



Fédération Internationale 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 AND ANNEXES:  
FORMS OF SECURITIES  
FORMS OF LETTER OF TENDER, CONTRACT AGREEMENT  
AND DISPUTE ADJUDICATION/AVOIDANCE AGREEMENT

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GENERAL CONDITIONS

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

FIDIC® Conditions of Contract for  
**EPC/TURNKEY PROJECTS**

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

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



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## NOTES

This Second Edition of the Conditions of Contract for EPC/Turnkey Projects has been published by the Fédération Internationale des Ingénieurs-Conseils (FIDIC) as an update of the FIDIC 1999 Conditions of Contract for EPC/Turnkey Projects (Silver Book), First Edition.

Along with the FIDIC 1999 Red Book (the Conditions of Contract for Construction) and the FIDIC 1999 Yellow Book (the Conditions of Contract for Plant and Design-Build), the FIDIC 1999 Silver Book has been in widespread use for nearly two decades.

**These Conditions of Contract for EPC/Turnkey Projects are not suitable for use in the following circumstances:**

- **If there is insufficient time or information for tenderers to scrutinise and check the Employer's Requirements or for them to carry out their designs, risk assessment studies and estimating;**
- **If construction will involve substantial work underground or work in other areas which tenderers cannot inspect, unless special provisions are provided to account for unforeseen conditions or**
- **If the Employer intends to supervise closely or control the Contractor's work, or to review most of the construction drawings.**

FIDIC recommends that the Second Edition of the FIDIC Yellow Book (Conditions of Contract for Plant and Design-Build) be used in the above circumstances for Works designed by (or on behalf of) the Contractor.

This Second Edition of the FIDIC Silver Book maintains the principles of risk sharing established in the 1999 edition, while seeking to build on the substantial experience gained from its use over the past 18 years. For example, this edition provides:

- 1) greater detail and clarity on the requirements for notices and other communications;
- 2) provisions to address Employers' and Contractors' claims treated equally and separated from disputes;
- 3) mechanisms for dispute avoidance and
- 4) detailed provisions for quality management, and verification of Contractor's contractual compliance.

These Conditions of Contract for EPC/Turnkey Projects include conditions, which are likely to apply to the majority of such contracts. Essential items of information which are particular to each individual contract are to be included in the Particular Conditions-Part A – Contract Data.

In addition it is recognised that many Employers, especially governmental agencies, may require special conditions of contract, or particular procedures, which differ from those included in the General Conditions. These should be included in Part B – Special Provisions.

It should be noted, that the General Conditions and the Particular Conditions (Part A – Contract Data and Part B – Special Provisions) are all part of the Conditions of Contract.

To assist Employers in preparing tender documents and in drafting Particular Conditions of Contract for specific contracts, this publication includes Notes on the Preparation of Tender Documents and Notes on the Preparation of Special Provisions, which provide important advice to drafters of contract documents, in particular the Employer's Requirements and Special Provisions. In drafting Special Provisions, if clauses in the General Conditions are to be replaced or supplemented and before incorporating any example wording, Employers are urged to seek legal and engineering advice in an effort to avoid ambiguity and to ensure completeness and consistency with the other provisions of the contract.

This publication begins with a series of comprehensive flow charts which typically show, in visual form, the sequences of activities which characterise the FIDIC EPC/ Turnkey form of contract. The charts are illustrative, however, and must not be taken into consideration in the interpretation of the Conditions of Contract.

This publication also includes a number of sample forms to help both Parties to develop a common understanding of what is required by third parties such as providers of securities and guarantees.

Drafters of contract documents are reminded that the General Conditions of all FIDIC contracts are protected by copyright and trademark and may not be changed without specific written consent, usually in the form of a licence to amend, from FIDIC. If drafters wish to amend the provisions found in the General Conditions, the place for doing this is in the Particular Conditions Part B – Special Provisions, as mentioned above, and not by making changes in the General Conditions as published.

FIDIC considers the official and authentic texts to be the versions in the English language.

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GENERAL CONDITIONS

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

# FIDIC® Conditions of Contract for EPC/TURNKEY PROJECTS

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FORMS OF LETTER OF  
TENDER, CONTRACT  
AGREEMENT AND  
DISPUTE ADJUDICATION/  
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General Conditions

FEDERATION INTERNATIONALE DES INGENIEURS-CONSEILS  
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INTERNATIONALE VEREINIGUNG BERATENDER INGENIEURE  
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# General Conditions

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# 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 **"Advance Payment Guarantee"** means the guarantee under Sub-Clause 14.2.1 [*Advance Payment Guarantee*].
- 1.1.2 **"Base Date"** means the date 28 days before the latest date for submission of the Tender.
- 1.1.3 **"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.
- 1.1.4 **"Commencement Date"** means the date as stated in the Employer's Notice issued under Sub-Clause 8.1 [*Commencement of Works*].
- 1.1.5 **"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*].
- 1.1.6 **"Conditions of Contract"** or **"these Conditions"** means these General Conditions as amended by the Particular Conditions.
- 1.1.7 **"Contract"** means the Contract Agreement, any addenda referred to in the Contract Agreement, these Conditions, the Employer's Requirements, the Schedules, the Tender, the JV Undertaking (if applicable) and the further documents (if any) which are listed in the Contract Agreement.
- 1.1.8 **"Contract Agreement"** means the agreement entered into by both Parties in accordance with Sub-Clause 1.6 [*Contract Agreement*], including any annexed memoranda.
- 1.1.9 **"Contract Data"** means the pages, entitled contract data which constitute Part A of the Particular Conditions.
- 1.1.10 **"Contract Price"** means the agreed amount stated in the Contract Agreement for the execution of the Works, and includes adjustments (if any) in accordance with the Contract.
- 1.1.11 **"Contractor"** means the person(s) named as contractor in the Contract Agreement and the legal successors in title of such person(s).
- 1.1.12 **"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.