



Fédération International des Ingénieurs-Conseils  
International Federation of Consulting Engineers  
Internationale Vereinigung Beratender Ingenieure  
Federación Internacional de Ingenieros Consultores

# Conditions of Contract for **EPC/Turnkey Projects**

GENERAL CONDITIONS  
GUIDANCE FOR THE PREPARATION OF PARTICULAR CONDITIONS  
FORMS OF LETTER OF TENDER, CONTRACT AGREEMENT AND  
DISPUTE ADJUDICATION AGREEMENT

---

GENERAL CONDITIONS

---

GUIDANCE FOR THE  
PREPARATION OF  
PARTICULAR CONDITIONS

Conditions of Contract  
for **EPC/Turnkey Projects**

---

FORMS OF LETTER OF  
TENDER, CONTRACT  
AGREEMENT AND  
DISPUTE ADJUDICATION  
AGREEMENT

---

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      | 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      | 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                |           |
| <b>2</b> | <b>THE EMPLOYER .....</b>                  | <b>7</b>  |
| 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                          |           |
| <b>3</b> | <b>THE EMPLOYER'S ADMINISTRATION .....</b> | <b>9</b>  |
| 3.1      | The Employer's Representative              |           |
| 3.2      | Other Employer's Personnel                 |           |
| 3.3      | Delegated Persons                          |           |
| 3.4      | Instructions                               |           |
| 3.5      | Determinations                             |           |
| <b>4</b> | <b>THE CONTRACTOR .....</b>                | <b>10</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      | Safety Procedures                               |           |
| 4.9      | Quality Assurance                               |           |
| 4.10     | Site Data                                       |           |
| 4.11     | Sufficiency of the Contract Price               |           |
| 4.12     | Unforeseeable Difficulties                      |           |
| 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   |           |
| <b>5</b> | <b>DESIGN</b>                                   | <b>17</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>20</b> |
| 6.1      | Engagement of Staff and Labour                  |           |
| 6.2      | Rates of Wages and Conditions of Labour         |           |
| 6.3      | Persons in the Service of Employer              |           |
| 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                              |           |
| <b>7</b> | <b>PLANT, MATERIALS AND WORKMANSHIP</b>         | <b>21</b> |
| 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                                       |           |

|           |  |           |
|-----------|--|-----------|
| <b>8</b>  | <b>COMMENCEMENT, DELAYS AND SUSPENSION .....</b>       | <b>24</b> |
| 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                                     |           |
| <b>9</b>  | <b>TESTS ON COMPLETION .....</b>                       | <b>27</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>29</b> |
| 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                  |           |
| <b>11</b> | <b>DEFECTS LIABILITY .....</b>                         | <b>30</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      | 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                                      |           |
| <b>12</b> | <b>TESTS AFTER COMPLETION .....</b>                    | <b>32</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>34</b> |
| 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                            |           |
| <b>14</b> | <b>CONTRACT PRICE AND PAYMENT</b>                          | <b>36</b> |
| 14.1      | The Contract Price   |           |
| 14.2      | Advance Payment  |           |
| 14.3      | Application for Interim Payments                           |           |
| 14.4      | Schedule of Payments                                       |           |
| 14.5      | Plant and Materials intended for the Works                 |           |
| 14.6      | Interim Payments   |           |
| 14.7      | Timing of Payments   |           |
| 14.8      | Delayed Payment  |           |
| 14.9      | Payment of Retention Money                                 |           |
| 14.10     | Statement at Completion                                    |           |
| 14.11     | Application for Final Payment                              |           |
| 14.12     | Discharge  |           |
| 14.13     | Final Payment  |           |
| 14.14     | Cessation of Employer's Liability                          |           |
| 14.15     | Currencies of Payment                                      |           |
| <b>15</b> | <b>TERMINATION BY EMPLOYER</b>                             | <b>41</b> |
| 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                      |           |
| <b>16</b> | <b>SUSPENSION AND TERMINATION BY CONTRACTOR</b>            | <b>43</b> |
| 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                                     |           |
| <b>17</b> | <b>RISK AND RESPONSIBILITY</b>                             | <b>45</b> |
| 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                                    |           |
| <b>18</b> | <b>INSURANCE</b>   | <b>47</b> |
| 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 Contractor's Personnel                       |           |
| <b>19</b> | <b>FORCE MAJEURE</b>                                       | <b>50</b> |
| 19.1      | Definition of Force Majeure                                |           |
| 19.2      | Notice of Force Majeure                                    |           |

|                 |  |           |
|-----------------|--|-----------|
| 19.3            | Duty to Minimise Delay                                       |           |
| 19.4            | Consequences of Force Majeure                                |           |
| 19.5            | Force Majeure Affecting Subcontractor                        |           |
| 19.6            | Optional Termination, Payment and Release                    |           |
| 19.7            | Release from Performance under the Law                       |           |
| <b>20</b>       | <b>CLAIMS, DISPUTES AND ARBITRATION</b>                      | <b>52</b> |
| 20.1            | Contractor's Claims  |           |
| 20.2            | Appointment of the 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           |           |
| <b>APPENDIX</b> |  |           |
|                 | GENERAL CONDITIONS OF DISPUTE ADJUDICATION AGREEMENT         | 57        |
|                 | <b>INDEX OF SUB-CLAUSES</b>                                  | <b>i</b>  |

# Guidance for the Preparation of Particular Conditions

## CONTENTS

|  |           |
|--|-----------|
| INTRODUCTION .....                                 | 2         |
| NOTES ON THE PREPARATION OF TENDER DOCUMENTS ..... | 3         |
| 1 General Provisions .....                         | 5         |
| 2 The Employer .....                               | 7         |
| 3 The Employer's Administration .....              | 7         |
| 4 The Contractor .....                             | 7         |
| 5 Design .....                                     | 9         |
| 6 Staff and Labour .....                           | 9         |
| 7 Plant, Materials and Workmanship .....           | 10        |
| 8 Commencement, Delays and Suspension .....        | 11        |
| 9 Tests on Completion .....                        | 12        |
| 10 Employer's Taking Over .....                    | 12        |
| 11 Defects Liability .....                         | 12        |
| 12 Tests after Completion .....                    | 12        |
| 13 Variations and Adjustments .....                | 12        |
| 14 Contract Price and Payment .....                | 13        |
| 15 Termination by Employer .....                   | 19        |
| 16 Suspension and Termination by Contractor .....  | 19        |
| 17 Risk and Responsibility .....                   | 19        |
| 18 Insurance .....                                 | 20        |
| 19 Force Majeure .....                             | 20        |
| 20 Claims, Disputes and Arbitration .....          | 20        |
| <b>ANNEXES</b> <b>FORMS OF SECURITY</b> .....      | <b>23</b> |