7 Release from Performance under Law

## 20. CLAIMS, DISPUTES AND ARBITRATION

- 20.1 Contractor's Claims
- 20.2 Appointment of Dispute Adjudication Board
- 20.3 Failure to Agree Dispute Adjudication Board
- 20.4 Obtaining Dispute Adjudication Board's Decision
- 20.5 Amicable Settlement
- 20.6 Arbitration
- 20.7 Failure to Comply with Dispute Adjudication Board's Decision
- 20.8 Expiry of Dispute Adjudication Board's Appointment

## APPENDIX

### GENERAL CONDITIONS OF ADJUDICATION AGREEMENT INDEX

### 3 - NEW FORMS OF SECURITIES <sup>[2]</sup>

*Sub-Clause 4.2* requires the Contractor to provide a Performance Security, unless its amount has not been specified in the Appendix to Tender in **Red & Yellow** or in the Particular Conditions of **Silver Book**.

Provisions are included for extending the security, and for the Employer's indemnity in respect of any claim which he was not entitled to make.

As with previous editions, the New Books specify that:

"...the Performance Security shall be issued by an entity approved by the Employer and shall be in the form annexed to the Particular Conditions".

When preparing the tender documents, the Employer has to decide what wording to annex.

For all securities, the two parties have conflicting objectives:



- the Employer prefers a security which enables him to demand immediate payment, without preconditions, such as evidence of default, which may be challenged in arbitration or litigation;
- the Contractor prefers to be able to prevent payment until the Employer has substantiated the entitlement to call the security; and to be able then to challenge such substantiation.

In order to provide a reasonable compromise between these differing objectives, new example wording has been included, annexed to the Guidance for the Preparation of the Particular Conditions, for all the following six types of securities:

1. Parent Company Guarantee,
2. Tender Security,
3. Performance Security, with alternative examples , namely for a guarantee and for a bond,
4. Advance Payment Guarantee,
5. Retention Money Guarantee, and
6. Payment Guarantee by Employer.

Except for the Parent Company Guarantee, these securities rely upon and incorporate by reference the Uniform Rules published by the International Chamber of Commerce "ICC":

- 458 - Uniform Rules for Demand Guarantees ("URDG", no.458, 1992);
- 524 - Uniform Rules for Contract Bonds ("URCB", no.524, 1993).

ICC's Uniform Rules for Demand Guarantees set out the arrangements whereby the Beneficiary (the Employer, except in item 6) may call the security by a simple declaration that its preconditions have been fulfilled. No evidence of the preconditions is required, so the call should be successful in the absence of fraud.

If the Employer's declaration is proved to be incorrect:

- ◆ the Contractor should subsequently have recourse under the law, and
- ◆ under *Sub-Clause 4.2*, the Employer indemnifies the Contractor in respect of a claim under the Performance Security which the Employer was not entitled to make.

Considering firstly the new forms of guarantee, where the Guarantor is typically a bank, the forms take account of a bank's typical requirements. In particular, it is assumed that a Guarantor will have a copy of the ICC Rules (URDG) but neither has nor needs a copy of the Contract:

- (a) some words, although defined in the Contract, do not have capital initial letters (capitals are used for "Contract" and for the parties' names as defined in the Rules);
- (b) where a security may be called by a demand which would refer to the number of a sub-clause, the Guarantor is assumed not to have seen the sub-clause;
- (c) where a security may be called by a demand which would have to reproduce the exact terms of a part of a sub-clause, a copy of the whole sub-clause is attached to the guarantee.



Tender Securities are usually only valid for a few months. The form requires minimal insertions of any data which the Employer might want to approve before the submission of tenders.

The other guarantees allow the law to be stated, although Article 27 of URDG defines the applicable law : as that of the place of business of the Guarantor, who may not want to rely upon a foreign law.

In respect of securities issued under the contract, the applicable law will probably be a matter which the Employer would wish to approve. In addition, it may be wise to specify the law, in case it subsequently seems unclear which place of business is applicable.

Since the guarantees may be called by simple presentation of documentation by the Employer, they include a requirement for authentication of the signature(s) on the demand. It is understood that many banks require the protection of such authentication, which may also protect both parties: the Employer, from fraudulent employees; and the Contractor, because the Employer may be less likely to make a false declaration if it then has to be presented to a third party (the provider of the authentication) who may query its contents.

The Surety Bond, which is a different type of "legal instrument", incorporates ICC's Uniform Rules for Contract Bonds (URCB). In this case, the Guarantor is usually an insurance company, and the Bond can only be called in the event of "Default", as defined in and established under the URCB. Since his obligations and liabilities are directly related to the Contractor's obligations and liabilities under the Contract, the Guarantor is expected to have a copy of the Contract. As with the demand guarantees, the Surety Bond names the parties using the same words as are used in the URCB.

URCB indicates that, except where a contrary provision is included in the Bond, it will expire six months after the latest date for performance. Therefore, a contrary provision is made, with *the italicised* suggestion that the expiry date is six months after the expected expiry of the Defects Notification Period for the Works. (Some of the bank guarantees include provisions to extend the expiry date, so it does not need to take account of possible delays or extensions of time; but it should allow for rectification activities after the Defects Notification Periods expire.)

Under Article 7g of URCB, each claim under a bond is copied to the Contractor by the Guarantor before satisfying the claim, so it was not considered necessary for the Surety Bond to require authentication of signature(s). However, a demand under a bank guarantee is copied to the Contractor "without delay" (Article 21 of URDG), but the Guarantor may pay immediately.

Specific provision is made in *Sub-Clauses 4.2 and 14.2* for the security to be extended if, 28 days prior to its expiry, the relevant criteria have not been achieved: the Performance Certificate, for the Performance Security; and repayment of the advance, for the advance payment guarantee.

Article 26 of URDG makes express provision for "*extend-or-pay*" demands, and it has been suggested that the forms of security should incorporate deletion of this Article because of the potential abuse of this type of demand.





However, FIDIC considers that such deletion would not reduce the likelihood or consequences of such abuse. It should be noted that "*extend-or-pay*" demands must comply with Article 20 by making the necessary statement describing the situation (the nature of the default, for example) which entitles the Beneficiary to make a claim.

Overall, a similar structure has been adopted for all the proposed securities, so that the necessary differences in substance do not get confused with differences in style. However, it should be noted that the General Conditions are equally suitable for other forms of securities.

#### **4- SOME OF THE NEW FEATURES IN THE THREE NEW BOOKS FOR MAJOR WORKS**

In the **Red** and **Yellow Books**, where further data is required which would usually not be so lengthy that it would have to be detailed elsewhere, the sub-clause refers to this data being stated in the Appendix to Tender: the published example of which thus provides a check-list of these essential items.

The **Silver Book** makes no reference to an Appendix to Tender: so data specified by the Employer is stated to be in the Particular Conditions or the Employer's Requirements.

In all three New Books, their Forewords state that the following principles were adopted in the preparation of the General Conditions:

- (a) users would find it more convenient if any provisions which they did not wish to apply could simply be disregarded or deleted, than if additional text had to be written in the "Particular Conditions" (previously called "Part II") because the General Conditions did not cover their requirements; or
- (b) in other cases, where the application of (a) was thought to be inappropriate, the sub-clause contains the provisions which were considered applicable to most contracts.

It should therefore be noted that some of the provisions contained in the General Conditions may not be appropriate for an apparently-typical contract. The basic concept was to provide maximum convenience for users, particularly those who prepare the tender documents, for whom a degree of competence is necessary. Thus, as much text as possible is included in the General Conditions.

Some provisions cannot apply unless "enabled" by the insertion of the required data; and provisions can readily be "disabled", by omission of the data or by deletion.

When tender documents are being prepared, the General Conditions (particularly those which refer to the Particular Conditions) should be reviewed by suitably qualified personnel with the relevant expertise, including the contractual, technical and procurement aspects. Whilst it would be unwise for them to disrupt the allocation of risks contained in the General Conditions, these personnel need to ensure that all the complete Conditions of Contract, the General and Particular Conditions, are appropriate for the works, the Employer and the jurisdiction.



The particular features in the three New Books, some of the new provisions are atypical and should have been proposed in the Particular Conditions but these are included in the General Conditions for convenience of users.

The main change introduced into the new books is that all new books have 20 clauses, covering similar subject matters using the same text and definitions in all three Books except the following clauses :

- ◆ **Red Book** :
  - 1.9 Delayed Drawings or Instructions
  - 3 The Engineer;
  - 5 Nominated Subcontractors;
  - 12 Measurement and Evaluation;
- ◆ **Yellow Book** :
  - 1.9 Errors in the Employer's Requirements
  - 3 The Engineer;
  - 5 Design;
  - 12 Tests after Completion;
- ◆ **Silver Book** :
  - 1.9 Confidentiality
  - 3 The Employer's Administration;
  - 5 Design;
  - 12 Tests after Completion.

The following pages will give a short summary of the different contract's clauses outlining the main new features of these new Test Editions :

### **Clause 1: General Provisions**

commences with Definitions, some of which are illustrated in the charts at the end of each Foreword. Each New Book has its particular set of tender documents:

- ◆ **Red Book** : Letter of Tender,  
Conditions of Contract, Specification,  
Drawings & Schedules
- ◆ **Yellow Book** : Letter of Tender,  
Conditions of Contract,  
Employer's Requirements,  
Schedules &  
Contractor's Proposal;
- ◆ **Silver Book** : Conditions of Contract,  
Employer's Requirements &  
Tender.

Two of the General Provisions specify principles which are therefore not subsequently repeated:

- 1.2 "**agreement**" means in writing, resulting in a permanent record; and
- 1.3 "**approvals**", "**consents**" and "**determinations**" are to be in writing; and are not



to be unreasonably withheld or delayed.

Sub-clause 1.9 is different in the three books and deals with

- ◆ **Red Book** : Delayed Drawings or Instructions
- ◆ **Yellow Book** : Errors in the Employer's Requirements
- ◆ **Silver Book** : Confidentiality

## Clause 2

covers the role of the Employer, and contains two new features.

*Sub-Clause 2.4* states:

'The Employer shall submit, within 42 days after receiving any request from the Contractor, reasonable evidence that financial arrangements have been made and are being maintained which will enable the Employer to pay the Contract Price in accordance with *Clause 14 [Contract Price and Payment]*.

It seems wholly reasonable to reassure the Contractor that the Employer can afford to pay him; or to enable tenderers to read, in an amendment in the Particular Conditions, that the Employer felt it necessary to constrain his obligations.

Having received "reasonable evidence", the Contractor must himself be reasonable in not issuing another request too soon thereafter. Clearly, it would be reasonable for him to request more evidence when a *Variation* has caused the increased Contract Price to exceed the amount covered by the previous evidence. If the Contractor does not receive such evidence, *Clause 16* entitles him to suspend work or reduce the rate of work, and ultimately (*if no evidence is received within 12 weeks*) to termination.

The next *Sub-Clause, 2.5*, sets out the procedure for the Employer to follow in the event of a claim against the Contractor. Similar procedures apply to claims by either Party:

- 2.5 *Employer's claims for money, and for extension of a Defects Notification Period under 1.3*
- 20.1 *Contractor's claims for money, and for extension of a Time for Completion under 8.4*

The Employer is not entitled to withhold an interim payment for reasons which were not previously notified to the Contractor with particulars substantiating the Employer's claim. In the same way that *Sub-Clause 20.1* requires the Contractor to comply with a claims procedure, *Sub-Clause 2.5* specifies an appropriate procedure for the Employer.

If the Employer withholds payment, alleging reasons of which the Contractor was unaware, the Contractor will be entitled to financing charges under *Sub-Clause 14.7*. These "set-off" provisions constrain the Employer's entitlement to withhold payment, requiring the amount to be substantiated and agreed or determined under *Sub-Clauses 2.5* and *3.5*. Unlike the terms imposed on the Contractor in *Sub-Clause 20.1*, *Sub-Clause 2.5* only requires the Employer to notify the claim "*as soon as practicable*", but he is then required to indemnify the Contractor in respect of the withholding of an amount to which the Employer was not entitled.



### Clause 3

In the **Red** and **Yellow Books**, *Clause 3* describes the role of the Engineer. Under *Sub-Clause 3.4*, the Contractor may object to a proposed replacement Engineer within the six weeks after being given notice by the Employer, with supporting particulars.

The Engineer's duties include making "*fair determinations*" under *Sub-Clauses 3.5, 14.6* and *14.13*. Alternative wording has been proposed in the Guidance for the Preparation of the Particular Conditions, if the Engineer is to make pre-arbitral "decisions" under *Clause 20*.

In the **Silver Book**, *Clause 3* covers the equivalent provisions for turnkey projects, maintaining the similar clause structure. It commences with provisions entitling, but not requiring, the Employer to appoint a Representative, with delegated powers.

determining various matters : including Employer's claims, Contractor's claims, and the evaluation of Variations and of the Red Book's Works.

All New Books have many provisions requiring a matter to be agreed or determined in accordance with *Sub-Clause 3.5*.

### Clause 4

covers many of the Contractor's general obligations.

*Sub-Clause 4.1* states his obligation to execute the Works, the **Yellow** and **Silver Books** requiring his designs to be fit for the purpose defined in the Contract.

In the **Red Book**, the Contractor is only responsible for the design of the Permanent Works to the extent specified in the Contract, and general principles are specified in respect of such designs, so that responsibilities are defined, unless defined otherwise in the Particular Conditions.

These principles are also stated in *13.2(b)* as being applicable to any subsequent "*value engineering*" proposals, unless otherwise agreed by both Parties.

### Clause 4 : The Contractor

This clause comprises 24 sub-clauses covering the following issues :  
contractor's general obligations, performance securities, contractor's representative, sub-contractors, nominated sub-contractors, co-operation, setting out, safety procedures, quality assurance, site data, sufficiency of contract price, unforeseeable difficulties, rights of way and facilities, avoidance of interface, access route, transport of goods, contractor's equipment, protection of the environment, electricity, water and gas, employer's equipment and free issue of material, progress reports, security of the site, contractor's operation on site and fossils.

*Sub-Clause 4.4* covers Subcontractors: who are subject to the Engineer's consent in the **Red** and **Yellow Books**. Under the **Silver Book**, the Contractor notifies the Employer of the intended Subcontractor, but no mention is made of the Employer's actions.



In the **Red and Yellow Books**, *Sub-Clause 4.12* is the equivalent of the old Red Book's Clause 12, dealing with any unforeseeable physical conditions. Under a new provision, the Engineer may also review whether other physical conditions in similar parts of the Works were more favourable than could reasonably have been foreseen when the Contractor submitted the Tender. This provision may be particularly relevant for a tunnel, where there may be adverse conditions at one location and favourable conditions elsewhere.

The net effect of all adjustments, in respect of similar parts of the Works, will not result in a net reduction in the Contract Price: otherwise, an Employer might be tempted to conceal favourable information from tenderers.

Finally, a Contractor may thus be encouraged to provide evidence on what he actually foresaw.

The **Silver Book** contains no such protection in respect of unforeseeable difficulties, which all become the risk of the Contractor and he is deemed to have obtained all necessary information as to risks, contingencies and other circumstances which may affect the works. The contract price shall not be adjusted to take account of any unforeseen difficulties or costs, except as otherwise stated in the contract.

*Sub-Clause 30.3* of the *old Red Book*, for Civil Engineering Works, provided some protection for contractors in respect of the damage they cause to the public highway. This protection has been removed, except for the Employer's general indemnification in respect of damage which is an unavoidable result of the Contractor's obligations (see *Sub-Clauses 17.1 & 18.*').

*Sub-Clauses 4.19* and *4.20*, if enabled by details in the Specification (**Red Book**) or the Employer's Requirements (**Yellow & Silver Books**), cover the arrangements for the Employer's provision of power, other services, "Employer's Equipment" and free-issue material: similar to the equivalent sub-clauses in the Orange Book.

*Sub-Clause 4.21* specifies that monthly progress reports are to be prepared; which are increasingly being required, especially for contractor-designed works. The content of the reports is specified in some detail, because this arrangement seemed more convenient for users.

## Clause 5

In the **Yellow and Silver Books**, *Clause 5* covers the aspects related to contractor's general design obligations, including the review and, if specified, approval of Contractor's Documents. It should be noted that the defined term "Contractor's Documents" only includes the technical documents which the Contractor is required to submit, and that the review procedure only applies to such of these documents which are required to be reviewed, all in accordance with the Employer's Requirements.

Unless otherwise specified in the Employer's Requirements, "*each review*" period shall not exceed 21 days. The clause further deals with technical standards and regulations as well as the training and the as-built documents. Errors found in the contractor's



documents shall be corrected at the contractor's cost, notwithstanding any consent or approval given by the Employer under this clause.

### Clause 6

Covers the engagement and facilities for staff and labour, rates of wages and conditions of labour, labour laws, working hours, contractor's superintendence, personnel and equipment.

### Clause 7

Covers the manufacturing of plant, the production manufacture of materials and all other execution of works including manner of execution, substance of samples, inspection and testing, rejection and remedial works.

### Clause 8

covers the time-related aspects.

#### *Sub-Clause 8.3*

covers the provision of programs showing how the Contractor proposes to execute the Works. Each such program is to be supported by a report describing the methods which the Contractor proposes to adopt. Programs are not "approved": the Contractor proceeds in accordance with the program, except to the extent that

- (i) he has been advised of its non-compliance, or
- (ii) it does not actually comply, with the Contract.

Unrealistic programs should not provide a sound basis for claims.

#### *Sub-Clause 8.4*

is the equivalent of the *old Red Book's Clause 44*, covering extensions of time. In all the New Books, this Sub-Clause and those which refer to it or to *Sub-Clause 20.1* are expressed in absolute terms, rather than being dependent upon someone's opinion.

#### *Sub-Clause 8.7*

covers delay damages, previously called liquidated damages (a phrase which is also applicable to some of the possible types of non-performance damages).

It is to be noted that delay damages are no longer referred to as an exception to the deductions which the Engineer is required to incorporate into Payment Certificates. The Engineer is required to incorporate all deductions, which are to have been agreed or determined under *Sub-Clause 3.5*, in Payment Certificates: which the Employer is then required to pay in full, without offsetting his claims against the Contractor.

### Clause 12

In the **Red Book**, *Clause 12* covers the measurement and valuation of the Works: each Bill rate may be amended if the quantity changes by more than 10% and the other criteria are satisfied.



In the **Yellow** and **Silver Books**, *Clause 12* covers the possible Tests after Completion, which may be carried out by the Employer (**Yellow Book**) or Contractor (**Silver Book**). There did not seem to be clear views as to who typically carries out Tests after Completion, so the dilemma was solved by providing for either arrangement.

### Clause 13

covers Variations, and adjustments for changes in legislation and in cost. Variations are not binding if the Contractor promptly notifies that he cannot readily obtain the required "Goods", which means Contractor's Equipment, Materials, Plant and Temporary Works. *Sub-Clause 13.2* incorporates pro-visions for value engineering, similar to those in the **Orange Book**.

In the **Red** and **Yellow Books**, *Sub-Clause 13.8* specifies the adjustments for changes in cost, because users should find it more convenient to delete (or not invoke) these provisions, than to write additional text in the Particular Conditions. These provisions are based upon the assumed availability of suitable cost indices, an assumption which is not valid in some countries.

### Clause 14

*Sub-Clause 14.1* sets out the financial principles of the Contract, remeasurement or lump-sum. The remainder of *Clause 14* covers payments, which in the **Silver Book** are not subject to the issue of Payment Certificates.

*Sub-Clause 14.2* covers the advance payment, again because such a provision would be more convenient for users. As is stated in the Forewords, provisions such as those for advance payment are included for the convenience of users.

### Clauses 15 and 16

Both clauses cover the default of the Contractor and Employer respectively, with the Employer also being entitled to termination for convenience.

### Clause 17

Covers risk and responsibility.

*Sub-Clause 17.5* specifies general provisions for intellectual and industrial property rights.

*Sub-Clause 17.6* limits the Contractor's total liability.

### Clause 18

covers insurances, most of which are required to be arranged by the "insuring party", who is subsequently named as the Contractor unless otherwise stated in the Particular Conditions. The provisions thus provide for the possibility that, for some of the



insurances (typically those for the Works), the Employer may wish to effect insurance: by defining himself as the insuring Party in respect of the relevant insurance provisions.

The Works are to be insured in the joint names of the Contractor and Employer. The insurer should make each claims payment jointly to both the Parties, although this seldom happens. Some Employers require payments to be made wholly to them, with the Engineer determining how much the Contractor should receive (often allocating blame), which FIDIC believes to be unwise and possibly wrong. Insurers only compensate a party for actual loss, so the party who bore the loss claimed should then be reimbursed, even if he appears blameworthy.

Subparagraph (b) of *Sub-Clause 18.2* therefore specifies that both Parties are jointly entitled to receive payments from the insurers, payments being allocated as appropriate.

If the insuring Party fails or is unable to effect and keep in force its insurance, the other Party may effect the insurance at the cost of the defaulting Party. For various reasons, such other Party may not do so, possibly because insurance is no longer available at commercially reasonable terms.

*Sub-Clause 18.1* therefore concludes with provisions which address these circumstances,

### Clause 19

covers Force Majeure, which is defined in *Sub-Clause 19.1* as an event which a Party could not have provided against, and could not control, avoid or overcome. These provisions include general protection to the Contractor in respect of legal or physical impossibility.

### Clause 20

Covers the submission of claims and the settlement of disputes.

*Sub-Clause 20.1* sets out the procedure for Contractor's claims, combining procedures in respect of claims for extension of time and claims for extra payment.

*Sub-Clause 20.2* provides for the appointment of a dispute adjudication board "DAB". Terms for the DAB's agreement are appended to the General Conditions. These terms are incorporated (by reference) both into *Sub-Clause 20.2* and into each member's Agreement a form for which is proposed at the end of each publication.

Also, alternative wording has been proposed in the Guidance for the Preparation of the Particular Conditions for use on contracts where the pre-arbitral decisions are to be made by the Engineer, instead of an independent DAB.

## 6- WILL USERS BE FRIENDLY ?

Having published the Test Editions, FIDIC await the views of potential users. It is hoped that users who have the appropriate level of expertise will find the **New Red, Yellow and Silver Books** readable and straightforward.





In particular, FIDIC's intention is that those who write tender documents will find it easier to concentrate on the particular procurement aspects of the project, now that there is less need for them to include fairly typical (general) provisions within the Particular Conditions.

## 7-THE FIDIC NEW, SHORT FORM OF CONTRACT

1. This Contract form is a completely new contract, thus the drafters were able to start work with a clean sheet and to begin from first principles. It was started some years ago and reached the eleventh draft edition under the name "Minor Works Contract". Four rather similar forms of contract were examined, to compare their contents and approach: clause titles, numbers of clauses, sub-clauses and pages were compared, to gain an impression of the size and amount of detail in each form. The subjects covered were also listed. The conclusion of this initial study was that it would indeed be feasible to produce a brief document containing all the essential commercial provisions necessary for an engineering and/or building contract for "minor works".
2. The decision was taken from the outset to adopt as far as possible the format of the FIDIC Orange Book (and later, the new Red and Yellow Books): that is to say, the twenty clauses with their rational grouping of topics. This framework was then used to categorise the subjects identified in the initial study, and to state the commercial reason for each clause. This crucial step provided the essential verification that everything necessary had been included, albeit at that stage in the simplest, briefest style.
3. The next step was to develop or elaborate commercial reasons into contractual statements for the first time. Also, likely "Definitions" were identified, a provision for Contractor's design was added, and outlines for the Agreement and Appendix were included. At this point, the first full draft was produced. Care was taken to use simple wording and to leave out those definitions which were not felt to be essential.
4. Overall, original drafting was aimed for to the greatest possible extent, while acknowledging suitable words, phrases and expressions in existing documents. This document had been prepared taking into consideration that this new form will be used mostly by non-native English speakers who may also wish to translate the document into their mother tongue.
4. The outcome of this exercise was that six of the twenty Orange Book clauses were found to be unnecessary as separate clauses; namely :

Clause 6.	Staff and Labour
Clause 7.	Plant, Materials and Workmanship
Clause 9.	Tests on Completion
Clause 11.	Tests after Completion
Clause 16.	Default of Employer (combined with Clause 15)
Clause 19.	Force Majeure.



6. Also, some significant changes in clause title were made: for example:
  - Clause 1. The Contract has become General Provisions
  - Clause 7. Plant, Materials and Workmanship has become Employer's Risks
  - Clause 14. Variations has become Variations and Claims
  - Clause 20. Claims, Disputes and Arbitration have become Resolution of Disputes.
7. Special attention was given to the harmonisation of definitions, as between the new Red and Yellow Books and the new Short Form of Contract. However, some have been omitted and others redrafted for the sake of simplicity. Of particular interest is the combining of the more familiar separate forms of Tender and Agreement into a single form of Agreement containing Offer and Acceptance, which, together with the documents listed in the accompanying Appendix, comprise the Contract.
8. Some users may be surprised when they find that there is no reference to "**the Engineer**" in these new Conditions. FIDIC decided early in its work that the impartial Engineer is an unnecessary and *unwieldy* addition to the administration of relatively straightforward and simple projects, and that the reality is already that such an appointment would probably not normally be made. Nevertheless, the Employer may appoint an independent Engineer (who could be required to act impartially), should he wish to do so.
9. The arrangement provided for is that the Employer must appoint an authorised person to act for him, but that he may choose to appoint an (independent) representative. This means that those persons acting on behalf of the Employer are not impartial unless expressly stated to be so. There is no certification of any sort under the Contract. Valuation and payment will follow one of a number of options given in the Appendix.
10. FIDIC took the view that all levels of Contractor design should be catered for. That is to say, ranging from minimal design by the Contractor to a full design and build service. It is also important to note that all types of engineering work are envisaged. There is no intended restriction or limitation to civil engineering and /or building, and the terms and conditions as drafted would fit the mechanical and electrical work. The consequence of this policy is of course that the precise extent of the Contractor's design obligation must be clearly stated. There is also an increased burden on the Employer to define the scope of work in full detail in the technical documents.
11. Bearing in mind that companies tendering for these works will frequently be quite modest businesses, a fairly low-key approach has been adopted towards insurance requirements, which will be stated by the Employer in the Appendix at the time of inviting tenders. It is anticipated that third party and public liability insurance will normally be mandatory. Tenderers would be expected to carry standing CAR policies, and could therefore be asked to submit details of their standard cover with their tenders.
12. As in the case of insurance, a relatively simple approach has been chosen for dispute settlement, in keeping with the likely size and complexity of the works. If amicable



settlement failed, then the parties would refer the matter to an adjudicator, who would preferably be someone based near to the Site, but who would have no role unless a dispute occurred. There is provision for arbitration as a last resort.

13. The General Conditions should normally be sufficient on their own for nearly all contracts, with the Appendix to the Agreement mentioned above containing all essential data. Conditions of Particular Application may, however, be used if the circumstances of a project require that additional information or additional clauses be included. This maintains the principle of a traditional and familiar feature of FIDIC Conditions of Contract.
14. In this context, brief Notes for Guidance have been prepared by the Task Group and included in the document. Their purpose is to draw attention to its special features and to important differences from other FIDIC documents, as well as making some suggestions for alternative and/or additional text. For example, the alternative roles for Employees representatives are explained.
15. In conclusion, and to summarise, the new Short Form of Contract is being proposed for engineering and building work of relatively small capital value. However, depending on the type of work and the circumstances, these Conditions may be suitable for contracts of considerably greater value.
16. The adoption of the Conditions will normally also depend significantly on the complexity of the work and its duration. They are considered most likely to be suitable for fairly simple or repetitive work or work of short duration without the need for specialist sub-contracts.
17. The main aim has been to produce a straightforward, flexible document which may be used for all types of engineering work with a variety of administrative arrangements, including all essential commercial provisions. For example, the Employer has a choice of valuation methods. He may also select the extent of Contractor's design responsibility, ranging from minimal to a full design and build service. In addition, although there is no reference to "**the Engineer**", the Employer may appoint an independent Engineer to act impartially, should he wish to do so.
18. The intention is that all necessary information should be provided in the Appendix to the Agreement, the latter incorporating the tenderer's offer and its acceptance in one simple document. The General Conditions are expected to cover the majority of contracts. Nevertheless, users will be able to introduce Conditions of Particular Application if they wish, to cater for special cases or circumstances.

## 8 - CONCLUSION

The four new 1998 test editions are now ready for use, and comments and feedback are hoped for.



The first edition, incorporating the benefits of this initial experience, will probably be published after about one year.

## 7 - REFERENCES :

- [1] The standard forms for the "Existing Contracts of FIDIC ",
- **Conditions of Contract for Works of Civil Engineering Construction**  
Part I - General Conditions with forms of tender and agreement  
Part II - Conditions of particular application with guidelines for preparation of Part II Clauses  
Fourth edition 1987  
Reprinted 1988 with editorial amendments  
Reprinted 1992 with further amendments
  - **Conditions of Contract for Electrical and Mechanical Works including erection on site**  
With forms of tender and agreement  
Part I - General Conditions  
Part II - Special Conditions  
Third edition 1987 , and
  - **Conditions of Contract for Design-Build and Turnkey**  
**Part I - General Conditions**  
Part II - Guidance for the preparation of conditions of particular application  
Forms of Tender and Agreement  
First edition 1995
- [2] The standard forms for the  
"New Contracts of FIDIC – Test Edition – Sept. 1998", are :
- **Conditions of Contract for Construction**  
**For Building and Engineering Works Designed by the Employer**  
General Conditions  
Guidance for the preparation of the particular conditions  
Forms of tender, contract agreement and dispute adjudication agreement
  - **Conditions of Contract for Plant and Design-Build**  
**For Electrical And Mechanical Plant, And For Building and Engineering Works Designed by the Contractor**  
General Conditions  
Guidance for the preparation of the particular conditions  
Forms of tender, contract agreement and dispute adjudication agreement
  - **Conditions of Contract for EPC Turnkey Projects**  
General Conditions  
Guidance for the preparation of the particular conditions  
Forms of tender, contract agreement and dispute adjudication agreement



**- Short Form Contract**

Agreement  
General Conditions  
Rules for Adjudication  
Notes for Guidance

**- FIDIC Seminar 1998**

held in conjunction with FIDIC Annual Conference, Edmonton, Canada, 6-10  
Sept. 1998-

FIDIC Contracts Committee:

R.D.Reith (Prime Responsibility)  
G.Nassar ( Back-up Responsibility)

Speakers : John Bowcock, Christopher Wade,  
Peter Booen, Philip Jenkison,  
Mark Griffith