FIDIC users’ guide
A practical guide to the
1999 Red and Yellow Books

Brian W. Totterdill
Preface to the second edition

This second edition of the *FIDIC Users’ Guide* has been extended to include the Conditions of Contract for Plant and Design-Build, known as the 1999 Yellow Book. It also reviews the other FIDIC Contracts which have been published since the first edition was written, together with further discussion based on experience with the practical use of the 1999 Contracts.

During 2005 FIDIC published the *Multilateral Development Banks Harmonised Conditions of Contract for Construction*, commonly known as the MDB Edition. This Contract has been prepared in conjunction with The World Bank and a group of Multilateral Development Banks and is included in their procurement documents. The MDB Edition includes some significant changes to the Conditions of Contract for Construction and is reviewed in Part 4 of this book.

Since the publication of the first edition there has been an increased use of the 1999 FIDIC Contracts. The Plant and Design-Build Contract has become popular, particularly with Employers considering Contractor design for water-related and environmental projects. This Contract is very similar in layout and content to the Contract for Construction but differs in detail due to the different requirements for Contractor design rather than Employer design and the greater emphasis on electrical and mechanical plant. These differences are extremely important and require detailed study when deciding which Contract to use and when preparing and administering the Contract. Hence this second edition includes a detailed comparison between the Red and Yellow Books and a guide to the differences at each Sub-Clause of the Plant and Design-Build Contract.

Also, since the publication of the first edition, the European International Contractors (EIC) have published a very useful series of EIC Contractor’s Guides to the different FIDIC Contracts. I must acknowledge the assistance I have received from these Guides, not just in understanding the Contractor’s point of view, but also from their suggestions that potential disputes could be avoided by clarification of the meaning
of certain clauses. Further details of these Guides can be obtained from EIC at www.eicontractors.de.

I am also most grateful to FIDIC for allowing the Clauses in the Conditions of Contract to be reproduced and for assistance from The FIDIC Contracts Guide. Copies of the Conditions of Contract and other FIDIC publications can be obtained from the FIDIC Bookshop, Box 311 CH-1215 Geneva 15, Switzerland (tel: +41 22 799 49 00; fax: +41 22 799 49 01; fidic.pub@pobox.com; http://www.fidic.org/bookshop).
Preface to the first edition

In recent years the role of the Conditions of Contract in a construction project has undergone a radical change. The Conditions of Contract were originally a legal document, giving the rights and obligations of the Parties, and were only consulted when a claim or dispute became a serious problem. Resident Engineers and Contractor’s Project Managers were probably aware that such documents existed, but most of them had never even seen the Conditions of Contract, much less used it as a reference to guide their actions on the site.

In more recent years, the increase in the size and complexity of projects and the increasing demand from Clients and Employers that projects should finish on time and within budget have increased the pressures for improved management techniques on construction sites. The current emphasis on improved procedures for the avoidance or resolution of claims and disputes has added to these pressures on the staff on site.

One of the consequences of the movement towards improving efficiency and reducing costs has been the increasing use of the Conditions of Contract as a manual of good project management procedures. This development has been evident in the successive revisions to the Federation Internationale des Ingenieurs-Conseils (FIDIC) Conditions of Contract for Works of Civil Engineering Construction, the traditional FIDIC ‘Red Book’, and experienced a major leap forward with the publication of the New Engineering Contract by The Institution of Civil Engineers in London. The New Engineering Contract not only incorporated procedures which virtually formed a manual of good project management techniques and encouraged a less adversarial approach to the relationship between Contractor and Employer but also was written in good English, in a style and format that could be readily understood by construction professionals.

The Conditions of Contract, which were published by FIDIC in 1999, mark a further step forward in the process of the incorporation of management procedures expressed in a practical style and format. Hence, it is now inconceivable that Resident Engineers, Contractor’s
Managers and the other construction professionals who prepare documents and administer projects on site should not have the Conditions of Contract on their desks and refer to its requirements and procedures on almost a daily basis.

This book is a practical guide for the people who actually use FIDIC Conditions of Contract, based on the author’s practical experience of construction projects, conducting training courses and the resolution of disputes. It is intended to assist the people who are preparing Contract documents as well as those who are administering the project on the Site or dealing with claims and disputes. The book includes a detailed review of the Conditions of Contract for Construction and comparisons with the other FIDIC Conditions which were published in 1999. The review must be read together with the wording of the actual Sub-Clause. The interrelation of the actions and notices by the Employer, Contractor and Engineer with the milestone events during the construction of the project are shown in a series of flow charts. There is also a comparison with previous FIDIC Conditions and a comparison of Clause numbers to assist those who are familiar with the traditional FIDIC Red Book. The book is not intended to be a legal analysis of the new FIDIC Conditions or a comparison of the correct interpretation of the conditions of contract in different jurisdictions. That task can be left for those who are better qualified to analyse and speculate on the correct legal interpretation of controversial Clauses.
Contents

Part 1  The Traditional and the 1999 FIDIC Conditions of Contract 1

1  Introduction to the FIDIC Conditions of Contract 3

1.1  Construction Contracts 3
1.2  The FIDIC Conditions of Contract 4
1.3  The Traditional FIDIC Conditions of Contract 5
1.4  The 1999 FIDIC Conditions of Contract 6
1.5  The MDB Harmonised Construction Contract 7
1.6  Social clauses 8
1.7  Contents of this book 8

2  Comparisons between the different FIDIC Conditions of Contract 10

2.1  The Traditional and the 1999 Conditions of Contract 10
2.2  The Traditional ‘Red Book’ and the Conditions of Contract for Construction 10
2.3  Comparison between the different 1999 Conditions of Contract 13
The Conditions of Contract for Construction (The Red Book) 14
The Conditions of Contract for Plant and Design-Build (The Yellow Book) 14
The Conditions of Contract for EPC/Turnkey Projects (The Silver Book) 16
The Short Form of Contract (The Green Book) 18
The Contract for Dredging and Reclamation Works (The Blue Book) 20
The MDB Harmonised Conditions of Contract for Construction (The MDB Edition) 20

vii
### 3 The 1999 FIDIC Red and Yellow Books

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Contents of the FIDIC Publication</td>
<td>22</td>
</tr>
<tr>
<td>3.2</td>
<td>Preparation of the Contract documents</td>
<td>24</td>
</tr>
<tr>
<td>3.3</td>
<td>The layout of the General Conditions</td>
<td>30</td>
</tr>
<tr>
<td>3.4</td>
<td>The sequence of construction operations</td>
<td>32</td>
</tr>
<tr>
<td>3.5</td>
<td>Preparation of the Particular Conditions</td>
<td>32</td>
</tr>
</tbody>
</table>

### 4 Claims and dispute procedures

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Introduction</td>
<td>35</td>
</tr>
<tr>
<td>4.2</td>
<td>Claims and the Conditions of Contract</td>
<td>36</td>
</tr>
<tr>
<td>4.3</td>
<td>Claims by the Contractor</td>
<td>36</td>
</tr>
<tr>
<td>4.4</td>
<td>Claims by the Employer</td>
<td>41</td>
</tr>
<tr>
<td>4.5</td>
<td>The Dispute Adjudication Board (DAB)</td>
<td>42</td>
</tr>
<tr>
<td>4.6</td>
<td>Amicable settlement</td>
<td>44</td>
</tr>
<tr>
<td>4.7</td>
<td>Arbitration</td>
<td>44</td>
</tr>
<tr>
<td>4.8</td>
<td>The Courts</td>
<td>45</td>
</tr>
</tbody>
</table>

### 5 Flow charts

<table>
<thead>
<tr>
<th>Figure</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fig. 1</td>
<td>Time periods in the Conditions of Contract</td>
<td>47</td>
</tr>
<tr>
<td>Fig. 2</td>
<td>Progress requirements</td>
<td>49</td>
</tr>
<tr>
<td>Fig. 3</td>
<td>Errors in Employer’s requirements (YB only)</td>
<td>51</td>
</tr>
<tr>
<td>Fig. 4</td>
<td>Design procedures (YB only)</td>
<td>52</td>
</tr>
<tr>
<td>Fig. 5</td>
<td>Workmanship procedures</td>
<td>53</td>
</tr>
<tr>
<td>Fig. 6</td>
<td>Procedures at Completion of Works</td>
<td>54</td>
</tr>
<tr>
<td>Fig. 7</td>
<td>Procedures during Defects Notification Period</td>
<td>55</td>
</tr>
<tr>
<td>Fig. 8</td>
<td>Procedures for advance payment</td>
<td>56</td>
</tr>
<tr>
<td>Fig. 9</td>
<td>Payment procedures</td>
<td>57</td>
</tr>
<tr>
<td>Fig. 10</td>
<td>Procedures for payment at Completion of Works</td>
<td>58</td>
</tr>
<tr>
<td>Fig. 11</td>
<td>Procedures for final payment</td>
<td>59</td>
</tr>
<tr>
<td>Fig. 12</td>
<td>Claims by the Contractor</td>
<td>60</td>
</tr>
<tr>
<td>Fig. 13</td>
<td>Claims by the Employer</td>
<td>62</td>
</tr>
<tr>
<td>Fig. 14</td>
<td>Procedures for disputes</td>
<td>63</td>
</tr>
</tbody>
</table>

### Part 2 The FIDIC Conditions of Contract for Construction and for Plant and Design-Build

### 6 Introduction to Part 2

### 7 Contents: General Conditions

### 8 Definitions listed alphabetically
<table>
<thead>
<tr>
<th>Part 3 Appendices</th>
<th>309</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1 General Conditions of Dispute Adjudication Agreement</td>
<td>311</td>
</tr>
<tr>
<td>A2 Annex: Procedural Rules</td>
<td>318</td>
</tr>
<tr>
<td>A3.1 Index of Sub-Clauses in the Conditions of Contract for Construction</td>
<td>321</td>
</tr>
<tr>
<td>A3.2 Index of Sub-Clauses in the Conditions of Contract for Plant and Design-Build</td>
<td>329</td>
</tr>
<tr>
<td>A4 Annexes and Forms</td>
<td>337</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Part 4 MDB Harmonised Edition of the FIDIC Conditions of Contract for Construction</th>
<th>355</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 The MDB Edition</td>
<td>357</td>
</tr>
<tr>
<td>31.1 Introduction</td>
<td>357</td>
</tr>
<tr>
<td>31.2 General changes</td>
<td>358</td>
</tr>
<tr>
<td>31.3 Bank changes</td>
<td>359</td>
</tr>
<tr>
<td>31.4 Other changes</td>
<td>363</td>
</tr>
<tr>
<td>31.5 Changes in the Appendix</td>
<td>377</td>
</tr>
<tr>
<td>31.6 Changes to Annex: Procedural Rules</td>
<td>379</td>
</tr>
<tr>
<td>31.7 Changes to standard forms</td>
<td>379</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Part 5 Sub-Clause comparison</th>
<th>381</th>
</tr>
</thead>
</table>

Index 389
Chapter 21

Clause 12 (RB): Measurement and Evaluation

Clause 12 in the Red Book is written for a remeasurement contract in which the Accepted Contract Amount is based on estimated quantities but the Contractor is obliged to carry out all the work which is required by the Specification and Drawings and is paid for the actual quantities of work which he has executed. The Clause covers the procedures for the measurement and evaluation of the Works that have been executed, or have been omitted by a Variation.

The Red Book is clear that the quantities in the Bill of Quantities are only estimates. Hence any changes due to remeasurement are not Variations, but are part of the original obligations of both Parties. If the Employer, for his own internal accounting purposes, requires the additional Cost due to changes in quantities to be confirmed by a Variation order then this is just an administrative procedure and does not indicate that the change is a Variation.

If the Contract is based on a lump sum, or is on a cost-plus or other basis, then Clause 12 must be omitted from the General Conditions and alternative arrangements included in the Particular Conditions. Sub-Clause 14.1 of the FIDIC Guidance for the Preparation of Particular Conditions includes recommendations for Contracts on a cost-plus or lump sum basis. If a Red Book Contract includes some lump sum items then these must be paid from a Schedule of Payments as Sub-Clause 14.4.

Definitions at Sub-Clause 1.1 relevant to this Clause include:

1.1.1.7 (RB) Schedules
1.1.1.10 (RB) Bill of Quantities
1.1.4.2 Contract Price
1.1.5.2 Goods
1.1.5.3 Materials
1.1.5.4 Permanent Works
1.1.5.8 Works
1.1.6.9 Variation.
12.1 (RB) Works to be Measured

The Works shall be measured, and valued for payment, in accordance with this Clause.

Whenever the Engineer requires any part of the Works to be measured, reasonable notice shall be given to the Contractor’s Representative, who shall:

(a) promptly either attend or send another qualified representative to assist the Engineer in making the measurement; and
(b) supply any particulars requested by the Engineer.

If the Contractor fails to attend or send a representative, the measurement made by (or on behalf of) the Engineer shall be accepted as accurate.

Except as otherwise stated in the Contract, wherever any Permanent Works are to be measured from records, these shall be prepared by the Engineer. The Contractor shall, as and when requested, attend to examine and agree the records with the Engineer, and shall sign the same when agreed. If the Contractor does not attend, the records shall be accepted as accurate.

If the Contractor examines and disagrees the records, and/or does not sign them as agreed, then the Contractor shall give notice to the Engineer of the respects in which the records are asserted to be inaccurate. After receiving this notice, the Engineer shall review the records and either confirm or vary them. If the Contractor does not so give notice to the Engineer within 14 days after being requested to examine the records, they shall be accepted as accurate.

The procedures for measurement of the Works are given at Sub-Clause 12.1 as follows.

- The Engineer decides that he requires a part of the Works to be measured and notifies the Contractor.
- The Contractor attends and assists the Engineer in making the measurement.
- Alternatively, the Contractor fails to attend and the Engineer’s measurements are accepted as accurate.

If a part of the Works is to be measured from records of its construction then the details should be specified in the Tender documents. A similar procedure applies in that the Engineer prepares the records and the Contractor examines and agrees or disagrees with the records.

If the Engineer requires the Contractor to carry out the work for either measurement or the preparation of records then this should be stated in the Specification. In practice the Contractor often does play a greater part in this work than is required by the Contract. The Contractor is more likely to have the staff and equipment available and some Contractors
prefer to make the measurements themselves, rather than assist the Engineer. The Engineer will then check and confirm the Contractor’s measurement.

The Contract does not stipulate any fixed periods or timing for the measurement and this is a matter for the Engineer. The timing of measurement notifications will depend on the progress of the Works and the completion of convenient parts or items in the Bill of Quantities, although any work which is to be buried or covered up must be measured before it is buried or covered. The Contractor will have notified the Engineer under Sub-Clause 7.3 before the Work is buried or covered up.

The measurement must be completed in time for the Contractor to prepare and submit his Statement at Completion, as Sub-Clause 14.10, but does not have to be related to interim payments. The provision for interim payments, at Sub-Clause 14.3, is based on ‘the estimated value of the Works executed’ and not on a final valuation. The estimated value may be based on an interim or approximate measurement and will be adjusted when the final measurement figures have been agreed.

12.2 (RB) Method of Measurement

Except as otherwise stated in the Contract and notwithstanding local practice:

(a) measurement shall be made of the net actual quantity of each item of the Permanent Works; and
(b) the method of measurement shall be in accordance with the Bill of Quantities or other applicable Schedules.

The procedure for the actual measurement of the different work items can be standardised for different projects and for consistency within a project by the use of a published standard method of measurement. The FIDIC Conditions of Contract do not require the use of a standard method of measurement but Sub-Clause 12.2 states that the method of measurement will be in accordance with the Bill of Quantities ‘or other applicable Schedules’. If a standard method of measurement, such as the Civil Engineering Standard Method of Measurement published by The Institution of Civil Engineers, is to be used then this requirement should be stated in the Particular Conditions.

Alternatively, the Bill of Quantities should include a detailed explanation of the method of measurement which will be used. For example, the phrase ‘net actual quantity’ needs to be explained. It will not mean the actual quantity which has been executed by the Contractor. Particularly for work below ground level, the Contractor may have provided additional concrete, or carried out additional excavation, to suit his
Index

Index by page numbers. Flow charts and Tables are indicated by italic page numbers, Definitions by initial capitals (except ‘day’ and ‘year’) + emboldened page numbers; ‘RB’ means ‘1999 Red Book’ [Construction], ‘YB’ is ‘1999 Yellow Book’ [Plant and Design–Build], and ‘MDB’ is ‘Multilateral Development Banks Harmonised Conditions of Contract for Construction’

acceleration of work 184
Accepted Contract Amount 11, 80, 85, 233
calculations 4
sufficiency of 133–4
access for inspection 167, 168
access route(s) 138
access to Site, right of 104–5
after Taking-Over 146, 207
during Defects Notification Period 146, 207
accident prevention officer 162, 163
additional facilities 137
additional work, decision on who pays 5
addresses for communications 89
adjoining area, problems originating from 132–3
Adjudication Board 293–303
see also Dispute Adjudication Board
Adjudicator, in Short Form of Contract 18, 20
adjustments for changes in Cost 230–2
deduction from interim Statement 240
MDB changes 371
adjustments for changes in legislation 229–30
deduction from interim Statement 240
MDB changes 371
advance payment 237–40
deduction from interim Statement 240
MDB changes 371–2
procedures for 56, 238–9
Sub-Clauses associated with 69, 238–9
repayment of 239–40
advance payment guarantee 238, 239, 342
advance working 179–80
Agreement
Contract 3, 78, 93, 94–5
in Short Form of Contract 19
see also Contract Agreement
AIDS/HIV prevention (MDB) 367–8
alcoholic liquor Sub-Clause (MDB) 369
amicable settlement 44, 303–5
MDB changes 376
payment after resolution by 251
Annexes for Forms of Securities and Guarantees 23, 30, 124
elements 337–44
Appendix to Tender 24, 78
changes for YB 349
currency provisions 254
element form 346–8
information required 5, 25, 84
adjustment data 230, 231
communications 88, 89
date(s) for access to Site 104, 105
delay damages 185
duration of Defects Notification Period 201, 204
insurance provision 276, 278
law and language 92
payment provisions 238, 244
percentage for overheads and profit 227
working hours 161
Appendix to Tender (continued)
standard form 346–9
Sub-Clauses that refer to 25
see also Contract Data (MDB)
application for Interim Payment
Certificates 240–2
approvals, licences and permits,
obtaining 101, 102, 105–6
arbitration 5, 44–5, 305–6
MDB changes 377
payment after resolution by 251
archaeological investigations 146
arms and ammunition Sub-Clause
(MDB) 369
as-built documents (YB) 157–8, 191
assignment 95–6
of benefit of subcontract 126
MDB changes 377
assistance by Employer with Laws,
permits, licences or approvals 105,
106
assistants, Engineer’s 86, 114–15
Authorised Person, in Short Form of
Contract 19
authorities, delays caused by 183
avoidance of interference 137–8
Bank (MDB Edition) 21, 359
changes to sub-clauses related to 21,
359–63
inspections and audit by 359
bank guarantee 244
Base Date 11, 79, 84
Bid (MDB) 358
Bill of Quantities 4, 78
estimates in 210
method of measurement used (RB)
212
‘Blue Book’ see FIDIC Form of Contract
for Dredging and Reclamation
Works
bonus/incentive for early completion
185
Borrower (MDB Edition) 21, 359
bribery, termination of Contract caused
by 258–9
by-laws, statutes, ordinances,
regulations and legislation,
compliance with 101–2
care and supply of documents 96–7
MDB changes 363
care of Works by Contractor 268
cash flow benefits 249
cash flow estimates 243, 246
Certificate
Final Payment 80
application for 250–1
issue of 252, 372(MDB)
Interim Payment 13, 81
application for 240–2
issue of 238, 244–5
Payment 81
Performance 80, 208
Taking-Over 80
issuing of 195–9
see also Final Payment Certificate;
Interim Payment Certificate;
Performance Certificate; Taking-Over
Certificate
certificates, copies to be sent 89–90
cessation of work by Contractor 265
child labour Sub-Clause (MDB) 370
circumstance, meaning of term 291
claims by Contractor 36–41, 60–1, 289–93
Sub-Clauses referring to 39–41, 68,
289–90
claims by Employer 12, 41–2, 62, 108–10
MDB changes 364
notice of 108, 109
Sub-Clauses referring to 41–2, 68,
108–9
claims procedures 35–42
sequence of procedures 37
Clauses
grouping of 30–2
listed 69–74
see also Sub-Clauses
clearance of Site
after Performance Certificate 209
after Taking-Over Certificate 145, 146
Client/Consultant Model Services
Agreement (‘The White Book’, 3rd
edn, 1998) 6
climatic conditions, delay caused by 182
coercive practice (MDB Edition) 362
collusive practice (MDB Edition) 361
Commencement Date 79, 85, 175
Commencement of Works 174–6
commissioning tests (YB) 178–9, 189, 190,
191
communications 88–91
addresses for 89
electronic transmission of 88
language for 92
completion of outstanding work 196,
202–3
completion of Works 174–6
clearing Site after 146
definitions relevant to 174
payment procedures at 58
Sub-Clauses referring to 68
procedures at 54
Sub-Clauses referring to 68
Statement at 249–50
Tests after 14, 80, 85, 86, 170, 215–19
Tests on 14, 80, 85, 86, 170, 189–94
Time for 79, 176
extension of 12, 180–3, 370 (MDB)
compliance with Laws 101–2
conciliation 44, 304
conditions
of labour 160
Unforeseeable physical 134–7
Conditions of Contract 4
need for revision 6
preparation of Contract documents
24–30
see also FIDIC Conditions of Contract;
General Conditions; Particular Conditions
confidential details 100
MDB changes 363–4
construction contracts, typical
composition 3–4
contemporary records 164, 292
contingency sum, Provisional Sum as
228
Contract 77
definitions that depend on 85
documents that form 3–4, 84, 85
frustration of 287
Sub-Clauses that refer to 27, 29
Contract Agreement 3, 78, 93, 94–5
changes for YB 351
definitions that depend on 85
documents referred to in 84
example form 350
need for 30
payment terms 233
standard form 95, 103, 350–1
Contract Data (MDB) 21, 358
information required 363, 375
Contract documents 3–4, 84, 85
preparation of 24–30
Contract Price 80, 233, 234–7
adjustments for changes in Cost
230–2
adjustments for changes in legislation
229–30
definitions relevant to 234
evaluation of (RB) 213–14, 235–6
MDB changes 360
payment in instalments 242
Contractor 79, 120–46
access route(s) used by 138
access to Site, during Defects
Notification Period 207
care of Works by 268
co-ordination by (YB) 128, 129
defects notified by Employer to 202–3
definitions relevant to 120–1
direct instruction from Employer 220
discharge submitted by 251–2
disclosure of confidential information 100
electricity, water and gas used by 140
Employer’s documents used by 100
entitlement to reduce or suspend
work 245, 246, 262–3
MDB changes 362
entitlement to time extension or
additional payment 40
environment protected by 140
equipment and free-issue materials
provided to 12, 140–2
evidence of payments to nominated
Subcontractor (RB) 150
failure to remedy defects 205–6
general obligations 121–3
MDB changes 360
health and safety responsibilities
162–3
insurance cover 276
measurement of Works by (RB) 211–13
non-recruitment of Employer’s
Personnel by 160–1
notice of event that may cause delay
or additional cost 39–40, 180
notice for inspection 168
notice of intention to deliver 139
objection to nomination of
Subcontractor (RB) 148–9
objection to Variation 221, 222, 223
operation and maintenance manuals
(YB) supplied by 158
Performance Certificate issued to 208
prevented from carrying out Tests on
Completion 200
profit claimed as well as cost 40–1
programme submitted to Engineer 178
progress reports 12, 98, 142–4, 179
provision of rights-of-way and
facilities 137
removal of defective work from Site
by 206
responsibility unaffected by
Engineer’s approval 112
responsibility for Works 121–3, 268
Contractor (continued)
right of access to Site 104–5 during Defects Notification Period 207
risk allocation, in EPC/Turnkey Contract 16, 17 safety responsibilities 130 samples submitted by 167 setting out by 129 Site data to be made available to 131–3 Site security responsibilities 144–5 superintendence by 163 taxes, duties and fees paid by 101, 236 termination by 107, 245, 246, 263–5 MDB changes 362 payment on 265 Tests on Completion to be carried out by 189–92 to search (for cause of defects) 207–8, 218 transport of Goods or Plant by 138–9 value engineering proposal 224 wage rates and conditions of labour provided by 160 Contractor’s claims 36–41, 60–1, 289–93 notice of 289, 290, 291 Sub-Clauses referring to 39–41, 68 Contractor’s design (RB) 14, 16, 121, 122, 273 Contractor’s design (YB) 14, 151–8 definitions relevant to 152 general design obligations 152–3 professional indemnity insurance for 273 Contractor’s Documents 82, 154–6 (YB) care and supply of 96 Employer’s use of 99–100 errors in 158 insurance for 277 Contractor’s Equipment 81, 83, 139 insurance for 277–9 records 164 removal from Site 145, 209, 265 Contractor’s liability cessation of 208, 253 limitation of 271–2 Contractor’s obligations general obligations 121–3 Tests on Completion 189–92 Contractor’s operations on Site 145–6 Contractor’s Personnel 79, 164, 267 facilities for 162 health and safety provisions 162–3 insurance for 280–1 Laws applicable to 161 records 164 working hours 161–2 Contractor’s Proposal (YB) 4, 83, 351 on Plant, Materials and workmanship 166 requirements for tests 216 Contractor’s quality assurance system 130–1 Contractor’s Representative 79, 85, 124–6 attendance at Management Meeting required by Engineer 118 MDB changes 366 replacement of 126 requirements 125, 126 Contractor’s Statement 143–4, 240, 241, 242 deductions to be listed 246, 248 Contractor’s Tender 3 Contractor’s undertaking 156 co-operation 127–9 co-ordination by Contractor (YB) 128, 129 copyright claims for infringement of 270–1 in Contractor’s Documents 99 in Employer’s documents 100 corrupt practice (MDB Edition) 361 Cost 80 adjustments for changes in 230–2 MDB changes 371 cost-plus contracts 210 costs of remedying defects 203–4 Country 82, 85, 86 Courts, dispute referred to 45 covering up of work inspection before 168 measurement before 212 currencies of payment 226–7, 253–5 MDB changes 373 DAB definition 79 see also Dispute Adjudication Board damage to property, insurance against 279–80 damages, meaning of term 185 data on conditions at Site 131–3 day, definition 80, 175 days-of-rest Sub-Clause (MDB) 370 daywork 228–9 Daywork Schedule 78, 228 DB see Dispute Board default of Contractor notice of 256–7 termination caused by 206, 258
Index
Dispute Adjudication Board (DAB) (continued)

failure to comply with DAB’s decision 307
MDB changes 377
full term DAB 295
Site visits by 320
general obligations of Member(s) 312–13
implementation of DAB’s decision 295–6, 302
MDB changes 375–7
obtaining DAB’s decision 300–3
MDB changes 376
one-person DAB 30, 42, 293, 294, 296–7
operation during Defects Notification Period 202
payment after resolution by 251
procedural rules 302, 318–20
changes for MDB Edition 320, 379
changes for YB 320
remuneration of Member(s) and experts 293, 294, 298, 300, 314–15
for ad hoc DAB 301
replacement of Member(s) 293, 294
selection of Member(s) 43, 85, 293, 294, 296–7
MDB changes 375
termination of appointment of Member(s) 294, 295
and termination disputes 260
three-person DAB 30, 42, 293, 294, 296
timing of appointment 296
training courses for Members 297

Dispute Board (DB–MDB Edition) 21, 358, 375–9
appointment of 375–6
default of Member(s) 378–9
failure to agree on composition of 376
failure to comply with DB’s decision 377
obtaining DB’s decision 376
remuneration of Member(s) 378

Dispute Board Agreement
default of DB Member(s) 378–9
disputes arising 379
general obligations of Employer and Contractor 377–8
general provisions 377
payment of DB Member(s) 378
dispute procedures 42–5, 63
definitions relevant to 289
Sub-Clauses referring to 68, 297–303

Dispute Review Board (DRB) 42
documents
as-built (YB) 157–8
care and supply of 96–7
MDB changes 363
Contractor’s use of Employer’s 100
Contractor’s (YB) 82, 154–6
Employer’s use of 99–100
copying to other Party 89–91
date of receipt 88
Employer’s use of Contractor’s 99–100
priority of 93–4
MDB Edition version 359
see also Contractor’s Documents; Employer’s documents

Drawings 4, 78
additional or modified 115, 116
care and supply of 96
delayed (RB) 97, 98–9
mistakes to be reported 96
dredging, FIDIC Form of Contract for 7, 20
drinking water supply (MDB) 369
drugs Sub-Clause (MDB) 369

‘early warning’ notice 180
electrical and mechanical plant,
Contractor’s design (YB) 14
electrical and mechanical works,
Employer’s design (RB) 14
electricity, water and gas 140
electronic transmission of communications 88

Employer 78, 103–19
actions after Contractor’s failure to remedy defects 205–6
approval to Performance Security 241, 244
assistance to Contractor in obtaining permits, licences and approvals 105–6
Contractor’s Documents used by 99–100
defects or damages notified by 202–3
definitions relevant to 103–4
delay caused by 182–3
direct instruction to Contractor 220
entitlement to termination for convenience 260–1
MDB changes 373
equipment and free-issue materials provided by 12
extension of Defects Notification Period 204–5
failure to issue Interim Payment Certificate 245
financial arrangements 107–8
MDB changes 359–60
insurance cover 276
interim payments by 244, 246
involvement in EPC/Turnkey Contract 16–17
obligation(s) 46
payment by 246
MDB changes 360–1
right of access to Site given to Contractor 104–5
setting-out information from 129
Site data to be made available to Contractor 131–3
taking over by 195–200
definitions relevant to 195
temporary use of part of Works by 198
termination by 256–61
MDB changes 373
Employer’s claims 12, 41–2, 62, 108–10, 260
MDB changes 364
notice of 108, 109
Sub-Clauses referring to 41–2, 68, 109–10, 260
Employer’s design 14, 16
Employer’s documents, Contractor’s use of 100
Employer’s Equipment 82, 86
use by Contractor 140–2
Employer’s Letter of Acceptance 3–4
Employer’s liability
cessation of 252–3
limitation of 271–2
in Short Form of Contract 19–20
Employer’s payment guarantee 108
example form 344
Employer’s Personnel 79, 83, 106–7, 267
Engineer and staff designated as
12–13, 106, 115, 288
facilities for 162
inspection by 167–9
non-recruitment by Contractor 160–1
programme used by 179–80
training by Contractor (YB) 157
Employer’s Representative, in Short Form of Contract 19
Employer’s Requirements (EPC/Turnkey Contract) 17
Employer’s Requirements (YB) 4, 82, 215, 352
on as-built documents 158
compliance checked during Tests after Completion 191
designers’ criteria stated in 153
errors in 15, 51, 67, 97–8, 99, 153
Sub-Clauses referring to 67
on operation and maintenance manuals 158
on Plant, Materials and workmanship 166
priority over Contractor’s Documents and Proposal 94, 155
programme requirements 178
requirements for tests 216
on staff and labour provision 160
Sub-Clauses that may be amplified in 28
Sub-Clauses that refer to 27
on training 157
Employer’s risks 268–9
consequences 269–70
MDB changes 373
employment records of workers (MDB) 370
engagement of staff and labour 159–60
MDB changes 367
Engineer 79, 111–19
to act for Employer 12, 112, 113, 201, 288
attendance at Management Meeting required by Contractor 118
checking on payments to nominated Subcontractor (RB) 150
Contractor’s equivalent to 124–6
definitions relevant to 112
delegation by 114–15
determinations 37, 117–18
on Contractor’s claim 292–3
situations suitable for immediate 37–8
timing 118
dispute settled by 302–3, 304
duties and authority 12–13, 112–14
MDB changes 364–5
Employer’s approval required to be obtained by 113
inspection by 168–9
as one-person Dispute Adjudication Board 302–3
as part of Employer’s Personnel 12–13, 106, 112–14, 115, 288
Performance Certificate issued by 208
programme submitted by Contractor 178
replaced by Employer’s administration, in EPC/Turnkey Contract 17
replacement of 116–17
MDB changes 365
Engineer (continued)

role of 12, 111, 112
samples submitted to 167
Taking-Over Certificate issued by
195–200
Engineer’s assistants 86, 114–15
as part of Employer’s Personnel 106
Engineer’s instruction 94, 115–16
on acceleration of work 184
for Contractor to search for cause of
defects 207–8
on error in Employer’s Requirements
(YB) 153
on purchase of Plant, Materials or
services 148, 227
as Variation 220, 227
Engineer’s Representative 86
environment
protection of 140
MDB changes 367
EPC (Engineering, Procurement and
Construction) or Turnkey Projects,
Conditions of Contract for 7, 16–18
evaluation (RB) 213–14
MDB changes 370–1
event, meaning of term 291
evidence of payments to nominated
Subcontractor (RB) 150
‘execute and complete’, meaning of
phrase 122
extension of Defects Notification Period
204–5, 206
extension of Time for Completion 12,
180–3
facilities, additional 137
facilities outside the Site 137
facilities for staff and labour 162
failure to pass Tests after Completion
(YB) 218–19
failure to pass Tests on Completion
193–4
failure to remedy defects 205–6
festivals Sub-Clause (MDB) 370
FIDIC 79
FIDIC Conditions of Contract 4–5
1999 set 6–7
comparison between various 1999
Conditions of Contract 13–21
comparison with traditional FIDIC
Conditions of Contract 10–13,
111, 203, 222, 224, 383–8
see also FIDIC Conditions of
Contract for Construction;
FIDIC Conditions of Contract
for EPC/Turnkey Projects;
FIDIC Conditions of Contract
for Plant and Design–Build
contents 22–4
General Conditions 4–5
layout 30–2
Particular Conditions 4
Guidance for preparation of 23
preparation of 26, 32–4
Sub-Claus es that refer to 26
preparation of Contract documents
24–30
see also traditional FIDIC Conditions of
Contract
FIDIC Conditions of Contract for
Construction (1999 ‘Red Book’) 4, 7,
comparison with Short Form of
Contract 19–20
collection with traditional ‘Red
Book’ 10–13
clause-by-clause comparison 111,
183, 383–8
collection with 1999 Yellow Book
14–15, 195
index of Sub-Claus es 321–8
Multilateral Development Banks
Harmonised Edition (MDB
see also main entry: MDB Edition
FIDIC Conditions of Contract for
EPC (Engineering, Procurement and
Construction) or Turnkey Projects
(1999 ‘Silver Book’) 7, 16
comparison with Plant and
Design–Build Contract 17–18
risk allocation in 16, 17
FIDIC Conditions of Contract for
Plant and Design–Build (1999 ‘Yellow
Book’) 4, 7, 14–16, 77–126, 127–46,
151–209, 215–307
collection with EPC/Turnkey
Contract 17–18
collection with 1999 Red Book
14–15, 195
collection with traditional ‘Orange
Book’ 14, 383
index of Sub-Claus es 329–36
FIDIC Conditions of Subcontract for
Works of Civil Engineering
Construction (1st edn, 1994) 127
on Dispute Adjudication Board 295
on insurance 273
on Tender procedures 18, 30
<table>
<thead>
<tr>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIDIC Form of Contract for Dredging and Reclamation Works ('Blue Book') 7, 20</td>
</tr>
<tr>
<td>FIDIC Guidance for the Preparation of Particular Conditions 23, 33</td>
</tr>
<tr>
<td>on advance payment 240</td>
</tr>
<tr>
<td>Annexes 23, 124, 337–44</td>
</tr>
<tr>
<td>on Base Date 84</td>
</tr>
<tr>
<td>on confidential details 100</td>
</tr>
<tr>
<td>on Contract Agreement 95</td>
</tr>
<tr>
<td>on Contractor’s Equipment 139</td>
</tr>
<tr>
<td>on cost-plus contracts 210</td>
</tr>
<tr>
<td>on currency 86, 255</td>
</tr>
<tr>
<td>on Dispute Adjudication Board 296, 297, 302–3</td>
</tr>
<tr>
<td>on early-completion incentive/bonus 185</td>
</tr>
<tr>
<td>on insurance requirements 276</td>
</tr>
<tr>
<td>on lump-sum contracts 210, 236</td>
</tr>
<tr>
<td>payment provisions 233, 236, 237</td>
</tr>
<tr>
<td>on Plant, Materials and workmanship 166</td>
</tr>
<tr>
<td>on ‘reasonable profit’ 87–8</td>
</tr>
<tr>
<td>on Retention Money 249</td>
</tr>
<tr>
<td>on selection of DAB Members 43, 297</td>
</tr>
<tr>
<td>on site security 144</td>
</tr>
<tr>
<td>FIDIC publications 6</td>
</tr>
<tr>
<td>FIDIC Short Form of Contract (1999 ‘Green Book’) 7, 18–20</td>
</tr>
<tr>
<td>comparison with 1999 Red Book 19–20</td>
</tr>
<tr>
<td>FIDIC Subcontract see FIDIC Conditions of Subcontract</td>
</tr>
<tr>
<td>FIDIC Tender procedures 30</td>
</tr>
<tr>
<td>final payment procedures for 59</td>
</tr>
<tr>
<td>Sub-Clauses referring to 68</td>
</tr>
<tr>
<td>Final Payment Certificate 80</td>
</tr>
<tr>
<td>application for 250–1</td>
</tr>
<tr>
<td>issue of 252</td>
</tr>
<tr>
<td>MDB changes 372</td>
</tr>
<tr>
<td>Final Statement 80, 250, 251</td>
</tr>
<tr>
<td>financial arrangements</td>
</tr>
<tr>
<td>Employer’s 107–8</td>
</tr>
<tr>
<td>MDB changes 359–60</td>
</tr>
<tr>
<td>financing charges 239, 247</td>
</tr>
<tr>
<td>first aid facilities 162</td>
</tr>
<tr>
<td>flow charts 46–63</td>
</tr>
<tr>
<td>foodstuffs supply (MDB) 369</td>
</tr>
<tr>
<td>Force Majeure 12, 282–7</td>
</tr>
<tr>
<td>consequences 285–6</td>
</tr>
<tr>
<td>MDB changes 374</td>
</tr>
<tr>
<td>definition 82, 282–3</td>
</tr>
<tr>
<td>MDB changes 374</td>
</tr>
<tr>
<td>examples 283</td>
</tr>
<tr>
<td>minimising delay due to 284–5</td>
</tr>
<tr>
<td>notice of 284</td>
</tr>
<tr>
<td>MDB changes 374</td>
</tr>
<tr>
<td>optional termination caused by 286–7</td>
</tr>
<tr>
<td>MDB changes 375</td>
</tr>
<tr>
<td>other definitions relevant to 282</td>
</tr>
<tr>
<td>Subcontractor affected by 286</td>
</tr>
<tr>
<td>forced or compulsory labour, prohibition of (MDB) 370</td>
</tr>
<tr>
<td>Foreign Currency 81, 253</td>
</tr>
<tr>
<td>foreign personnel (MDB) 368–9</td>
</tr>
<tr>
<td>Foreword to 1999 Conditions of Contract 23</td>
</tr>
<tr>
<td>Forms 23–4</td>
</tr>
<tr>
<td>examples 345–53</td>
</tr>
<tr>
<td>MDB changes 380</td>
</tr>
<tr>
<td>fossils 146</td>
</tr>
<tr>
<td>fraudulent practice (MDB Edition) 362</td>
</tr>
<tr>
<td>free-issue materials supplied by Employer to Contractor 12, 140–2</td>
</tr>
<tr>
<td>frustration of Contract 287</td>
</tr>
<tr>
<td>funeral arrangements (MDB) 370</td>
</tr>
<tr>
<td>further tests 206</td>
</tr>
<tr>
<td>gas, electricity and water 140</td>
</tr>
<tr>
<td>General Conditions 4–5, 69–74</td>
</tr>
<tr>
<td>changes from Traditional to 1999 Contract 11</td>
</tr>
<tr>
<td>of Dispute Adjudication Agreement 311–17</td>
</tr>
<tr>
<td>general design obligations, Contractor’s design (YB) 152–3</td>
</tr>
<tr>
<td>general obligations, Contractor’s 121–3</td>
</tr>
<tr>
<td>General Provisions 69, 77–102</td>
</tr>
<tr>
<td>Goods 11, 81</td>
</tr>
<tr>
<td>retention on Site during Defects Notification Period 145, 146</td>
</tr>
<tr>
<td>shortage of, delay caused by 182</td>
</tr>
<tr>
<td>transport of 138–9</td>
</tr>
<tr>
<td>‘governing law’ 92</td>
</tr>
<tr>
<td>governmental action, shortages caused by 182</td>
</tr>
<tr>
<td>‘Green Book’ see FIDIC Short Form of Contract</td>
</tr>
<tr>
<td>ground requiring reinstatement 200</td>
</tr>
<tr>
<td>Guidance for the Preparation of Particular Conditions see FIDIC Guidance…</td>
</tr>
<tr>
<td>health and safety 162–3</td>
</tr>
<tr>
<td>MDB changes 367–8</td>
</tr>
<tr>
<td>HIV/AIDS prevention (MDB) 367–8</td>
</tr>
<tr>
<td>hours of work 161–2</td>
</tr>
<tr>
<td>import licences, obtaining 102</td>
</tr>
</tbody>
</table>
incentive/bonus for early completion 185
indemnities 36, 137–8, 266–7
MDB changes 373
Sub-Clauses covering 266–8
industrial property rights, claims for
infringement of 270–1
inflation provisions 230–2
injury to persons, insurance against
279–80
insect nuisance measures (MDB) 369
insolvency, termination of Contract
caused by 258–9
inspection 167–9
Institution of Civil Engineers,
Conciliation Procedure 304
instructions or Drawings, delayed (RB)
97, 98
instructions of Engineer 94, 115–16
on acceleration of work 184
for Contractor to search for cause of
defects 207–8
on error in Employer’s Requirements
(YB) 153
oral instructions not permitted (YB)
155–6
on purchase of Plant, Materials or
services 148, 227
as Variation 220, 227
insurance 273–81
against injury to persons and damage
to property 279–80
for Contractor’s Personnel 280–1
definitions relevant to 273–4
during suspension of work 188
general requirements 274–7
MDB changes 362–3
for Works and Contractor’s
Equipment 277–9
intellectual property rights
claims for infringement of 270–1
in Contractor’s Documents 99
in Employer’s documents 100
interference
avoidance of 137–8
with Tests on Completion 199–200
Interim Payment Certificate(s) 13, 81
application for 240–2
during disputes procedure 251
failure of Employer to issue 245
issue of 238, 244–5
interim payments 244, 246
interim Statement 240, 241, 242
International Chamber of Commerce
(ICC)
Arbitration Rules 44, 306
guides on forms of security 124, 337
Uniform Rules 337
International Federation of Consulting
Engineers see FIDIC
interpretation
of Conditions of Contract 87–9
MDB Edition version 358
of Site data 132
interpreters (MDB) 366
Invitation to Tender 84
joint and several liability 102
labour laws 161
labour and staff 159–65
additional Sub-Clauses in MDB
Edition 368–70
definitions relevant to 159
engagement of 159–60
MDB changes 367
facilities for 162
Laws applicable 161
wage rates and conditions 160
MDB changes 367
working hours 161–2
language 91–2, 92–3
MDB changes 363
language for communications 92
MDB changes 363
latent defects 209
MDB changes 363
law 91, 92
governing 92
MDB changes 363
Laws 82
compliance with 101–2
labour 161
Laws of the Country
adjustments for changes in 229–30
co-ordination of standard Contract
with 33–4
and ownership of Plant and Materials
172
legislation
adjustments for changes in 229–30
MDB changes 371
Letter of Acceptance 3–4, 78, 84, 175
currencies of payment 254
definitions that depend on 85
documents referred to in 84, 93–4
insurance agreed before issue of 274,
275, 280
Sub-Clauses referring to 93, 94, 95,
174
Letter of Tender 78, 84–5
currency provisions 254
<table>
<thead>
<tr>
<th>Term</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reference to 84</td>
<td></td>
</tr>
<tr>
<td>Standard form 30, 94–5, 254, 297, 345</td>
<td></td>
</tr>
<tr>
<td>Letter to Bid (MDB) 358</td>
<td></td>
</tr>
<tr>
<td>Liability</td>
<td></td>
</tr>
<tr>
<td>Cessation of Contractor’s 208, 253</td>
<td></td>
</tr>
<tr>
<td>Cessation of Employer’s 252–3</td>
<td></td>
</tr>
<tr>
<td>Joint and several 102</td>
<td></td>
</tr>
<tr>
<td>Limitation of 271–2</td>
<td></td>
</tr>
<tr>
<td>MDB changes 374</td>
<td></td>
</tr>
<tr>
<td>Unaffected by insurance 275, 276–7</td>
<td></td>
</tr>
<tr>
<td>Licences, permits and approvals, obtaining 101, 102, 105–6</td>
<td></td>
</tr>
<tr>
<td>Local Currency 81, 253, 254, 255</td>
<td></td>
</tr>
<tr>
<td>Lump sum contracts 14, 210, 233, 236</td>
<td></td>
</tr>
<tr>
<td>Lump sum price, breakdown of 236</td>
<td></td>
</tr>
<tr>
<td>Maintenance, Employer’s responsibility 202, 204</td>
<td></td>
</tr>
<tr>
<td>Maintenance manuals (YB) 158</td>
<td></td>
</tr>
<tr>
<td>Maintenance Period see Defects Analysis Period</td>
<td></td>
</tr>
<tr>
<td>Management Meeting(s) 87, 118–19</td>
<td></td>
</tr>
<tr>
<td>Manner of execution 166–7</td>
<td></td>
</tr>
<tr>
<td>Materials 81</td>
<td></td>
</tr>
<tr>
<td>Extension of Defects Notification Period for 204–5</td>
<td></td>
</tr>
<tr>
<td>Increase in price of single material 232</td>
<td></td>
</tr>
<tr>
<td>Insurance for 277</td>
<td></td>
</tr>
<tr>
<td>Manner of production and manufacture of 166–7</td>
<td></td>
</tr>
<tr>
<td>Ownership of 172</td>
<td></td>
</tr>
<tr>
<td>Payment for 243–4</td>
<td></td>
</tr>
<tr>
<td>On suspension of work 186–7</td>
<td></td>
</tr>
<tr>
<td>Purchase from nominated Subcontractor 148, 227</td>
<td></td>
</tr>
<tr>
<td>Royalties for 172</td>
<td></td>
</tr>
<tr>
<td>Samples 167</td>
<td></td>
</tr>
<tr>
<td>Materials supplied by Employer 141</td>
<td></td>
</tr>
<tr>
<td>MDB Edition (of FIDIC Conditions of Contract for Construction) 7–8, 20–1, 357–80</td>
<td></td>
</tr>
<tr>
<td>Bank changes 359–63</td>
<td></td>
</tr>
<tr>
<td>Dispute procedures 39, 288</td>
<td></td>
</tr>
<tr>
<td>On evaluation 214</td>
<td></td>
</tr>
<tr>
<td>General changes 358–9</td>
<td></td>
</tr>
<tr>
<td>Insurance requirements 273, 362–3</td>
<td></td>
</tr>
<tr>
<td>Other changes 363–77</td>
<td></td>
</tr>
<tr>
<td>Participating Banks 357</td>
<td></td>
</tr>
<tr>
<td>Social clauses 8, 360, 361–2, 367–70</td>
<td></td>
</tr>
<tr>
<td>Measurement and evaluation (RB) 210–14</td>
<td></td>
</tr>
<tr>
<td>Definitions relevant to 210</td>
<td></td>
</tr>
<tr>
<td>Measurement of Works (RB) method 212–13</td>
<td></td>
</tr>
<tr>
<td>Procedure 211–12</td>
<td></td>
</tr>
<tr>
<td>Mediation 44, 304</td>
<td></td>
</tr>
<tr>
<td>Medical facilities 162, 163</td>
<td></td>
</tr>
<tr>
<td>Minor or incidental work, daywork rates for 229</td>
<td></td>
</tr>
<tr>
<td>Minor outstanding work and defects 196, 200</td>
<td></td>
</tr>
<tr>
<td>Mobilisation, advance payment for 239</td>
<td></td>
</tr>
<tr>
<td>Multilateral Development Banks</td>
<td></td>
</tr>
<tr>
<td>Harmonised Conditions of Contract for Construction 7–8, 20–1, 357–80</td>
<td></td>
</tr>
<tr>
<td>See also MDB Edition</td>
<td></td>
</tr>
<tr>
<td>Negotiation, direct 44, 304</td>
<td></td>
</tr>
<tr>
<td>Net actual quantity, meaning of term 212–13</td>
<td></td>
</tr>
<tr>
<td>Nominated Subcontractor (RB) 31, 147–50</td>
<td></td>
</tr>
<tr>
<td>Definition 148</td>
<td></td>
</tr>
<tr>
<td>Definitions relevant to 148</td>
<td></td>
</tr>
<tr>
<td>Engineer’s instruction to use 148, 227</td>
<td></td>
</tr>
<tr>
<td>Evidence of payments to 150</td>
<td></td>
</tr>
<tr>
<td>Objection to nomination 148–9</td>
<td></td>
</tr>
<tr>
<td>Payments to 149–50</td>
<td></td>
</tr>
<tr>
<td>Nominated Subcontractor (YB) 15, 31, 127</td>
<td></td>
</tr>
<tr>
<td>Non-Performance damages 218–19</td>
<td></td>
</tr>
<tr>
<td>Notice of Commencement Date 175, 178</td>
<td></td>
</tr>
<tr>
<td>Notice of Contractor’s claim 289, 290, 291</td>
<td></td>
</tr>
<tr>
<td>Notice of dissatisfaction with DAB decision 302</td>
<td></td>
</tr>
<tr>
<td>Notice of Employer’s claim 108, 109</td>
<td></td>
</tr>
<tr>
<td>Notice of event(s) that may cause delay or additional cost 39–40, 97, 98, 180</td>
<td></td>
</tr>
<tr>
<td>Notice of Force Majeure 284</td>
<td></td>
</tr>
<tr>
<td>MDB changes 374</td>
<td></td>
</tr>
<tr>
<td>Notice for inspection/testing 168, 170</td>
<td></td>
</tr>
<tr>
<td>Notice of intention to deliver 139</td>
<td></td>
</tr>
<tr>
<td>Notice for Taking-Over Certificate 195, 197</td>
<td></td>
</tr>
<tr>
<td>Notice of termination 258, 259, 264</td>
<td></td>
</tr>
<tr>
<td>Notice for Tests on Completion 191</td>
<td></td>
</tr>
<tr>
<td>Notice to correct 256–7</td>
<td></td>
</tr>
<tr>
<td>Notices</td>
<td></td>
</tr>
<tr>
<td>Addresses for 89</td>
<td></td>
</tr>
<tr>
<td>Copies to be sent 90–1</td>
<td></td>
</tr>
<tr>
<td>Objection to nomination of Subcontractor (RB) 148–9</td>
<td></td>
</tr>
<tr>
<td>Obligations</td>
<td></td>
</tr>
<tr>
<td>After Performance Certificate 208–9</td>
<td></td>
</tr>
<tr>
<td>General</td>
<td></td>
</tr>
<tr>
<td>Contractor’s 121–3</td>
<td></td>
</tr>
<tr>
<td>Contractor’s design (YB) 152–3</td>
<td></td>
</tr>
<tr>
<td>MDB changes 360</td>
<td></td>
</tr>
<tr>
<td>Unaffected by insurance 275, 276–7</td>
<td></td>
</tr>
<tr>
<td>Unfulfilled 208–9</td>
<td></td>
</tr>
</tbody>
</table>
omissions of work 214  
valuation of 214, 226  
operation and maintenance manuals  
(YB) 158, 191  
optional termination  
due to Force Majeure 261, 286–7  
MDB changes 375  
by Employer for convenience 260–1  
MDB changes 373  
‘Orange Book’ see traditional FIDIC  
Conditions of Contract for  
Design–Build and Turnkey  
ordinances, regulations, by-laws,  
statutes and legislation, compliance  
with 101–2  
other Contractors, co-operation with  
128  
outstanding work, completion of 196,  
202–3  
overheads and profit percentage, in  
Appendix to Tender 227  
Owner see Employer  
ownership of Plant and Materials 172  
parent company guarantee 102  
example form 338  
Particular Conditions 4  
on access to Site 105, 145  
on advance payments 239  
on arbitration procedure (MDB) 377  
guidance for preparation of see FIDIC  
Guidance for the Preparation of  
Particular Conditions  
matters to be addressed in 33  
MDB changes 358, 379  
on method of measurement (RB) 212  
none in Short Form of Contract 19  
preparation of 26, 32–4  
programme requirements 178  
on progress reports 143  
on Provisional Sum 228  
provisions for measurement and  
evaluation (YB) 237  
on requirements for Engineer to  
obtain Employer’s approval 113  
on Site safety 130  
on Site security 144  
Sub-Clauses that refer to 26  
sub-surface conditions risk allocation  
137  
on wage rates and conditions of  
labour provided by 160  
on work to be completed 176  
parts of the Works, taking-over of 197–9  
Party 78  
patent rights, claims for infringement of  
270–1  
payment(s)  
advance 237–40  
MDB changes 371–2  
after termination by Contractor 265  
after termination by Employer 259–60  
currencies of 226–7, 253–5  
MDB changes 373  
daywork basis 228–9  
definitions relevant to 234  
delayed 246–7  
by Employer 246  
MDB changes 360–1  
to nominated Subcontractor (RB)  
149–50  
evidence of 150  
for Plant and Materials 243–4  
in event of suspension of work  
186–7  
Retention Money 217, 247–9  
MDB changes 372  
Schedule of Payments (YB) 338, 242–3  
on termination by Contractor 265  
MDB changes 373  
on termination by Employer 259–60  
Payment Certificate 81  
payment guarantee by Employer 108  
standard form 344  
payment procedures 57  
advance payment 238–9  
at Completion of Works 58  
Sub-Clauses referring to 68  
Performance Certificate 80, 208  
clearance of Site after 209  
Final Statement submitted after 251  
obligations after issue of 208–9  
performance of the Contract, release  
from 287  
Performance Security 82, 123–4  
approval by Employer 241, 244  
claims by Employer under 124  
examples forms 124, 238, 340–1  
Interim Payment Certificate issued  
after receipt of 124, 239, 244  
MDB changes 365–6  
returned to Contractor 124, 265  
time allowance for delivery 124, 238  
see also Demand Guarantee; Surety  
Bond  
performance tests (YB) 190, 191  
as Tests after Completion 201  
Permanent Works 81  
Plant and Materials intended for 243–4  
permissions, obtaining 101
permits, licences and approvals, obtaining 101, 102, 105–6
Personnel
Contractor’s 79, 164, 267
disorderly conduct by 164–5
Employer’s 79, 83, 106–7, 267, 288
foreign (MDB) 368–9
shortage of, delay caused by 182
see also main entries: Contractor’s Personnel; Employer’s Personnel
persons in service of Employer, non-recruitment by Contractor 160–1
pest nuisance measures (MDB) 369
physical conditions
meaning of term 135
unforeseeable 134–7
planning permission, obtaining 101
Plant 81
extension of Defects Notification Period for 204–5
manner of manufacture of 166–7
purchase from nominated Subcontractor 148, 227
removal from Site for repair 206
transport of 138–9
Plant and Materials
insurance for 277
ownership of 172
payment for 243–4
on suspension of work 186–7
Plant and Materials intended for the Works 243–4
MDB changes 372
Plant, Materials and workmanship 166–73
definitions relevant to 166
possession of Site 104–5
pre-commissioning tests (YB) 190, 191
price
used in evaluation 213
see also Contract Price
price certainty, in EPC/Turnkey Contract 16, 18
priority of documents 93–4
MDB Edition version 359
professional indemnity insurance 273
profit
in Contractor’s claim 40–1, 88
FIDIC guidance on 87–8
see also overheads and profit percentage
programme 15, 176–80
revised 179
progress, rate of 183–4
progress reports 12, 98, 142–4
and Contractor’s Statement for interim payments 143–4, 240, 242
format 143
progress requirements 49–50
Sub-Clauses referring to 67
prolonged suspension of work 187
protection of environment 140
MDB changes 367
Provisional Sum(s) 81, 85, 86, 227–8
public authorities, delays caused by 183
quality assurance provisions 12, 130–1
rate, used in evaluation 213
‘reasonable profit’, FIDIC guidance on 87–8
reclamation works, FIDIC Form of Contract for 7, 20
records
contemporary 164, 292
Contractor’s Personnel and Equipment 164
employment (MDB) 370
‘Red Book’
1999 version see FIDIC Conditions of Contract for Construction
traditional version see traditional FIDIC Conditions of Contract for Works of Civil Engineering Construction (4th edn, 1987)
reduction of rate of work, Contractor’s entitlement to 245, 246, 262–3
registered design, claims for infringement of 270–1
regulations, by-laws, statutes, ordinances and legislation, compliance with 101–2
reinstatement, ground or surfaces requiring 200
rejection 170–1
religious customs Sub-Clause (MDB) 370
remeasurement contract 14, 210
remedial work 171–2
remediating defects 202–3
costs 203–4
removal of defective work from Site 206
repairs
Cost as Variation 203
further tests after 206
replacement of Engineer 116–17
MDB changes 365

Index
FIDIC users’ guide: A practical guide to the 1999 Red and Yellow Books

reports of progress by Contractor 12, 98, 142–4, 179
and Contractor’s Statement for interim payments 143–4, 240, 242
format 143
Representative
Contractor’s 79, 85, 124–6
MDB changes 366
Engineer’s 86
Resident Engineer 86, 114
responsibility unaffected by Engineer’s approval 112
responsibility unaffected by insurance 275, 276–7
responsibility for Works 121–3
resumption of work after suspension 187–8
Retention Money 81
deduction from interim Statement 240
payment of 217, 247–9
MDB changes 372
Retention Money guarantee, example form 249, 343
retesting
Tests after Completion (YB) 217–18
Tests on Completion 192–3
revised programme 179
right of access to Site 104–5
during Defects Notification Period 146, 207
right to vary 15
right to vary (RB) 221, 222
right to vary (YB) 222–3
rights
intellectual property
in Contractor’s Documents 99
in Employer’s documents 100
rights-of-way and facilities, provision by Contractor 137
risk allocation, in EPC/Turnkey Contract 16, 17
risks
Employer’s 268–9
consequences 269–70
MDB changes 373
risks and responsibilities 266–72
definitions relevant to 266
routes, access 138
routine maintenance, Employer’s responsibility 202, 204
royalties 172–3
rubbish, removal from Site 145, 209
‘ruling language’ 92
safety and health 162–3
MDB changes 367–8
safety implications of Variations 223
safety procedures 130
safety statistics 142, 163
samples 167
Schedule of Guarantees (YB) 83, 242–3
compliance checked during Tests after Completion 191
and Variation 222, 223
Schedule of Payments (YB) 83, 242–3
Schedules
breakdown of lump sum prices in (YB) 236
definition (RB) 11, 78
definition (YB) 83
other definitions that depend on 85–6
Sub-Clauses that refer to 28
search (for cause of defects), Contractor to 207–8, 218
Section(s) 81
Completion of 176
failure to pass Tests on Completion after retesting 193–4
taking-over of 195–7
Security, Performance 82, 123–4
security of Site 144–5
sequence of construction operations 32
flow charts covering 46–63
setting out 129
sexually transmitted diseases/infections prevention (MDB) 368
shared possession of Site 105
Short Form of Contract (1999 ‘Green Book’) 7, 18–20
shortage of personnel or Goods, delay caused by 182
‘Silver Book’ see FIDIC 1999 Conditions of Contract for EPC/Turnkey Projects
Site 82, 86, 105
clearance of
after Performance Certificate 209
after Taking-Over Certificate 145, 146
Contractor’s Equipment removed from 145, 209, 265
Contractor’s operations on 145–6
right of access to and possession of 104–5
security of 144–5
Site data 131–3
and Yellow Book Contract 132
Site investigation, usefulness 137
social clauses 8
Specification (MDB) 363
Specification (RB) 4, 78
care and supply of 96
definitions that depend on 85–6
programme requirements 178
on staff and labour provision 160
Sub-Clauses that may be amplified in 28
Sub-Clauses that refer to 27
staff and labour 159–65
additional Sub-Clauses in MDB
Edition 368–70
definitions relevant to 159
engagement of 159–60
MDB changes 367
facilities for 162
Laws applicable 161
wage rates and conditions 160
working hours 161–2
standard Conditions of Contract,
advantages of using 4
standard forms
Appendix to Tender 346–9
Contract Agreement 95, 103, 350–1
Dispute Adjudication Agreement 352–3
Forms of Security 337–44
Letter of Tender 94–5, 345
MDB changes 379–80
standard method of measurement 212
Statement 81
Contractor’s 143–4, 240, 241, 242, 248
Final 80, 250, 251
interim 240, 241, 242
Statement at completion 249–50
statutes, ordinances, regulations,
by-laws and legislation, compliance
with 101–2
Sub-Clauses
index of 30, 87
for RB 321–8
for YB 329–36
listed 69–74
subcontract, assignment of benefit of 126
Subcontractor(s) 79, 85, 86, 126–7
Force Majeure affecting 286
MDB changes 366–7
nominated (RB) 31, 147–50
nominated (YB) 15, 31, 127
termination of Contract caused by 258
substantial completion, meaning of term 196, 197
sub-surface conditions risk allocation 137
sufficiency of Accepted Contract
Amount 133–4
superintendence by Contractor 163
Surety Bond (Performance Security) 341
surfaces requiring reinstatement 200
surplus material, removal from Site 145, 209
suspension of work 185–6
consequences 186
Contractor’s entitlement to 245, 246, 262–3
MDB changes 362
definitions relevant to 262
effect on Defects Notification Period
dates 204
payment for Plant and/or Materials in
event of 186–7
prolonged 187
resumption of work after 187–8
Taking-Over Certificate 80, 195–9
clearance of Site after 145, 146
Contractor to supply as-built
drawings prior to 158
issuing of
for parts of the Works 197–9
for Works or Sections 195–7
reinstatement not covered by 200
Retention Money paid after issue of
248, 249
Statement at completion issued after
250
Tests on Completion prior to 191
taking-over of parts of the Works
197–9
taking-over of Works and Sections
195–7
Defects Notification Period after 201
taxes, duties and fees, payment by
Contractor 101, 236
technical documents 4
technical standards and regulations (YB)
156–7
Temporary Works 82
removal from Site 145, 209
for safety provisions 130, 145
Tender 3, 78
basis of 132, 134
date of submission, definitions that
depend on 84
invitation to 84
see also Appendix to Tender; Bid
(MDB); Letter of Tender
Tender security, example form 339
termination by Contractor 263–5
  definitions relevant to 262
due to default of Employer 107, 245, 246, 264
MDB changes 362
payment on 265
termination by Employer 256–61
  for convenience of Employer 260–1
MDB changes 373
  definitions relevant to 256
due to default of Contractor 206, 258
  entitlement to 260–1
  notice required 258
  optional
  after Force Majeure 261, 286–7
  at convenience of Employer 260–1
  payment after 259–60
  reasons for 258–9
  valuation at date of 259
testing 169–70
tests, further 206
Tests after Completion (YB) 14, 80, 85, 86, 170, 215–19
  comparison with Tests on Completion 215
definitions relevant to 215
delayed 216–17
  failure to pass 218–19
  performance tests specified as 201
  procedure for 215–16
  repeating after failure 217–18
Retention Money paid after 249
Tests on Completion 14, 80, 85, 86, 170, 189–94
  after taking over part of Works 199
  comparison with Tests after Completion 215
Contractor’s obligations 189–92
  definitions relevant to 189
delayed 192
  failure to pass 193–4
  interference with 199–200
  repeating 192–3
  timing of 190, 191, 200
third-party insurance 279–80
time certainty, in EPC/Turnkey Contract 16, 18
Time for Completion 79, 176
  extension of 12, 180–3
  climatic conditions causing 182
  Employer causes 182–3
  MDB changes 370
  shortages of personnel or Goods causing 182
  Sub-Clauses relevant to 181–2
  start of 175
time for payment 246
time periods in Conditions of Contract 47–8
Sub-Clauses referring to 67
trade mark, claims for infringement of 270–1
traditional FIDIC Conditions of Contract 5–6
  comparison with 1999 Contracts 10–13, 111, 203, 222, 224, 288, 383–8
Conditions of Contract for Design–Build and Turnkey (‘The Orange Book’, 1st edn, 1995) 6
  comparison with 1999 YB 14, 383
  comparison with 1999 RB 10–13, 111, 183, 383–8
Subcontract for use with 127
  training of Employer’s Personnel by Contractor (YB) 157
transport of Goods 138–9
trial operation (YB) 178, 179, 189, 190, 191
turnkey projects, Conditions of Contract for 7, 16–18

Unforeseeable, definition 82, 84
Unforeseeable Cost, Variation caused by 128
Unforeseeable physical conditions 134–7
  unfulfilled obligations 208–9
UNICITRAL Arbitration Rules 306
valuation
  at date of termination 259
Sub-Clauses involving 40
  value engineering provisions 12, 15, 223–4
Variation(s) 82, 221–3
  Contractor’s proposal prior to 225
  Cost of repair as 203
delay caused by 181–2
  Engineer’s Drawing or instruction (YB) as 116
Variation(s) (continued)
Engineer’s instruction as evaluation of
  Contractor’s proposal
  currency provisions
  procedure
  safety implications
value engineering proposal as
YB definition
variations and adjustments
definitions relevant to

wage rates and conditions of labour
  MDB changes
water, gas and electricity
  water supply (MDB)
‘White Book’ see traditional FIDIC
  Client/Consultant Model Services Agreement
workers’ employment records (MDB)
  working hours
workmanship procedures
Sub-Clauses referring to

Works
  Commencement of
  Contractor’s care of
  extension of Defects Notification Period for
  failure to pass Tests on Completion after retesting
  insurance for
  manner of execution of
  measurement of (RB)
  taking-over of
  taking-over of parts
  see also Completion of Works
wreckage, removal from Site

year, definition
‘Yellow Book’ see FIDIC 1999 Conditions of Contract for Plant and Design–Build; traditional FIDIC
  Conditions of Contract for Electrical and Mechanical Works