

Section VIII. Special Conditions of the Contract

Special Conditions of the Contract

The Special Conditions of Contract (SCC) complement the General Conditions of Contract (GCC) to specify data and contractual requirements of the Procuring agency/Employer/ Employer, the engineer, the sector, the overall project, and the works. In the event of a conflict, the provisions herein shall prevail over those in the GCC.

Part A – Contract Data

Contract data of the SCC, includes data to complement the GCC in a manner similar to the way in which the Bid Data Sheet complements the Instructions to Bidders.

SCC Clause Number	GCC Clause Number	Amendments of, and Supplements to, Clauses in the GCC
General Provision (GCC 1)		
1.	1.1.27	Defects Notification Period (DNP): <i>365 Days</i>
2.	1.1.31	Employer's name and address: Director P&D <i>Pakistan Airports Authority (PAA) Terminal-1, Head Quarter PAA, JIAP Karachi, Pakistan.</i>
3.	1.1.35	Engineer's name and address: To be Nominated later
4.	1.1.84	Time for Completion: 730 days for whole of the Work
5.	1.3(a)(ii)	agreed methods of electronic transmission: Email: director.pdev@paa.gov.pk contmgntbranch@gmail.com
6.	1.3(d)	For notices Procuring agency/Employer/ Engineer's Authorized representatives name and address: <i>Director P&D Pakistan Airports Authority (PAA) Terminal-1, Head Quarter PAA, JIAP Karachi, Pakistan</i> <i>Address of Engineer for communications: To be communicated later</i> Contractors Authorized representatives name and address:
7.	1.4	Governing Law;

		The Applicable Law shall be: Laws of the Islamic Republic of Pakistan. Ruling language: English Communication Language: The Communication Language shall be: English
8.	1.5	As per Form of Contract
The Employer/ Procuring agency/Employer (GCC Clause 2)		
9.	2.1	Time for access to the Site: 03 days after Commencement Date The Site is located within a restricted area of Skardu International Airport. Access to the Site by any person, vehicle, or item of Equipment is subject to: (a) prior approval of the Airports Security Force ("ASF") and issuance of a valid airport entry pass; and (b) where applicable, prior permission of the Pakistan Air Force ("PAF"), in respect of such persons, vehicles, activities, or areas of the Site as may, from time to time, require PAF clearance. Issuance of any such pass, permission, or clearance shall be subject to fulfilment of all applicable requirements prescribed by the ASF, PAF, and any other competent security agency having jurisdiction over the Site, including, without limitation, security vetting and clearance of the Contractor's Personnel, Subcontractors, and their respective personnel. The Contractor shall, at its own cost and expense, be solely responsible for: (i) obtaining and maintaining all airport entry passes, PAF permissions, and other security clearances required for access to, and continued presence on, the Site by the Contractor's Personnel, Subcontractors, and their respective equipment and vehicles; (ii) submitting all applications, documentation, and information required by the ASF, PAF, or any other relevant authority for the issuance of such passes, permissions, and clearances; and (iii) applying for renewal of each airport entry pass and each PAF permission to the relevant issuing authority sufficiently in advance of its expiry, and in any event not later than fourteen (14) days prior to the expiry date thereof, so as to ensure continuity of access without interruption. The Contractor acknowledges that the Works are to be executed

		within an operational international airport where security restrictions, operational requirements, aircraft movements, emergency operations and airside safety considerations may restrict, regulate or temporarily suspend access to all or any part of the Site. Accordingly, notwithstanding Sub-Clause 2.1 or any other provision of the Contract: (a) the Employer may grant access to the Site in sections, phases or specific work areas, and may vary, restrict, suspend or temporarily withdraw access to any part of the Site as may reasonably be required for airport operations, aviation safety, security requirements or operational exigencies; (b) the Contractor shall organize and execute the Works so as to accommodate such phased or restricted access and shall coordinate its activities with the Employer, the Engineer and the relevant airport authorities; (c) the Contractor shall be deemed to have fully inspected the Site and to have taken into account, in the preparation of its Tender and the Accepted Contract Amount, all foreseeable security procedures, operational restrictions, access limitations, phased possession of the Site and other conditions associated with executing the Works within an operational international airport. The Employer shall use reasonable endeavours to provide the Contractor with the maximum practicable access to the Site consistent with the safe, secure and uninterrupted operation of Airport. However, the operational requirements, aviation safety and security of the Airport shall at all times take precedence over the Contractor's activities and shall not constitute grounds for any claim by the Contractor except as expressly provided under the Contract. Except to the extent that any delay in granting access to the Site, or in the issuance, renewal or replacement of any airport entry pass, permit, approval or security clearance, is solely and directly attributable to the Employer's breach of its express obligations under the Contract, the Contractor shall not be entitled to any Cost, additional payment, compensation, idle time charges, standing time charges, prolongation costs, loss of productivity, disruption damages or any other claim or relief whatsoever arising out of or in connection with such restrictions, phased access, security requirements or operational constraints
10.	2.4	Employer's financial arrangements: Employer's Own Funds
The Engineer (GCC Clause 3)		
11.	3.2	Engineer's Duties and Authority:

		Variations resulting in an increase of the Accepted Contract Amount in excess of 1% shall require approval of the Procuring agency / Employer.
The Contractor (GCC Clause 4)		
12.	4.2	Amount of Performance Security: Ten percent (10%) of the Contract Price as per Letter of Acceptance. Form of Performance Security: An unconditional, irrevocable, on-demand bank guarantee, in the form annexed to the Contract, issued by a Scheduled Bank operating in Pakistan and acceptable to the Employer as per list of approved banks. Where the successful Bidder is a foreign firm without a local presence, the Performance Security shall be issued by a bank incorporated outside Pakistan of international standing acceptable to the Employer, counter-guaranteed by a Scheduled Bank in Pakistan acceptable to the Employer, so that the Performance Security is payable and enforceable within Pakistan on first demand without recourse to foreign jurisdiction. The Performance Security shall be denominated in the currency/currencies of the Contract Price and shall remain valid until the date falling twenty-eight (28) days after the issuance of the Performance Certificate under the Contract, and shall be extended by the Contractor if required to remain valid until such date.
13.	4.7.2(a)	Clause 4.7 Setting out Period for notification of errors in the items of reference: Fourteen (14) days
14.	4.20	number of additional paper copies of progress reports Three (3), together with one (1) searchable PDF copy and one (1) editable electronic copy in a format provided in the specifications acceptable to the Engineer.
15.	4.22	Contractor's Operations on site Site: Skardu International Airport, together with all other areas made available to the Contractor by the Employer or designated in the Contract as forming part of the Site.
Sub-Contracting (GCC Clause 5)		
16.	5.1(a)	Maximum allowable accumulated value of work subcontracted : Thirty Percent (30%)
17.	5.1 (b)	Works for which sub-contracting is not permitted: Civil Works
Staff and Labour (GCC Clause 6)		
18.	6.5	Normal Working Hours: 0800 hours to 1700 hours (Pakistan Standard Time), Monday through Saturday, excluding public holidays declared by the Government of Pakistan, unless otherwise approved by the Engineer. Work outside the normal working hours, including night work, work on Sundays or public holidays, shall be subject to the prior written approval of the Engineer and, where applicable, the requisite permissions, security clearances and operational approvals from the Employer and the relevant authorities, including the Airports

		Security Force (ASF), the Pakistan Air Force (PAF), and any other competent authority having jurisdiction over the Site.
Plant, Material and Workmanship (GCC Clause 7)		
19.	7.2	Samples: The Contractor shall, at its own cost, provide all samples required under the Contract, the Specifications, or as reasonably requested by the Engineer for review, testing, approval, or comparison with the Works. All such samples, including their preparation, packaging, transportation, delivery, testing (where specified), replacement and disposal, shall be provided free of cost to the Employer and shall be deemed to be included in the Accepted Contract Amount.
Commencement, Delays and Suspension (GCC Clause 8)		
20.	8.3	Number of additional paper copies of program: Three (3) . In addition, the Contractor shall submit one (1) editable electronic copy (Primavera P6 and/or Microsoft Project, as applicable) together with one (1) searchable PDF copy of the Programme and each subsequent revision.
21.	8.8	Delay damages shall be payable for each day of delay shall be 0.05% of the Accepted Contract Amount per day, in the currency and proportions in which the Contract Price is payable. Maximum amount of delay damages is 10% of the Accepted Contract Amount.
Measurement and Valuation (GCC Clause 12)		
22.	12.2	Method of measurement: The Works shall be measured in accordance with the Bill of Quantities, the Specifications and the Drawings. Unless otherwise expressly stated in the Contract, measurement shall be based on the net completed quantities of Permanent Works actually executed, tested (where applicable), and accepted by the Engineer. No allowance shall be made for waste, laps, overlaps, temporary works, or construction methods unless specifically provided for in the Contract.
23.	12.3	Percentage profit: Fifteen percent (15%), which shall be deemed to include all profit, overheads and applicable taxes, duties and levies. No separate payment shall be made in respect thereof.
Variations and Adjustments (GCC Clause 13)		
24.	13.4 (b)(ii)	Percentage rate to be applied to Provisional Sums for overhead charges and profit is Fifteen percent (15%), which shall be deemed to include the Contractor's profit, head office and site overheads, supervision, coordination, administration and all incidental costs associated with the execution of work under the Provisional Sum. No additional allowance for such items shall be payable unless expressly provided elsewhere in the Contract.

25.	13.7	Adjustments for Changes in Cost: The Contract Price shall be adjustable during Contract Execution in accordance with the provisions for Price Adjustment set out in the Contract.
Contract Price and Payment (GCC Clause 14)		
26.	14.2	Mobilization Advance An interest-free Mobilization Advance of up to fifteen percent (15%) of the Accepted Contract Amount, excluding Provisional Sums, shall be paid to the Contractor in two (2) equal instalments, against an Advance Payment Guarantee in the form annexed to the Contract, issued by a Scheduled Bank acceptable to the Employer, subject to the following: (a) First Instalment: The first instalment, equivalent to seven and a half percent (7.5%) of the Accepted Contract Amount excluding Provisional Sums, shall be paid within twenty-one (21) days of the Employer's receipt of the Contractor's Advance Payment Certificate from the Engineer, and of the corresponding Advance Payment Guarantee for the full amount of that instalment. (b) Second Instalment: The second instalment, equivalent to a further seven and a half percent (7.5%) of the Accepted Contract Amount excluding Provisional Sums, shall be paid within forty-two (42) days from the date of payment of the first instalment, subject to the Engineer's satisfaction, evidenced in writing, as to the state of mobilization of the Contractor's Personnel, Equipment, and Temporary Works on Site, and against submission of the corresponding Advance Payment Guarantee for that instalment.
27.	14.2.3	Repayment of Advance payment: The Mobilization Advance shall be repaid by the Contractor through percentage deductions from each Interim Payment Certificate, commencing from the Interim Payment Certificate in which the total of all certified interim payments (excluding the Advance) exceeds fifteen percent (15%) of the Accepted Contract Amount excluding Provisional Sums, at the rate of [twenty percent (20%)] of the amount of each such Interim Payment Certificate, until the Advance has been repaid in full; provided that the Advance shall be fully repaid no later than the date on which eighty percent (80%) of the Accepted Contract Amount excluding Provisional Sums has been certified for payment. Advance Payment Guarantee: The Advance Payment Guarantee for each instalment shall be for an amount equal to that instalment, shall remain valid and enforceable until the Mobilization Advance has been fully repaid, and in any event for a period extending not less than 28 days beyond the stipulated date of completion of the Works, and shall be progressively reduced by the amount of the Advance repaid, as evidenced in the amounts certified in the Interim Payment

		Certificates, provided that the Guarantor agrees that the validity of the Guarantee shall be deemed extended if, on the stated expiry date, the Advance has not been fully repaid
28.	14.3(iii)	Percentage of Retention: Ten percent (10%) of the amount of each Interim Payment Certificate, to be deducted by the Engineer until the Retention Money reaches the Limit of Retention Money stated below. Limit of Retention Money: Five percent (5%) of the Accepted Contract Amount.
29.	14.5(b)(i)	Imported Plant and Materials: Yes This clause shall be applicable to the following imported Plant and Materials for payment: (a) Chillers (b) Cooling Towers (c) Hot Water Generators (d) Air Handling Units (e) Fan Coil Units (f) DG Sets (g) Solar PV Panels, Inverters and Lithium-Ion Batteries (h) Elevators (i) Fire Fighting Pumping Set (j) FM 200 / Clean Agent Fire System (k) VHF System (l) UHF System (m) HF System (n) DVLS system (o) AWOS (p) RRC System (q) UPS and associated Lithium-Ion Batteries Payment for Imported Equipment and Materials Notwithstanding any other provision of the Contract, payment for imported equipment and materials specifically identified herein shall be made by the Employer through Interim Payment Certificates issued by the Engineer, subject to compliance with the Contract and submission of all documents required under this Clause. The Contractor shall be entitled to payment in the following stages / milestones: (a) Twenty percent (20%) of the Contract Price for the relevant

		imported equipment and/or materials shall be certified for payment upon: (i) approval of the relevant equipment and materials by the Engineer in accordance with the Contract; and (ii) submission by the Contractor of an unconditional, irrevocable, on-demand Bank Guarantee for an equivalent amount issued by a Scheduled Bank in Pakistan acceptable to the Employer (List of approved banks provided in the Contract). The Bank Guarantee shall be valid for a period extending not less than ninety (90) days beyond the anticipated date of shipment, and renewable by the Contractor if that date is delayed. (b) Thirty-five percent (35%) of the Contract Price for the relevant imported equipment and/or materials shall be certified for payment upon submission to the Engineer of satisfactory documentary evidence that the goods have been shipped, including, as applicable: ▪ negotiable Bill of Lading or Air Waybill; ▪ commercial invoice; ▪ packing list; ▪ certificate of origin; ▪ insurance certificate; ▪ manufacturer's inspection or factory acceptance certificates, where specified; and ▪ any other documents required under the Contract. Prior to certification of this payment, the Contractor shall furnish an additional unconditional, irrevocable, Bank Guarantee for the amount payable under this sub-clause, issued by a Scheduled Bank in Pakistan acceptable to the Employer as provided in the Contract. The Bank Guarantee shall be valid for a period extending not less than ninety (90) days beyond the anticipated date of delivery at site, and renewable by the Contractor if that date is delayed. (c) Twenty percent (20%) of the Contract Price for the relevant imported equipment and/or materials shall be certified for payment upon delivery to the Site, verification by the Engineer that the equipment and materials conform to the Contract requirements, and issuance of the Engineer's inspection and acceptance certificate. Upon certification of this payment, the Bank Guarantees submitted under Sub-Clauses (a) and (b) shall be released, provided that all obligations secured thereby have been fulfilled. (d) Twenty percent (20%) of the Contract Price shall be certified for payment upon complete installation of the relevant equipment and materials in accordance with the Contract and after inspection and acceptance by the Engineer. For the imported equipment and
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		materials identified under this Clause as eligible for foreign currency adjustment, the Contractor shall also be entitled to payment of the applicable Exchange Rate Adjustment (Dollar Parity) simultaneously with the payment under this Sub-Clause, in accordance with provisions stipulated in Schedule A to the Bid: SCHEDULE OF ADJUSTMENT DATA - Price Adjustment for Imported Equipment (Exchange Rate Variation / Dollar Parity) (e) The remaining five percent (5%) of the Contract Price shall be certified for payment upon successful completion of testing and commissioning, achievement of the specified performance requirements, rectification of all deficiencies identified during commissioning, and issuance of the Taking-Over Certificate by the Engineer in accordance with the Contract. Payment under this Clause shall not constitute acceptance of the equipment or materials, nor relieve the Contractor of any obligation, responsibility, warranty or liability under the Contract. All payments shall be included in Interim Payment Certificates issued by the Engineer and shall be made by the Employer within the period stipulated in the Particular Conditions of Contract. Unless otherwise provided in the Particular Conditions, all certified amounts shall be subject to retention in accordance with the Contract. Ownership, care of the Works, allocation of risk, insurance obligations, certification procedures, time for payment, and all other matters relating to payment shall be governed by the applicable provisions of the Conditions of Contract, except as expressly modified by this Clause.
30.	14.5(c)(i)	Plant and Materials: Plant and Materials for payment when delivered to the Site (a) Steel Reinforcement / Steel Structural Members (b) Local Glass (c) Doors & Windows (d) False Ceiling (e) Tile, Marble and Granite (f) Plumbing Fittings and Fixtures (g) Pipes and Conduits (h) Pumps except Fire-Fighting Pumping Set (i) Electric Cables (j) Electric Panels (k) Transformers (l) CCTV Cameras (m) Electric Lights Advance Payment for Materials Delivered to Site The Contractor may be certified for an advance payment of up to seventy percent (70%) of the value (quantity delivered to Site ×

		Contract rate) of the relevant Bill of Quantities (BoQ) item, in respect of the above-identified materials delivered to the Site for incorporation into the Permanent Works but not yet incorporated. Such payment shall be certified only where the Engineer is satisfied that: (a) the materials have been delivered to the Site and are intended solely for incorporation into the Permanent Works in accordance with the Contract; Where a BOQ item comprises more than one eligible material, advance payment shall be certified only where all such eligible materials required for that BOQ item have been delivered to the Site in commensurate quantities sufficient for the execution of the corresponding portion of the Works, as determined by the Engineer. No advance payment shall be certified for individual components of a composite BOQ item. (b) the quantity, quality and condition of the materials have been verified by the Engineer, and a Material Inspection Report (MIR) and Material Receipt Certificate have been issued accordingly; (c) the materials are properly stored and adequately protected against loss, damage, deterioration and weather, and are clearly identified and segregated, to the satisfaction of the Engineer; (d) the Contractor maintains records of the requirement, procurement, receipt and use of such materials, identifies their cost and value in its accounting system, and makes such records available for inspection by the Engineer on request; and (e) the Contractor has submitted invoices, delivery challans, manufacturer's certificates, and such other documents as the Engineer may reasonably require to establish ownership and value of the materials. Title to materials so certified shall vest in the Employer in accordance with Sub-Clause 7.7 [Ownership of Plant and Materials], without prejudice to the Contractor's continuing responsibility for their care under Clause 17 [Care of the Works and Indemnities]. The Contractor shall remain solely responsible for the custody, security, preservation, and insurance of all such materials, at its own cost, until they are incorporated into the Permanent Works and taken over in accordance with relevant provision of the Contract. Certification of payment under this Sub-Clause shall not constitute acceptance of the materials, nor relieve the Contractor of any obligation, liability or responsibility under the Contract, and is without prejudice to the Employer's rights under Clause 11 [Defects after Taking Over]. No further advance shall be certified under this Sub-Clause in respect
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		of any material for which an advance previously certified remains outstanding, unless and until that material has been incorporated into the Permanent Works and certified as such by the Engineer. Recovery of Advance The amount certified under this Sub-Clause shall be recovered by deduction from amounts otherwise due to the Contractor in Interim Payment Certificates (IPCs) issued under Sub-Clause 14.6, in five (5) equal instalments, commencing with the fourth (4th) IPC issued after the IPC in which the advance was first certified. Notwithstanding the foregoing, the advance shall in all cases be fully recovered not later than the date on which eighty percent (80%) of the Accepted Contract Amount excluding Provisional Sums has been certified for payment. Where, at the time recovery is due to commence, fewer than five (5) IPCs remain between such commencement and the Second Last IPC, the instalments shall instead be recalculated, in equal amounts, so as to ensure the advance is recovered in full not later than the date on which eighty percent (80%) of the Accepted Contract Amount excluding Provisional Sums has been certified for payment. Immediate Recovery The outstanding balance shall become immediately recoverable if: (a) the Contract is terminated; (b) the relevant Plant or Materials are removed from the Site without the Engineer's prior written approval; or (c) the Plant or Materials are lost, stolen, damaged or otherwise rendered unsuitable for incorporation into the Permanent Works. The Employer may recover the outstanding amount from any monies due or becoming due to the Contractor, from the Performance Security, or by any other remedy available under the Contract or applicable law. Employer's Lien Until the advance has been fully recovered or the Plant and Materials have been incorporated into the Permanent Works, whichever occurs first, the Employer shall have a first contractual lien over the Plant and Materials to the extent of the outstanding advance. The Contractor shall not sell, remove, transfer, pledge, charge or otherwise dispose of or encumber such Plant and Materials without the prior written approval of the Engineer.
31.	14.6.2	Withholding (amounts in) an IPC 1% of the Accepted Contract Amount.
32.	14.7(a)	Period of payment of Advance Payment to the Contractor

		Twenty-eight (28) days
33.	14.7b(i)	Period for the Procuring agency/Employer to make interim payments to the Contractor under Sub-Clause 14.6 (interim Payment) Twenty-eight (28) days
34.	14.7b(ii)	Period for the Procuring agency/Employer to make interim payments to the Contractor under Sub-Clause 14.13 (Final Payment) Fifty-six (56) days
35.	14.7(c)	Period for the Procuring agency/Employer to make final payment to the Contractor Fifty-six (56) days
36.	14.8	Financing charges for delayed payment: Five percent (5%) simple interest per annum , calculated on the outstanding amount from the date payment became due until the date of actual payment.
37.	14.11.1(b)	Number of additional paper copies of draft Final Statement: Three (3) , together with one (1) searchable PDF copy and one (1) editable electronic copy in a format acceptable to the Engineer.
38.	14.15	Currencies of Payment The Accepted Contract Amount is expressed and payable in Pakistan Rupees (PKR) only.
39.	14.15 (a)(i)	Local Currency: One hundred percent (100%) Pakistan Rupees (PKR). Foreign Currency: Not Applicable. Fixed rates of exchange: Not Applicable.
40.	14.15 (c)	Delay Damages shall be payable in Pakistan Rupees (PKR) only.
41.	14.15 (f)	Not Applicable. The Accepted Contract Amount is payable entirely in Pakistan Rupees (PKR).
Insurance (GCC Clause 19)		
42.	19.1	Permitted deductible limits insurance required for the Works: Ten percent (10%) of the amount of each and every loss, subject to a minimum of PKR 2 million and a maximum of PKR 20 million per occurrence. The deductible shall be borne solely by the Contractor and shall not relieve the Contractor of any obligation or liability under the Contract. insurance required for Goods: Nil insurance required for liability for breach of professional duty: Nil

		insurance required against liability for fitness for purpose (if any is required): Nil insurance required for injury to persons and damage to property: Nil insurance required for injury to employees: Nil other insurances required by Laws and by local practice: Nil Periods for submission of insurance: a) evidence of insurance b) relevant policies Not later than twenty eight (28) day from the Commencement Date
43.	19.2.1(b)	Additional amount to be insured: 15% of the Accepted Contract Amount
44.	19.2.1(iv)	List of Exceptional Risks which shall not be excluded from the insurance cover for the Works: Seismic/earthquake events shall be treated as an insured peril under the Works (CAR/EAR) insurance policy and shall not be excluded from cover, given the project's location in Seismic Zone 4. No other Exceptional Risks are excluded.
45.	19.2.2	Extent of insurance required for Goods: from ex-works to delivery at site Amount of insurance required for Goods: Full replacement value, including freight, insurance, and applicable duties/taxes for imported plant, equipment, and materials (including ATC and navigational systems)
46.	19.2.3(a)	amount of insurance required for liability for breach of professional duty: Full replacement value of the Works to be designed by the Contractor.
47.	19.2.3(b)	Insurance required against liability for fitness for purpose Yes Required
48.	19.2.3(c)	Period of insurance required for liability for breach of professional duty: Until the date of issue of the Performance Certificate, plus a minimum run-off (tail) period of three (3) years thereafter.
49.	19.2.4	Amount of insurance required for injury to persons and damage to property: Injury to person and Fatal case: In accordance with the Workmen's Compensation Act, or a minimum sum insured of PKR 3 million per person, whichever is greater Damage to Property: PKR 50 million for each occurrence, with no

		limit on the number of occurrences
50.	19.2.6	Insurance <u>Other insurances required by Laws and by local practice</u> All insurances applicable to the extent of project execution under the Federal and Provincial laws of the Islamic Republic of Pakistan, including but not limited to: Contractor's All Risk (CAR)/Erection All Risk (EAR) insurance, Third Party Liability insurance, Workmen's Compensation/Employer's Liability insurance, and Professional Indemnity insurance.
Dispute Avoidance/ Adjudication Board (GCC Clause 21)		
51.	21.1	Time for appointment of DAAB: Within 28 days form the Commencement Date
52.	21.1	The DAAB shall comprise three (03) members.
53.	21.2	Appointing entity (official) for DAAB members: Chairman Pakistan Engineering Council (PEC) from the list of PEC approved arbitrators published at its website
54.	21.6	The arbitration shall be conducted in accordance with the PEC Rules of Conciliation and Arbitration (published by the Pakistan Engineering Council), as in effect on the Base Date. If the PEC Rules are not available or cannot be applied, the arbitration shall be conducted in accordance with the Arbitration Act, 1940 (Act No. X of 1940) of Pakistan, as amended from time to time. The place of Arbitration shall be in the Employer's country: Islamabad, Pakistan

Part-B Special Provisions

GCC Sub-Clause

1.1

Definitions

Amendments of, and Supplements to, Clauses in the GCC

1.1.76 “Specification”

Following is added at the end:

“and consists of two parts i.e.,

- i) “Part A - Specific Provisions”; and
- ii) “Part B - Technical Provisions”.”

1.2

Interpretation

“and” is deleted from the end of sub-paragraph (i) and added at the end of sub-paragraph (j). Sub-paragraph (k) is added:

“(k) The word “tender” is synonymous with “bid”, the word “tenderer” with “bidder”, the words “tender documents” with “bidding documents” and “Schedule of Prices” with “Bill of Quantities”, as applicable.”

1.5

Priority of Documents

The documents listed at (a) through (l) of this Sub-Clause are deleted and substituted with the following:

- (a) the Contract Agreement;
- (b) the Letter of Acceptance;
- (c) the Letter of Bid;
- (d) the Particular Conditions Part A - Contract Data;
- (e) the Particular Conditions Part B - Special Provisions;
- (f) the General Conditions;
- (g) The Priced Bill of Quantities including completed Schedules to Bid;
- (h) the Specification Part A - Specific Provisions;
- (i) the Specification Part B - Technical Provisions;
- (j) the Drawings;
- (k) the JV Undertaking (if the Contractor is a JV); and
- (l) any other documents forming part of the Contract.

The addenda/corrigenda, if any, shall be deemed to have been incorporated at the appropriate places in the documents forming the Contract.

1.6

Contract Agreement

In the last line of the 1st paragraph the text “shall be borne by the Employer” is substituted by “shall be borne by the Contractor”.

3.1

The Engineer

In sub-paragraph (a) the text “as defined in the Pakistan Engineering Council Act, 1975 (Act No. V of 1976)” is added after the words “professional engineer”.

3.2

The Engineer shall obtain the consent in writing of the Employer before

Engineer's Duties and Authority

taking action under the following Sub-Clauses of these Conditions:

- (a) Consenting to the subcontracting of any part of the Works under Sub-Clause 5.1 *[Subcontractors]*
- (b) Any action under Sub-Clauses 8.9 *[Employer's Suspension]* and 8.12 *[Prolonged Suspension]*
- (c) Issuance of "Taking Over Certificate" under Sub-Clause 10.1 *[Taking Over the Works and Sections]*.
- (d) Issuing the "Performance Certificate" under Sub-Clause 11.9 *[Performance Certificate]*.
- (e) Sub-Clause 13.1 *[Right to Vary]*: instructing a Variation, except;
 - (i) in an emergency situation as determined by the Engineer, or
 - (ii) if such a Variation would increase the Accepted Contract Amount by less than the percentage specified in the Contract Data.
- (f) Sub-Clause 13.3 *[Variation Procedure]*: approving a proposal for Variation submitted by the Contractor in accordance with Sub-Clause 13.3.2 *[Variation by Request for Proposal]* or 13.2 *[Value Engineering]*.
- (g) Certifying release of second half of the Retention Money under Sub-Clause 14.9 *[Release of Retention Money]*.
- (h) Issuing Final Payment Certificate under Sub-Clause 14.13 *[Issue of FPC]*.

Any such requirement shall not be applied to any action by the Engineer under Sub-Clause 3.7 *[Agreement or Determination]*, as stated in Sub-Clause 3.2 *[Engineer's Duties and Authority]* of the General Conditions.

Notwithstanding the obligation, as set out above, to obtain approval, if, in the opinion of the Engineer, an emergency occurs affecting the safety of life or of the Works or of adjoining property, he may, without relieving the Contractor of any of his duties and responsibility under the Contract, instruct the Contractor to execute all such work or to do all such things as may, in the opinion of the Engineer, be necessary to abate or reduce the risk. The Contractor shall forthwith comply, despite the absence of approval of the Employer, with any such instruction of the Engineer. The Engineer shall determine an addition to the Contract Price, in respect of such instruction, in accordance with Clause 13 and shall notify the Contractor accordingly, with a copy to the Employer.

Following is added after the words "the Employer's consent is required" in the 4th paragraph:

"stating that the Employer's consent has been obtained for that specified authority"

4.2

Performance Security

4.2.1 Contractor's Obligations

The entity issuing the Performance Security and its form shall be as under:

The Contractor shall provide Performance Security to the Employer in the prescribed form. The said Security shall be furnished or caused to be furnished by the Contractor within 28 days after the receipt of the Letter of Acceptance. The Performance Security shall be of an amount equal to 10% of the Contract Price stated in the Letter of Acceptance. Such Security shall be in the form of either (a) bank guarantee from any Scheduled Bank in Pakistan or (b) bank guarantee from a bank located outside Pakistan duly counter-guaranteed by a Scheduled Bank in Pakistan. The Performance Security shall be binding irrespective of changes in the quantities or variations in the Works or extensions in Time for Completion of the Works which are granted or agreed upon under the provisions of the Contract. The list of approved banks is given in the Volume-II of the Contract Agreement.

In case of Joint Venture, the Performance Security shall be in the name of the Joint Venture or in the name of Lead/either firm of the JV or in ratio of shares of the individual JV partners.

Following paragraph is added at the end of this Sub-Clause:

“The amount of Performance Security shall be reduced to 50% following issue of the Taking-Over Certificate for the whole of the Works under Clause 10 of Conditions of Contract.”

4.3

Contractor's Representative

In the second paragraph the text “professional engineer as defined in the Pakistan Engineering Council Act, 1975 (Act No. V of 1976) (having temporary licence in case of foreign engineer under Section 12 of the Pakistan Engineering Council Act, 1975 (Act No. V of 1976))” is added after the words “qualified, experienced”.

In the 3rd paragraph the words “28 days” are substituted by “14 days”. In the 2nd line of the 4th paragraph the text “or appoint a replacement” is substituted by “except appointment of a suitable temporary replacement is deployed at the Site”.

4.4

Contractor's Documents

4.4.2 As-Built Records

The first paragraph is deleted and the text in the last paragraph is substituted with the following:

“The Contractor shall furnish to the Engineer 6 copies, one reproducible and one electronic copy (provided the Engineer has made available to the Contractor editable form of the Drawings) of all Drawings amended to conform to the Works as built. In case the Engineer does not make available to the Contractor editable form of the Drawings, the Contractor shall furnish to the Engineer as-built data for incorporation in the Drawings. Upon receipt of PDF versions of the as-built drawings prepared by the Engineer, the Contractor shall furnish to the Engineer 6 copies and one reproducible of these Drawings. The price of such

Drawings shall be deemed to be included in the Contract Price.”

Following Sub-Clause is added:

4.4.4 Shop Drawings

The Contractor shall submit to the Engineer for review 3 copies of all shop and erection drawings applicable to this Contract as per provision of the relevant Sub-Clause of the Contract.

Review and approval by the Engineer shall not exceed 21 days and is not to be construed as a complete check but will indicate only that the general method of construction and detailing is satisfactory, and the Engineer’s review or approval shall not relieve the Contractor of any of his responsibilities under the Contract.

4.8 Health and Safety Obligations

The following text is added at the end of this Sub-Clause:

“In the event of work being carried out outside the normal working hours and in the event of work being carried out at night, the Contractor shall, at his own cost, provide and maintain such good and sufficient light as will enable the work to proceed satisfactorily and without danger. The approaches to the Site and the Works where the night work is being carried out shall be sufficiently lighted. All arrangements adopted for such lighting shall be to the satisfaction of the Engineer.”

4.20 Progress Reports

At the end of sub-paragraph (g) the word “and” is deleted, and at the end of sub-paragraph (h) the full stop (.) is replaced with “;”, and the following new sub-paragraphs are added:

(i) planned programme for the execution of the Works for the next 56 days, to enable the Engineer to determine its programme of inspection and testing;

(j) monthly summary of daily job record indicating weather conditions, deployment of Contractor’s Equipment, labour employment, local material procurement and material import, if any; and

(k) salient contractual and project information.

5.1 Subcontractors

Add the following text at the end of paragraph (ii):

“under Schedule to Bid”

The following is added at the end of the last paragraph of Sub-Clause 5.1:

“All subcontracts relating to the Works shall include provisions which entitle the Employer to require the subcontract to be assigned to the Employer under sub-paragraph (a) of Sub-Clause 15.2.3 [*After Termination*].

The Contractor shall give reasonable opportunity to contractors from the Islamic Republic of Pakistan for subcontracts for the Works, and endeavour to employ such contractors as Subcontractors.”

5.2 Nominated Subcontractors	<u>5.2.2 Objection to Nomination</u> In sub-paragraph (c), “and” is deleted from the end of (i); “.” at the end of (ii) is replaced with “, and”. The following is added as (iii): “(iii) be paid only if and when the Contractor has received from the Employer payments for sums due under the Subcontract referred to under Sub-Clause 5.2.3 [<i>Payment to nominated Subcontractors</i>].”
6.1 Engagement of Staff and Labour	The following paragraph is added at the end of the Sub-Clause: “The Contractor shall, to the extent practicable and reasonable, employ staff (not less than 50%) and labour (not less than 85%) with appropriate qualifications and experience from sources within the Islamic Republic of Pakistan.”
6.7 Health and Safety of Personnel	The existing text is substituted with the following: “In order to provide for the safety, health and welfare of persons, and for prevention of damage of any kind, all operations for the purposes of or in connection with the Contract shall be carried out in compliance with the Safety Requirements of the Government of Pakistan, with such modifications thereto as the Engineer may authorize or direct, and the Contractor shall take or cause to be taken such further measures and comply with such further requirements as the Engineer may determine to be reasonably necessary for such purpose. The Contractor shall also provide all other medical services and appoint a health and safety officer at Site if stated in the Specifications. In case of any fatality or serious accident, the Contractor shall, in addition, notify the Engineer immediately by the quickest available means.”
6.8 Contractor’s Superintendence	Insert at the end of sub-paragraph (a) of this Sub-Clause: “or, if not, the Contractor shall make competent interpreters available during all working hours, in a number sufficient for those persons to properly perform their superintendence duties” The following text is added at the end of this Sub-Clause: “The Contractor’s authorized representative and his other engineers working at site shall possess valid registration with the Pakistan Engineering Council. The Contractor’s authorized representative at Site shall be authorized to exercise adequate administrative and financial powers on behalf of the Contractor so as to achieve completion of the Works as per the Contract.”
6.12 Key Personnel	The following is inserted at the end of the last paragraph: “If any of the Key Personnel are not fluent in this language, the Contractor shall make competent interpreters available during all working hours in a number deemed sufficient by the Engineer.” The following Sub-Clauses 6.13 to 6.26 are added at the end of Sub-Clause 6.12:

6.13 Foreign Personnel	The Contractor may bring in to the Country any foreign personnel who are necessary for the execution of the Works to the extent allowed by the applicable Laws. The Contractor shall ensure that these personnel are provided with the required residence visas and work permits. The Employer will, if requested by the Contractor, use all reasonable endeavours in a timely and expeditious manner to assist the Contractor in obtaining any local, state, national, or government permission required for bringing in the Contractor's personnel. The Contractor shall be responsible for the return of these personnel to the place where they were recruited or to their domicile. In the event of the death in the Country of any of these personnel or members of their families, the Contractor shall similarly be responsible for making the appropriate arrangements for their return or burial.
6.14 Supply of Foodstuffs	The Contractor shall arrange for the provision of a sufficient supply of suitable food as may be stated in the Specification at reasonable prices for the Contractor's Personnel for the purposes of or in connection with the Contract.
6.15 Supply of Water	The Contractor shall, having regard to local conditions, provide on the Site an adequate supply of drinking and other water for the use of the Contractor's Personnel.
6.16 Measures against Insect and Pest Nuisance	The Contractor shall at all times take the necessary precautions to protect the Contractor's Personnel employed on the Site from insect and pest nuisance, and to reduce the danger to their health. The Contractor shall comply with all the regulations of the local health authorities, including use of appropriate insecticide.
6.17 Alcoholic Liquor or Drugs	The Contractor shall not, otherwise than in accordance with the Laws of the Country, import, sell, give, barter or otherwise dispose of any alcoholic liquor or drugs, or permit or allow importation, sale, gift, barter or disposal thereof by Contractor's Personnel.
6.18 Arms and Ammunition	The Contractor shall not give, barter, or otherwise dispose of, to any person, any arms or ammunition of any kind, or allow Contractor's Personnel to do so.
6.19 Festivals and Religious Customs	The Contractor shall respect the Country's recognized festivals, days of rest and religious or other customs.
6.20 Funeral Arrangements	The Contractor shall be responsible, to the extent required by local regulations, for making any funeral arrangements for any of its local employees who may die while engaged upon the Works.
6.21 Forced Labour	The Contractor, including its Subcontractors, shall not employ or engage forced labour which consists of any work or service, not voluntarily performed, that is exacted from an individual under threat of force or penalty, and includes any kind of involuntary or compulsory labour, such as indentured labour, bonded labour or similar labour-contracting arrangements.
6.22	The Contractor, including its Subcontractors, shall not employ or engage

Child Labour	child labour in accordance with the relevant law(s) in force in the Islamic Republic of Pakistan.
6.23 Employment Records of Workers	The Contractor shall keep complete and accurate records of the employment of labour at the Site. The records shall include the names, ages, genders, hours worked and wages paid to all workers. These records shall be summarized on a monthly basis and submitted to the Engineer. These records shall be included in the details to be submitted by the Contractor under Sub-Clause 6.10 [<i>Contractor's Records</i>].
6.24 Workers' Organizations	The Contractor shall comply with the relevant labour laws of Pakistan which recognize workers' rights to form and to join workers' organizations/Trade Unions of their choosing and to bargain collectively without interference.
6.25 Non-Discrimination and Equal Opportunity	The Contractor shall not make decisions relating to the employment or treatment of Contractor's Personnel on the basis of personal characteristics unrelated to inherent job requirements. The Contractor shall base the employment of Contractor's Personnel on the principle of equal opportunity and fair treatment, and shall not discriminate with respect to any aspects of the employment relationship, including recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment, access to training, job assignment, promotion, termination of employment or retirement, and disciplinary practices. Special measures of protection or assistance to remedy past discrimination or selection for a particular job based on the inherent requirements of the job shall not be deemed discrimination. The Contractor shall provide protection and assistance as necessary to ensure non-discrimination and equal opportunity, including for specific groups such as women, persons with disabilities, migrant workers and children (of working age in accordance with Sub-Clause 6.22).
6.26 Epidemics	In the event of any outbreak of illness of an epidemic nature, the Contractor shall comply with and carry out such regulations, orders and requirements as may be made by the Government or the local medical or sanitary authorities for the purpose of overcoming the same.
7.7 Ownership of Plant and Materials	The following is added before the first paragraph: "Except as otherwise provided in the Contract," The following is added at the end of the Sub-Clause: "No Plant and/or Materials that is the property of the Employer shall be removed from the Site. If it becomes necessary to: (i) remove any item of such Plant from the Site for the purposes of repair, the Contractor shall give a Notice, with reasons, to the Engineer requesting consent to remove the defective or damaged item off the Site. This Notice shall clearly identify the item of defective or damaged Plant, and shall give details of: the defect or damage to be repaired; the place to which the defective or damaged item of Plant is to be taken for repair; the transportation to be used

(and insurance cover for such transportation); the proposed inspections and testing off the Site; and the planned duration required before the repaired item of Plant shall be returned to the Site. The Contractor shall also provide any further details that the Employer may reasonably require; or

(ii) replace any item(s) of such Plant and/or Materials, the Contractor shall give a Notice, with reasons, to the Engineer clearly identifying the item(s) of Plant and/or Materials to be replaced, and giving details of the due date of delivery to the Site of the replacement item(s).

Where any item of Plant and/or Materials has become the property of the Employer under this Sub-Clause before it has been delivered to the Site, the Contractor shall ensure that such an item is not moved except for its delivery to the Site.

The Contractor shall indemnify and hold the Employer harmless against and from the consequences of any defect in title or encumbrance or charge (except any reasonable restriction arising from the intellectual property rights of the manufacturer or producer) on any item of Plant and/or Materials that has become the property of the Employer under this Sub-Clause.”

7.9
Use of Pakistani
Materials and Services

The following Sub-Clause 7.9 is added after Sub-Clause 7.8:

The Contractor shall, so far as may be consistent with the Contract, make the maximum use of materials, supplies, plant and equipment indigenous to or produced or fabricated in Pakistan and services available in Pakistan, provided such materials, supplies, plant, equipment and services shall be of the required standard.

8.1
Commencement of
Works

The following is added before the first paragraph:

“After signing of the Contract Agreement by both Parties,” and thereafter the word “The” is replaced with the word “the”.

8.5
Extension of Time for
Completion

The following is added after paragraph (c): “for last five years”.

11.12
Supervisory Assistance
During DNP

The following Sub-Clause 11.12 is added after Sub-Clause 11.11:

If provided under the Schedule of Prices, the Contractor shall provide supervisory assistance to the Employer during the DNP for the Works. Such supervisory assistance shall be as described in the Specification for the purpose of supporting the Employer’s operation and maintenance of the Plant for the period specified in the Schedule of Prices after the Date of Completion.

12.2
Method of Measurement

The following paragraph is added at the end of the Sub-Clause:

“Summary of measured quantity for payment shall be delineated item-wise under four heads, namely: ‘Schedule of Prices Quantity’, ‘Quantity Executed To-date’, ‘Quantity Certified Previously’ and ‘Net Quantity Executed under this Certificate’.”

12.3 Valuation of the Works	The following text is added at the end of the fifth paragraph of the Sub-Clause: “Sum of overhead charges and profit for sub-paragraph (a) shall be Fifteen percent (15%).”
13.4 Provisional Sums	The following paragraph is inserted as the penultimate paragraph: “The Provisional Sum shall be used to cover the Employer’s share of the DAAB members’ fees and expenses, in accordance with Clause 21. No prior instruction of the Engineer shall be required with respect to the work of the DAAB. The Contractor shall submit the DAAB members’ invoices and satisfactory evidence of having paid 100% of such invoices as part of the substantiation of those Statements submitted under Sub-Clause 14.3.”
13.6 Adjustments for Changes in Laws	Text is deleted and substituted with the following: “If, after the date 28 days prior to the latest date for submission of tenders for the Contract, there occur in the country in which the Works are being or are to be executed changes to any National or State Statute, Ordinance, Decree or other Law or any regulation or bye-law of any local or other duly constituted authority, or the introduction of any such State Statute, Ordinance, Decree, Law, regulation or bye-law, which causes additional or reduced cost to the Contractor, other than under Sub-Clause 13.7, in the execution of the Contract, such additional or reduced cost shall, after due consultation with the Employer and the Contractor, be determined by the Engineer and shall be added to or deducted from the Contract Price, and the Engineer shall notify the Contractor accordingly, with a copy to the Employer.”
14.1 The Contract Price	The following is added at the end of the Sub-Clause: “Notwithstanding the provisions of subparagraph (b), Contractor’s Equipment, including essential spare parts, imported by the Contractor for the sole purpose of executing the Contract shall be temporarily exempt from the payment of import duties and taxes upon initial importation, provided the Contractor shall post with the customs authorities at the port of entry an approved re-export bond or bank guarantee, valid until the Time for Completion plus six months, in an amount equal to the full import duties and taxes which would be payable on the assessed imported value of such Contractor’s Equipment and spare parts, and callable in the event the Contractor’s Equipment is not re-exported from the Country on completion of the Contract. A copy of the bond or bank guarantee endorsed by the customs authorities shall be provided by the Contractor to the Employer upon the importation of individual items of Contractor’s Equipment and spare parts. Upon re-export of individual items of Contractor’s Equipment or spare parts, or upon the completion of the Contract, the Contractor shall prepare, for approval by the customs authorities, an assessment of the residual value of the Contractor’s Equipment and spare parts to be re-exported, based on the depreciation scale(s) and other criteria used by the customs authorities for such purposes under the provisions of the applicable

Laws. Import duties and taxes shall be due and payable to the customs authorities by the Contractor on (a) the difference between the initial imported value and the residual value of the Contractor's Equipment and spare parts to be re-exported; and (b) on the initial imported value of the Contractor's Equipment and spare parts remaining in the Country after completion of the Contract. Upon payment of such dues within 28 days of being invoiced, the bond or bank guarantee shall be reduced or released accordingly; otherwise the security shall be called in the full amount remaining."

14.2
Advance Payment

14.2.1 Advance Payment Guarantee

In case of Joint Venture, the Advance Payment Guarantee(s) shall be in the name of the Joint Venture or in the name of Lead/either firm of the JV or in ratio of shares of the individual JV partners.

14.7
Payment

The words "or through crossed cheque in favour of the Contractor or JV partners. The payment to JV partners shall be made at the request of the Joint Venture, if any, in the ratio of their shares specified by them" are added at the end of the Sub-Clause.

14.8
Delayed Payment

In the first paragraph, third line, the words "compounded monthly" are deleted.

The text of the 2nd paragraph is deleted and substituted with the following:

"The Employer shall pay to the Contractor compensation at the rate stated in the Contract Data."

15.2
Termination for Contractor's Default

15.2.1 Notice

Following text is added at the end of sub-paragraph (h) of this Sub-Clause:

"For the purposes of this Contract, corrupt and fraudulent practices have been defined in the Public Procurement Rules 2004."

15.2.3 After Termination

The word "and" at the end of sub-paragraph (ii) of paragraph (b) is deleted, and the following paragraph is added after sub-paragraph (iii):

"(iv) all Employer-Supplied Materials and/or Employer's Equipment made available to the Contractor in accordance with Sub-Clause 2.6 [*Employer-Supplied Materials and Employer's Equipment*], and"

The following text is added at the end of this Sub-Clause:

"The Employer shall be entitled to sell any of the Contractor's Equipment, Temporary Works and unused materials and apply the proceeds of sale towards payment of any debt due from the Contractor to the Employer under this Clause, including any outstanding payments to the Subcontractors."

16.2
Termination by

16.2.1 Notice

Contractor

Sub-paragraph (j) is deleted in its entirety.

At the end of sub-paragraph (i) “; or” is replaced with “.”, and at the end of sub-paragraph (h) “;” is replaced with “; or”.

In sub-paragraph (f) “84 days” is replaced with “180 days” and the text “for reasons not attributable to the Contractor” is added at the end.

Sub-paragraph (c) is deleted and replaced with:

“(c) deliver to the Engineer all Employer-Supplied Materials and/or Employer’s Equipment made available to the Contractor in accordance with Sub-Clause 2.6 [*Employer-Supplied Materials and Employer’s Equipment*]; and

(d) remove all other Goods from the Site, except as necessary for safety, and leave the Site.”

After the two instances of “Goods” in the last paragraph, the words “Employer-Supplied Materials and/or Employer’s Equipment” are added.

16.3 Contractor’s Obligations After Termination

(See amendments to sub-paragraph (c) and the last paragraph, set out above under Sub-Clause 16.2.)

17.7 Use of Employer’s Accommodation/Facilities

The following Sub-Clause 17.7 is added after Sub-Clause 17.6:

The Contractor shall take full responsibility for the care of the items of the Employer’s facilities and/or accommodation, if any, as detailed in the Specification, from the date of use and/or occupation by the Contractor until the date on which such use and/or occupation is re-vested in the Employer.

If any loss or damage happens to any of the above items during a time while the Contractor is responsible for its care, arising from any cause other than a cause for which the Employer is responsible or liable, the Contractor shall promptly rectify the loss or damage at the Contractor’s risk and cost.

18.1 Exceptional Events

The words “or disorder” are replaced with “disorder or sabotage” in sub-paragraph (c) of the Clause.

18.4 Consequences of an Exceptional Event

The following is added at the end of sub-paragraph (b), after deleting the “.”:

“, including the costs of rectifying or replacing the Works and/or Goods damaged or destroyed by Exceptional Events, to the extent they are not indemnified through the insurance policy referred to in Sub-Clause 19.2 [*Insurance to be provided by the Contractor*].”

In sub-paragraph (c), the words “and necessarily” are added after the words “was reasonably”.

19.1 General Requirements

Following text is added at the end of the first paragraph:

“The Contractor shall, immediately after the date of the Letter of Acceptance, submit the draft of insurance policies for the Employer’s

consent.”

Following text is added at the end of the third paragraph:

“The Contractor shall, within the respective periods stated in the Contract Data, submit to the Engineer and the Employer (a) evidence that the insurances described in this Clause have been effected, and (b) copies of policies of the insurances described in Sub-Clauses 19.2.1, 19.2.4 and 19.2.5.”

19.2

Insurance to be provided by the Contractor

19.2.5 Injury to employees

The words “sickness, disease” are deleted in the third line of the first paragraph.

The following Sub-Clause is added after Sub-Clause 19.2.6:

19.2.7 Insurance Company

“The Contractor shall be obliged to place all insurances described in this Clause with insurers listed in the Contract Data and rated by PACRA/VIS with a rating as provided in the table below:

Accepted Contract Amount (in Eq. million PKR)	Minimum Rating of Insurance Companies
Up to 1000	A (+)
1001 to no limit	AA

21.6

Arbitration

The word “international” is deleted in the sixth line of the first paragraph. The text of sub-paragraph (a) is substituted with the following:

“the Dispute shall be finally settled under the Rules of Arbitration specified in the Contract Data;”

22

Taxes

The following Clause is added after Clause 21:

The Contractor, Subcontractors and their employees shall be liable to pay income tax, withholding tax, super tax and other taxes on income arising out of the Contract. The rates and prices as stated in the Contract shall be deemed to cover all such taxes.

The rates and prices for all items of the Works stated in the Bill of Quantities shall be exclusive of Provincial Revenue Authority Sales Tax on Services.

23

Integrity Pact

If it is found and established at any stage that the Contractor or any of his Subcontractors, agents or servants have violated or been involved in violation of the Integrity Pact signed by the Contractor, then the Employer shall be entitled to:

- (a) recover from the Contractor an amount equivalent to ten times the sum of any commission, gratification, bribe, finder’s fee or kickback given by the Contractor or any of his Subcontractors, agent or servants;

(b) terminate the Contract; and

(c) recover from the Contractor any loss or damage to the Employer as a result of such termination or of any other corrupt business practices of the Contractor or any of his Subcontractors, agent or servants.

The termination under sub-paragraph (b) of this Sub-Clause shall proceed in the manner prescribed under Sub-Clause 15.1 to 15.4, and the payment under Sub-Clause 15.4 shall be made after having deducted the amounts due to the Employer under sub-paragraphs (a) and (c) of this Sub-Clause.

Table: Summary of Sections (if any)

Description of parts of the Works that shall be designated a Section for the purposes of the Contract (Sub-Clause 1.1.73)	Value: Percentage¹ of Accepted Contract Amount (Sub-Clause 14.9)	Time for Completion (Sub-Clause 1.1.84)	Delay Damages (Sub-Clause 8.8)

¹ These percentages shall also be applied to each half of the Retention Money under Sub-Clause 14.9

SECTION IX: CONTRACT FORMS

Notification of Award

(On Procuring agency/Employer's letterhead)

Letter of Acceptance

[Date].

To: [Name and address of the contractor]

Subject: [Notification of Award Contract No.]

This is to notify you that your Bid dated[date]. for execution of the[name of the contract and identification number, as given in the Bid Data Sheet] for the Accepted Contract Amount of the equivalent of [amount in words and figures and name of currency]., as corrected and modified in accordance with the Instructions to Bidders, is hereby accepted by our Agency.

You are requested to furnish the Performance Security within 28 days in accordance with the Conditions of Contract, using for that purpose the Performance Security Form included in Section 9 (Contract Forms) of the Bidding Document.

Authorized Signature:

Name and Title of Signatory:

Name of Agency:

Attachment: Contract Agreement

Form of Contract

THIS AGREEMENT made the _____ day of _____ 20____ between *[name and address of Procuring agency/Employer]* of Pakistan (hereinafter called “the Procuring agency/Employer”) of the one part and *[name of Contractor]* of *[city and country of Contractor]* (hereinafter called “the ”) of Contractor other part:

WHEREAS the Procuring agency/Employer desired that the works *[brief description of works]* should be executed by the contractor, and has accepted a Bid by the contractor for the execution and completion of these works and remedying of any defects therein, in the sum of *[contract price in words and figures]* (hereinafter called “the Contract Price”).

NOW THIS CONTRACT WITNESSETH AS FOLLOWS:

1. In this Contract words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.
2. The following documents shall be deemed to form and be read and construed as part of this Contract, In the event of any ambiguity or conflict between the Contract Documents listed below, the order of precedence shall be the order in which the Contract Documents are listed below:-
 - (a) This form of Contract;
 - (b) Letter of Acceptance;
 - (c) the Form of Bid and the Price Schedule submitted by the Bidder;
 - (d) the Works Requirements;
 - (e) the Technical Specifications;
 - (f) the Drawings;
 - (g) the General Conditions of the Contract
 - (h) the Special Conditions of Contract,
 - (i) the completed schedule including Bill of Quantities; and
 - (j) *[add here: any other documents]*
3. In consideration of the payments to be made by the Procuring agency/Employer to the contractor as mentioned in this contract, the contractor hereby covenants with Procuring agency/Employer to execute the works to remedy defects therein in conformity in all respects with the provisions of the Contract.
4. The Procuring agency/Employer hereby covenants to pay the Contractor in consideration of the execution and completion of the Works and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.

IN WITNESS whereof the parties hereto have caused this Contract to be executed in accordance with their respective laws the day and year first above written.

Signed, sealed, delivered by	Signed, sealed, delivered by
------------------------------	------------------------------

_____the _____ (for the Procuring agency/Employer)	_____the _____ (for the Contractor)
Witness to the signatures of the Procuring agency/Employer	Witness to the signatures of the Contractor

Form of Performance Guarantee

To: *[name of Procuring agency/Employer]*

WHEREAS *[name of Contractor]* (hereinafter called “the contractor”) has undertaken, in pursuance of Contract No. *[reference number of the contract]* dated *[insert date]* for the execution of *[insert name of the works and its brief description]* (hereinafter called “the Contract”).

AND WHEREAS it has been stipulated by you in the said Contract that the contractor shall furnish you with a Bank Guarantee by a reputable bank for the sum specified therein as security for compliance with the Contractor’s performance obligations in accordance with the Contract.

AND WHEREAS we have agreed to give the Contractor a guarantee:

THEREFORE, WE hereby affirm that we are Guarantors and responsible to you, on behalf of the Contractor, up to a total of *[amount of the guarantee in words and figures]*, and we undertake to pay you, upon your first written demand declaring the Contractor to be in default under the Contract and without cavil or argument, any sum or sums within the limits of *[amount of guarantee]* as aforesaid, without your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

This guarantee is valid until the: *[insert date]*

Signature and seal of the Guarantors

[name of bank or financial institution]

[address]

[date]

Advance Payment Security

Demand Guarantee

Beneficiary: _____

Date: _____

ADVANCE PAYMENT GUARANTEE No.: _____

Guarantor: _____

We have been informed that [Inset name of the Contractor] (hereinafter called “the Contractor”) has entered into Contract No. _____ dated _____ with the [insert name of the Procuring agency/Employer] (hereinafter called “the Procuring agency/Employer”) for the execution of _____ (hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, an advance payment in the sum _____ (_____) is to be made against an advance payment guarantee.

At the request of the Contractor, we as Guarantor, hereby irrevocably undertake to pay the Procuring agency/Employer any sum or sums not exceeding in total an amount of _____ upon receipt by us of the Procuring agency/Employer’s complying demand supported by the Procuring agency/Employer’s statement, whether in the demand itself or in a separate signed document accompanying or identifying the demand, stating either that the Applicant:

(a) has used the advance payment for purposes other than the costs of mobilization in respect of the Works; or

(b) has failed to repay the advance payment in accordance with the Contract conditions, specifying the amount which the Contractor has failed to repay.

A demand under this guarantee may be presented as from the presentation to the Guarantor of a certificate from the Procuring agency/Employer’s bank stating that the advance payment referred to above has been credited to the Contractor on its account number _____ at _____.

The maximum amount of this guarantee shall be progressively reduced by the amount of the advance payment repaid by the Contractor as specified in copies of interim statements or payment certificates which shall be presented to us.

The Guarantee shall remain valid up to the aforesaid date and shall be null and void after the aforesaid date or earlier if the advance made to the Contractor is fully adjusted against payments from Interim Payment Certificates of the Contractor provided that the Guarantor agrees that the

aforesaid period of validity shall be deemed to be extended if on the above mentioned date the advance payment is not fully adjusted.

[signature(s)]

Note: All italicized text is for use in preparing this form and shall be deleted from the final product.

Bank Guarantee for Payment of Imported Equipment/Materials

Demand Guarantee

Beneficiary: _____

Date: _____

BANK GUARANTEE No.: _____

Guarantor: _____

We have been informed that *[insert name of the Contractor]* (hereinafter called “the Contractor”) has entered into Contract No. _____ dated _____ with *[insert name of the Procuring Agency/Employer]* (hereinafter called “the Employer”) for the execution of _____ (hereinafter called “the Contract”), and that the Contract provides for payment of ***[thirty-five percent (35%)] OR [twenty percent (20%)]*** of the Contract Price for imported equipment and/or materials identified in the Bill of Quantities as imported items, ***[upon submission to the Engineer of satisfactory documentary evidence of shipment]*** OR *[upon approval thereof by the Engineer]*, and against submission of an unconditional, irrevocable, on-demand Bank Guarantee.

Furthermore, we understand that, according to the conditions of the Contract, a payment equivalent to ***[thirty-five percent (35%)] OR [twenty percent (20%)]*** of the Contract Price in respect of *[name of the imported equipment and/or materials]*, in the sum of _____ (_____), is to be made against this Bank Guarantee, ***[such payment being due upon submission to the Engineer of satisfactory documentary evidence that the said imported equipment and/or materials have been shipped]*** OR *[such payment being due upon the Engineer’s approval of the relevant imported equipment and/or materials in accordance with the Contract, prior to shipment]*.

At the request of the Contractor, we, the Guarantor, hereby irrevocably and unconditionally undertake to pay the Employer, on first written demand and without cavil or argument, any sum or sums not exceeding in total an amount of _____ upon receipt by us of the Employer’s complying demand, supported by the Employer’s statement, whether in the demand itself or in a separate signed document accompanying or identifying the demand, stating that the Contractor:

- (a) has failed to ship, deliver or otherwise make available the imported equipment and/or materials in accordance with the Contract; or

(b) has failed to perform its obligations under the Contract relating to the imported equipment and/or materials for which the aforesaid payment has been made; or

(c) has failed to refund or repay the amount required to be refunded or repaid under the Contract, specifying the amount which the Contractor has failed to refund or repay.

A demand under this Guarantee may be presented only after the Employer has made the payment referred to above to the Contractor and shall be accompanied by the Employer's statement referred to herein.

This Guarantee shall remain valid until _____ ("the Expiry Date"), being a date not less than ninety (90) days beyond the anticipated **[delivery to the Site]** OR [shipment] as applicable under the Contract, and shall become null and void after the Expiry Date or earlier upon its release by the Employer.

The Employer shall release this Guarantee upon fulfillment of the obligations secured hereby, including, where applicable, delivery to the Site and acceptance by the Engineer of the imported equipment and/or materials in accordance with the Contract.

Provided that, if the anticipated **[delivery to the Site]** OR [shipment], as applicable, is delayed, the Contractor shall procure an extension of this Guarantee in accordance with the Contract. Any complying demand received by the Guarantor on or before the Expiry Date shall remain valid and payable notwithstanding that payment may be made after such date.

[Signature(s) of Guarantor]

***Note:** All italicised and bracketed instructions are for use in preparing this form and shall be deleted from the final executed document. This form is to be issued on the letterhead of the Guarantor (Scheduled Bank in Pakistan acceptable to the Employer) and shall be stamped/sealed and executed in accordance with the Guarantor's usual practice.*

*Use **bold italics** for the 35% payment option; retain those bracketed clauses and delete the 20% alternatives.*

Use normal italics for the 20% payment option; retain those bracketed clauses and delete the 35% alternatives.

Retention Money Security Demand Guarantee

_____ *[Guarantor letterhead or SWIFT identifier code]*
Beneficiary: _____ *[Insert name and Address of Procuring agency/Employer]*
Date: _____ *[Insert date of issue]*
RETENTION MONEY GUARANTEE No.: _____ *[Insert guarantee reference number]*
Guarantor: *[Insert name and address of place of issue, unless indicated in the letterhead]*

We have been informed that _____ *[insert name of Contractor, which in the case of a joint venture shall be the name of the joint venture]* (hereinafter called "the Contractor") has entered into Contract No. _____ *[insert reference number of the contract]* dated _____ with the Procuring agency/Employer, for the execution of _____ *[insert name of contract and brief description of Works]* (hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, the Procuring agency/Employer retains moneys up to the limit set forth in the Contract ("the Retention Money"), and that when the Taking-Over Certificate has been issued under the Contract and the first half of the Retention Money has been certified for payment, payment of *[insert the second half of the Retention Money or if the amount guaranteed under the Performance Guarantee when the Taking-Over Certificate is issued is less than half of the Retention Money, the difference between half of the Retention Money and the amount guaranteed under the Performance Security and, if required, the ES Performance Security]* is to be made against a Retention Money guarantee.

At the request of the Applicant, we, as Guarantor, hereby irrevocably undertake to pay the Beneficiary any sum or sums not exceeding in total an amount of _____ *[insert amount in figures]* (_____) *[amount in words]* upon receipt by us of the Procuring agency/Employer's complying demand supported by the Beneficiary's statement, whether in the demand itself or in a separate signed document accompanying or identifying the demand, stating that the Applicant is in breach of its obligation(s) under the Contract, without your needing to prove or show grounds for your demand or the sum specified therein.

A demand under this guarantee may be presented as from the presentation to the Guarantor of a certificate from the Procuring agency/Employer's bank stating that the second half of the Retention Money as referred to above has been credited to the contractor on its account number _____ at _____ *[insert name and address of Contractor's bank]*.

This guarantee shall expire no later than the day of, 2..., and any demand for payment under it must be received by us at the office indicated above on or before that date.

[signature(s)]

Note: All italicized text (including footnotes) is for use in preparing this form and shall be deleted from the final product.

DAAB Agreement

All italicised text and any text within square brackets (except sub-clause headings) in this form of agreement is for use in preparing the form and should be deleted from the final product.

Name and Details of the Contract

This Agreement made the _____ day of [month], [year], between:

Employer — Name and Contact Details

Name _____
Address _____
Telephone _____
Email / other contact details _____

Contractor — Name and Contact Details

Name _____
Address _____
Telephone _____
Email / other contact details _____

DAAB — Name and Contact Details of the Member

Member _____
Address _____
Telephone _____
Email / other contact details _____

(the "DAAB Agreement")

Whereas

- A.** the Employer and the Contractor have entered (or intend to enter) into the Contract;
- B.** under the Contract, the "DAAB" or "Dispute Avoidance/Adjudication Board" means the sole member or three members (as stated in the Contract Data of the Contract) so named in the Contract, or appointed under Sub-Clause 21.1 [Constitution of the DAAB] or Sub-Clause 21.2 [Failure to Appoint DAAB Members] of the Conditions of Contract;
- C.** the Employer and the Contractor desire jointly to appoint the above-named DAAB Member to act on the DAAB as:

- i. the sole member of the DAAB, and where this is the case, all references to the "Other Members" do not apply; or
- ii. one of three members / chairman [delete the one which is not applicable] of the DAAB and, where this is the case, the other two persons are:

DAAB Member 2	DAAB Member 3
_____ (name)	_____ (name)
_____ (address)	_____ (address)
_____ (telephone)	_____ (telephone)
_____ (email / other contact details)	_____ (email / other contact details)

the "Other Members"; and

D. the DAAB Member accepts this appointment.

The Employer, Contractor and DAAB Member jointly agree as follows:

1. The conditions of this DAAB Agreement comprise:

- (a) Clause 21 [Disputes and Arbitration] of the Conditions of Contract, and any other provisions of the Contract that are applicable to the DAAB's Activities; and
- (b) the "General Conditions of Dispute Avoidance/Adjudication Agreement", which is appended to the General Conditions of the "Conditions of Contract for Construction" Second Edition 2017 published by FIDIC ("GCs"), as amended and/or added to by the following provisions.

2.

[Details of amendments to the GCs, if any. For example: In the procedural rules annexed to the GCs, Rule ____ is deleted and replaced by: " ... "]

3. The DAAB Member shall be paid in accordance with Clause 9 of the GCs. The currency of payment shall be:

In respect of Sub-Clauses 9.1 and 9.2 of the GCs, the amounts of the DAAB Member's monthly fee and daily fee shall be:

Monthly fee: _____ per month

Daily fee: _____ per day

(or as otherwise set under Sub-Clause 9.3 of the GCs).

4. In consideration of the above fees, and other payments to be made to the DAAB Member in accordance with the GCs, the DAAB Member undertakes to act as DAAB Member in accordance with the terms of this DAAB Agreement.
5. The Employer and the Contractor shall be jointly and severally liable for the DAAB Member's fees and other payments to be made to the DAAB Member in accordance with the GCs.
6. This DAAB Agreement shall be governed by the law of:

(if not stated, the law that governs the Contract under Sub-Clause 1.4 of the Conditions of Contract).

Integrity Pact

DECLARATION OF FEES, COMMISSION AND BROKERAGE ETC. PAYABLE BY THE SUPPLIERS OF GOODS, SERVICES & WORKS IN CONTRACTS WORTH RS.10.00 MILLION OR MORE

Contract Number: _____

Dated: _____

Contract Value: _____

Contract Title: _____

[Name of Contractor] hereby declares that it has not obtained or induced the procurement of any contract, right, interest, privilege or other obligation or benefit from Government of Pakistan or any administrative subdivision or agency thereof or any other entity owned or controlled by it (GoP) through any corrupt business practice.

Without limiting the generality of the foregoing [Name of Contractor] represents and warrants that it has fully declared the brokerage, commission, fee etc. paid or payable to anyone and not given or agreed to give and shall not give or agree to give to anyone within or outside Pakistan either directly or indirectly through any natural or juridical person, including its affiliate, agent, associate, broker, consultant, director, promoter, shareholder, sponsor or subsidiary, any commission, gratification, bribe, finder's fee or kickback, whether described as consultations fee or otherwise, with the object of obtaining or inducing the procurement of a contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoP, except that which has been expressly declared pursuant hereto.

[Name of Contractor] certifies that it has made and will make full disclosure of all agreements and arrangements with all persons in respect of or related to the transaction with GoP and has not taken any action or will not take any action to circumvent the above declaration, representative or warranty.

[Name of Contractor] accepts full responsibility and strict liability for making and false declaration, not making full disclosure, misrepresenting fact or taking any action likely to defeat the purpose of this declaration, representation and warranty. It agrees that any contract, right interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other right and remedies available to GoP under any law, contract or other instrument, be voidable at the option of GoP.

Notwithstanding any rights and remedies exercised by GoP in this regard, [Name of Contractor] agrees to indemnify GoP for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to GoP in an amount equivalent to ten times the sum of any commission, gratification, bribe, finder's fee or kickback given by [Name of Contractor] as aforesaid for the purpose of obtaining or inducing the procurement of any contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoP.

[Procuring agency/Employer]

[Contractor]

List of Approved Banks by Employer

Sr. No.	Name of Banks
Public Sector Banks	
1	National Bank Of Pakistan
2	Sindh Bank Limited
3	The Bank of Punjab
Private Sector Banks	
4	Allied Bank Limited
5	Askari Bank Limited
6	Bank Al-Habib
7	Faysal Bank Limited
8	Habib Bank Limited
9	Habib Metropolitan Bank Limited
10	JS Bank Limited
11	MCB Bank Limited
12	Samba Bank Limited
13	Soneri Bank Limited
14	Standard Chartered Bank (Pakistan) Limited
15	United Bank Limited
16	Industrial and Commercial Bank of China Limited
Islamic Banks	
17	Al Baraka Bank (Pakistan) Limited
18	Bank Islami Pakistan Limited
19	Dubai Islamic Bank (Pakistan) Limited
20	Meezan Bank Limited