GENERAL CONDITIONS OF CONTRACT

A. GENERAL

1. ***DEFINITIONS***.

1.1 Bold face type is used to identify defined terms.

a) The Accepted Contract Amount means the amount accepted in the Letter of Acceptance for the execution and completion of the Works and the remedying of any defects.
b) The Activity Schedule is a schedule of the activities comprising the construction, installation, testing, and commissioning of the Works in a lump sum contract. It includes a lump sum price for each activity, which is used for valuations and for assessing the effects of Variations and Compensation Events.
c) The Adjudicator is the person appointed jointly by the Employer and the Contractor to resolve disputes in the
d) Bill of Quantities means the priced and completed Bill of Quantities forming part of the Bid.
e) Compensation Events are those defined in GCC Clause 41 hereunder.
f) The Completion Date is the date of completion of the Works as certified by the Project Director (GSC) HAZECO, in accordance with GCC Sub-Clause 52.1.
g) The Contract is the Contract between the Employer and the Contractor to execute, complete, and maintain the Works. It consists of the documents listed in GCC Sub-Clause 2.3 below.
h) The Contractor is the party whose Bid to carry out the Works has been accepted by the Employer.
i) The Contractor’s Bid is the completed bidding document submitted by the Contractor to the Employer.
j) The Contract Price is the Accepted Contract Amount stated in the Letter of Acceptance and thereafter as adjusted in accordance with the Contract.
k) Days are calendar days; months are calendar months.
l) Day works are varied work inputs subject to payment on a time basis for the Contractor’s employees and Equipment, in addition to payments for associated Materials and Plant.
m) A Defect is any part of the Works not completed in accordance with the Contract.
n) The Defects Liability Certificate is the certificate issued by Project Director (GSC) HAZECO upon correction of defects by the Contractor.
o) The Defects Liability Period is the period **named in the PCC** pursuant to Sub-Clause 33.1 and calculated from the Completion Date.
p) Adjudicator means the person appointed under Clause 23.
q) Drawings means the drawings of the Works, as included in the Contract, and any additional and modified drawings issued by (or on behalf of) the Employer in accordance with the Contract, include calculations and other information provided or approved by the Project Director (GSC) HAZECO for the execution of the Contract.
r) The Employer is the party who employs the Contractor to carry out the Works, **as specified in the PCC**.
s) Equipment is the Contractor’s machinery and vehicles brought temporarily to the Site

to construct the Works.

t) “In writing” or “written” means hand-written, type-written, printed or electronically made, and resulting in a permanent record;

u) The Initial Contract Price is the Contract Price listed in the Employer’s Letter of Acceptance.

v) The Intended Completion Date is the date on which it is intended that the Contractor shall complete the Works. The Intended Completion Date is **specified in the PCC**. The Intended Completion Date may be revised only by the Project Director (GSC) HAZECO by issuing an extension of time or an acceleration order.

w) Materials are all supplies, including consumables, used by the Contractor for incorporation in the Works.

x) Plant is any integral part of the Works that shall have a mechanical, electrical, chemical, or biological function.

y) The Project Director (GSC) HAZECO is the person **named in the PCC** (or any other competent person appointed by the Employer and notified to the Contractor, to act in replacement of the Project Director (GSC) HAZECO who is responsible for supervising the execution of the Works and administering the Contract.

z) PCC means Particular Conditions of Contract

aa) The Site is the area **defined as such in the PCC**.

bb) Site Investigation Reports are those that were included in the bidding documents and are factual and interpretative reports about the surface and subsurface conditions at the Site.

cc) Specification means the Specification of the Works included in the Contract and any modification or addition made or approved by the Project Director (GSC) HAZECO.

dd) The Start Date is **given in the PCC**. It is the latest date when the Contractor shall commence execution of the Works. It does not necessarily coincide with any of the Site Possession Dates.

ee) A Subcontractor is a person or corporate body who has a Contract with the Contractor to carry out a part of the work in the Contract, which includes work on the Site.

ff) Temporary Works are works designed, constructed, installed, and removed by the Contractor that are needed for construction or installation of the Works.

gg) A Variation is an instruction given by the Project Director (GSC) HAZECO which varies the Works.

The Works are what the Contract requires the Contractor to construct, install, and turn over to the Employer, **as defined in the PCC**.

2. INTERPRETATIONS.

2.1 In interpreting these GCC, words indicating one gender include all genders. Words indicating the singular also include the plural and words indicating the plural also include the singular. Headings have no significance. Words have their normal meaning under the language of the Contract unless specifically defined. The Project Director (GSC) HAZECO shall provide instructions clarifying queries about these GCC.

2.2 If sectional completion is **specified in the PCC**, references in the GCC to the Works, the Completion Date, and the Intended Completion Date apply to any Section of the Works (other than references to the Completion Date and Intended Completion Date for the whole of the Works).

2.3 The documents forming the Contract shall be interpreted in the following order of priority:

(a) Agreement,

(b) Letter of Acceptance,

(c) Contractor's Bid,

(d) Particular Conditions of Contract,

(e) General Conditions of Contract,

(f) Specifications,

(g) Drawings,

(h) Bill of Quantities, and

any other document listed in the PCC as forming part of the Contract**.**

3. LANGUAGE AND LAW.

3.1 The language of the Contract and the law governing the Contract are stated in the PCC**.**

4. PROJECT DIRECTOR'S DECISIONS.

4.1 Except where otherwise specifically stated, the Project Director (GSC) HAZECO shall decide contractual matters between the Employer and the Contractor in the role representing the Employer.

5. DELIGATIONS.

5.1 Otherwise specified in the PCC, the Project Director (GSC) HAZECO may delegate any of his duties and responsibilities to other people, except to the Adjudicator, after notifying the Contractor, and may revoke any delegation after notifying the Contractor.

6. COMMUNICATIONS

6.1 Communications between parties that are referred to in the Conditions shall be effective only when in writing. A notice shall be effective only when it is delivered.

7. SUBCONCTRATING.

7.1 The Contractor may subcontract, if allowed in ITB, with the approval of the Project Director (GSC) HAZECO, but may not assign the Contract without the approval of the Employer in writing. Subcontracting shall not alter the Contractor's obligations.

8. OTHER CONTRACTORS.

8.1 The Contractor shall cooperate and share the Site with other contractors, public authorities, utilities, and the Employer between the dates given in the Schedule of Other Contractors, as referred to in the PCC. The Contractor shall also provide facilities and services for them as described in the Schedule. The Employer may modify the Schedule of Other Contractors, and shall notify the Contractor of any such modification.

9. PERSONAL EQUIPMENT.

9.1 The Contractor shall employ the key personnel and use the equipment identified in its Bid, to carry out the Works or other personnel and equipment approved by the Project Director (GSC) HAZECO. The Project Director (GSC) HAZECO shall approve any proposed replacement of key personnel and equipment only if their relevant qualifications or characteristics are substantially equal to or better than those proposed in the Bid.

9.2 If the Project Director (GSC) HAZECO asks the Contractor to remove a person who is a member of the Contractor's staff or work force, stating the reasons, the Contractor shall ensure that the person leaves the Site within seven days and has no further connection with the work in the Contract.

10. EMPLOYER'S AND CONRACOTR'S RISKS.

10.1 The Employer carries the risks which this Contract states are Employer's risks, and the Contractor carries the risks which this Contract states are Contractor's risks.

11. EMPLOYER'S RISKS.

11.1 From the Start Date until the Defects Liability Certificate has been issued, the following are Employer's risks:

a) The risk of personal injury, death, or loss of or damage to property (excluding the Works, Plant, Materials, and Equipment), which are due to

   (i) use or occupation of the Site by the Works or for the purpose of the Works, which is the unavoidable result of the Works or

   (ii) Negligence, breach of statutory duty, or interference with any legal right by the Employer or by any person employed by or contracted to him except the Contractor.

b) The risk of damage to the Works, Plant, Materials, and Equipment to the extent that it is due to a fault of the Employer or in the Employer's design, or due to war or radioactive contamination directly affecting the country where the Works are to be executed.

11.2 From the Completion Date until the Defects Liability Certificate has been issued, the risk of loss of or damage to the Works, Plant, and Materials is an Employer's risk except loss or damage due to

a) a Defect which existed on the Completion Date,

b) an event occurring before the Completion Date, which was not itself an Employer's risk, or

c) The activities of the Contractor on the Site after the Completion Date.

12. CONTRACTOR'S RISKS

12.1 From the Starting Date until the Defects Liability Certificate has been issued, the risks of personal injury, death, and loss of or damage to property (including, without limitation, the Works, Plant, Materials, and Equipment) which are not Employer's risks are Contractor's risks.

13. INSURANCE.

13.1 The Contractor shall provide, in the joint names of the Employer and the Contractor, insurance cover from the Start Date to the end of the Defects Liability Period, in the amounts and deductibles **stated in the PCC** for the following events which are due to the Contractor's risks:

(a) loss of or damage to the Works, Plant, and Materials;

(b) loss of or damage to Equipment;

(c) loss of or damage to property (except the Works, Plant, Materials, and Equipment) in connection with the Contract; and

(d) Personal injury or death.

13.2 Policies and certificates for insurance shall be delivered by the Contractor to the Project Director (GSC) HAZECO for the Project Director's (GSC) HAZECO approval before the Start Date. All such insurance shall provide for compensation to be payable in the types and proportions of currencies required to rectify the loss or damage incurred.

13.3 If the Contractor does not provide any of the policies and certificates required, the Employer may affect the insurance which the Contractor should have provided and recover the premiums the Employer has paid from payments otherwise due to the Contractor or, if no payment is due, the payment of the premiums shall be a debt due.

13.4 Alterations to the terms of insurance shall not be made without the approval of the Project Director (GSC) HAZECO.

Both parties shall comply with any conditions of the insurance policies**.**

14. SITE DATA.

14.1 The Contractor shall be deemed to have examined any Site Data referred to in the PCC, supplemented by any information available to the Contractor

15. CONTRACTOR TO COONSTRUCT THE WORK.

15.1 The contractor should construct and install the work in accordance with the specification and drawings.

16. THE WORK TO BE COMPLETED BY THE INTEDEDE COMPLETION DATE.

16.1 The Contractor may commence execution of the Works on the Start Date and shall carry out the Works in accordance with the Program submitted by the Contractor, as updated with the approval of the Project Director (GSC) HAZECO, and complete them by the Intended Completion Date.

17. APPROVAL BY THE PROJECT DIRECTOR (GSC) HAZECO.

17.1 The Contractor shall submit Specifications and Drawings showing the proposed Temporary Works to the Project Director (GSC) HAZECO, for his approval.

17.2 The Contractor shall be responsible for design of Temporary Works.

17.3 The Project Director's (GSC) HAZECO approval shall not alter the Contractor's responsibility for design of the Temporary Works.

17.4 The Contractor shall obtain approval of third parties to the design of the Temporary Works, where required.

If requires, all Drawings prepared by the Contractor for the execution of the temporary or permanent Works, are subject to prior approval by the Project Director (GSC) HAZECO before this use.

18. SAFETY.

18.1 The Contractor shall be responsible for the safety of all activities on the Site.

19. DISCOVERIES.

19.1 Anything of historical or other interest or of significant value unexpectedly discovered on the Site shall be the property of the Employer. The Contractor shall notify the Project Director (GSC) HAZECO of such discoveries and carry out the Project Director's (GSC) HAZECO instructions for dealing with them.

20. POSSESSION OF THE SITE.

20.1 The Employer shall give possession of all parts of the Site to the Contractor. If possession of a part is not given by the date stated in the PCC, the Employer shall be deemed to have delayed the start of the relevant activities, and this shall be a Compensation Event.

21. ACCESS TO THE SITE.

21.1 The Contractor shall allow the Project Director (GSC) HAZECO and any person authorized by the Project Director (GSC) HAZECO access to the Site and to any place where work in connection with the Contract is being carried out or is intended to be carried out.

22. INSTRUCTIONS, INSPECTIONS AND AUDITS.

22.1 The Contractor shall carry out all instructions of the Project Director (GSC) HAZECO which comply with the applicable laws where the Site is located.

22.2 The Contractor shall permit the employer and/or persons appointed by the employer to inspect the Site and/or the accounts and records of the Contractor and its sub-contractors relating to the performance of the Contract, and to have such accounts and records audited by auditors appointed by the employer if required. The Contractor's attention is drawn to Sub-Clause 57.1 which provides, inter alia, that acts intended to materially impede the exercise of the employer's inspection and audit rights provided for under Sub-Clause 22.2 constitute a prohibited practice subject to contract termination (as well as to a determination of black list under the PPRA Rules).

23. APPOINT OF THE ADJUDICATOR.

23.1 The Adjudicator shall be appointed jointly by the Employer and the Contractor, at the time of the Employer's issuance of the Letter of Acceptance. If, in the Letter of Acceptance, the Employer does not agree on the appointment of the Adjudicator, the Employer will request the Appointing Authority designated in the PCC, to appoint the Adjudicator within 14 days of receipt of such request.

23.2 Should the Adjudicator resign or die, or should the Employer and the Contractor agree that the Adjudicator is not functioning in accordance with the provisions of the Contract, a new Adjudicator shall be jointly appointed by the Employer and the Contractor. In case of disagreement between the Employer and the Contractor, within 30 days, the Adjudicator shall be designated by the Appointing Authority **designated in the PCC** at the request of either party, within 14 days of receipt of such request.

24. PROCEDURE FOR DISPUTES.

24.1 If the Contractor believes that a decision taken by the Project Director (GSC) HAZECO was either outside the authority given to the Project Director (GSC) HAZECO by the Contract or that the decision was wrongly taken, the decision shall be referred to the Adjudicator within 14 days of the notification of the Project Director (GSC) HAZECO's decision.

24.2 The Adjudicator shall give a decision in writing within 28 days of receipt of a notification of a dispute.

24.3 The Adjudicator shall be paid by the hour at the **rate specified in the PCC,** together with reimbursable expenses of the types **specified in the PCC**, and the cost shall be divided equally between the Employer and the Contractor, whatever decision is reached by the Adjudicator. Either party may refer a decision of the Adjudicator to an Arbitrator within 28 days of the Adjudicator's written decision. If neither party refers the dispute to arbitration within the above 28 days, the Adjudicator's decision shall be final and binding.

24.4 The arbitration shall be conducted in accordance with the arbitration procedures published by the institution named and in the place specified in the PCC.

A. TIME CONTROL.

25. PROGRAMME.

25.1 Within the time **stated in the PCC**, after the date of the Letter of Acceptance, the Contractor shall submit to the Project Director (GSC) HAZECO for approval a Program showing the general methods, arrangements, order, and timing for all the activities in the Works. In the case of a lump sum contract, the activities in the Program shall be consistent with those in the Activity Schedule.

25.2 An update of the Program shall be a program showing the actual progress achieved on each activity and the effect of the progress achieved on the timing of the remaining work, including any changes to the sequence of the activities.

25.3 The Contractor shall submit to the Project Director (GSC) HAZECO for approval an updated Program at intervals no longer than the period **stated in the PCC.** If the Contractor does not submit an updated Program within this period, the Project Director (GSC) HAZECO may withhold the amount **stated in the PCC** from the next payment certificate and continue to withhold this amount until the next payment after the date on which the overdue Program has been submitted. In the case of a lump sum contract, the Contractor shall provide an updated Activity Schedule within 14 days of being instructed to by the Project Director (GSC) HAZECO.

25.4 The Project Director's (GSC) HAZECO approval of the Program shall not alter the Contractor's obligations. The Contractor may revise the Program and submit it to the Project Director (GSC) HAZECO again at any time. A revised Program shall show the effect of Variations and Compensation Events.

26. EXTENSION OF INTENDED COMPLETION DATE.

26.1 The next higher competent authority shall extend the Intended Completion Date if a Compensation Event occurs or a Variation is issued which makes it impossible for Completion to be achieved by the Intended Completion Date without the Contractor taking steps to accelerate the remaining work, which would cause the Contractor to incur additional cost.

26.2 The competent authority shall decide whether and by how much to extend the Intended Completion Date within 21 days of the Contractor asking the Project Director (GSC) HAZECO for a decision upon the effect of a Compensation Event or Variation and submitting full supporting information. If the Contractor has failed to give early warning of a delay or has failed to cooperate in dealing with a delay, the delay by this failure shall not be considered in assessing the new Intended Completion Date.

27. ACCELARATION.

27.1 When the Employer wants the Contractor to finish before the Intended Completion Date, the Project Director (GSC) HAZECO shall obtain priced proposals for achieving the necessary acceleration from the Contractor. If the Employer accepts these proposals, the Intended Completion Date shall be adjusted accordingly and confirmed by both the Employer and the Contractor.

27.2 If the Contractor's priced proposals for acceleration are accepted by the Employer, they are incorporated in the Contract Price and treated as a Variation.

28. DELAYS ORDERED BY THE PROJECT DIRECTOR (GSC) HAZECO.

28.1 The Project Director (GSC) HAZECO may instruct the Contractor to delay the start or progress of any activity within the Works.

29. MANAGEMENT MEETINGS.

29.1 Either the Project Director (GSC) HAZECO or the Contractor may require the other to attend a management meeting. The business of a management meeting shall be to review the plans for remaining work and to deal with matters raised in accordance with the early warning procedure.

29.2 The Project Director (GSC) HAZECO shall record the business of management meetings and provide copies of the record to those attending the meeting and to the Employer. The responsibility of the parties for actions to be taken shall be decided by the Project Director (GSC) HAZECO either at the management meeting or after the management meeting and stated in writing to all who attended the meeting.

30. EARLY WARNING.

30.1 The Contractor shall warn the Project Director (GSC) HAZECO at the earliest opportunity of specific likely future events or circumstances that may adversely affect the quality of the work, increase the Contract Price, or delay the execution of the Works. The Project Director (GSC) HAZECO may require the Contractor to provide an estimate of the expected effect of the future event or circumstance on the Contract Price and Completion Date. The estimate shall be provided by the Contractor as soon as reasonably possible.

30.2 The Contractor shall cooperate with the Project Director (GSC) HAZECO in making and considering proposals for how the effect of such an event or circumstance can be avoided or reduced by anyone involved in the work and in carrying out any resulting instruction of the Project Director (GSC) HAZECO.

C. QUALITY CONTROL.

31. IDENTIFYING DEFECTS.

31.1 The Project Director (GSC) HAZECO shall check the Contractor's work and notify the Contractor of any Defects that are found. Such checking shall not affect the Contractor's responsibilities. The Project Director (GSC) HAZECO may instruct the Contractor to search for a Defect and to uncover and test any work that the Project Director (GSC) HAZECO considers may have a Defect.

32. TESTS.

32.1 If the Project Director (GSC) HAZECO instructs the Contractor to carry out a test not specified in the Specification to check whether any work has a Defect and the test shows that it does, the Contractor shall pay for the test and any samples. If there is no Defect, the test shall be a Compensation event.

33. COORECTION OF DEFECTS.

33.1 The Project Director (GSC) HAZECO shall give notice to the Contractor of any Defects before the end of the Defects Liability Period, which begins at Completion, and is **defined in the PCC.** The Defects Liability Period shall be extended for as long as Defects remain to be corrected.

33.2 Every time notice of a Defect is given, the Contractor shall correct the notified Defect within the length of time specified by the Project Director's (GSC) HAZECO notice.

34. UNCORRECTDED DEFECTS.

34.1 If the Contractor has not corrected a Defect within the time specified in the Project Director's (GSC) HAZECO notice, the Project Director (GSC) HAZECO shall assess the cost of having the Defect corrected, and the Contractor shall pay this amount.

D. COST CONTROL.

35. CONTRACT PRICE.

35.1 In the case of an admeasurement contract, the Bill of Quantities shall contain priced items for the Works to be performed by the Contractor. The Bill of Quantities is used to calculate the Contract Price. The Contractor will be paid for the quantity of the work accomplished at the rate in the Bill of Quantities for each item.

35.2 In the case of a lump sum contract, the Activity Schedule shall contain the priced activities for the Works to be performed by the Contractor. The Activity Schedule is used to monitor and control the performance of activities on which basis the Contractor will be paid. If payment for Materials on Site shall be made separately, the Contractor shall show delivery of Materials to the Site separately on the Activity Schedule.

36. CHANGING IN THE CONTRACT PRICE.

36.1 In the case of an admeasurements contract:

(a) If the final quantity of the work done differs from the quantity in the Bill of Quantities for the particular item by more than 25 percent, provided the change exceeds 25% percent of the Initial Contract Price, the Project Director (GSC) HAZECO shall adjust the rate to allow for the change.

(b) The Project Director (GSC) HAZECO shall not adjust rates from changes in quantities if thereby the Initial Contract Price is exceeded by more than 25 percent, except with the prior approval of the Employer.

(c) If requested by the Project Director (GSC) HAZECO, the Contractor shall provide the Project Director (GSC) HAZECO with a detailed cost breakdown of any rate in the Bill of Quantities.

36.2 In the case of a lump sum contract, the Activity Schedule shall be amended by the Contractor to accommodate changes of Program or method of working made at the Contractor's own discretion. Prices in the Activity Schedule shall not be altered when the Contractor makes such changes to the Activity Schedule.

37. VARIATIONS.

37.1 All Variations shall be included in updated Programs, and, in the case of a lump sum contract, also in the Activity Schedule, produced by the Contractor.

37.2 The Contractor shall provide the Project Director (GSC) HAZECO with a quotation for carrying out the Variation when requested to do so by the Project Director (GSC) HAZECO. The Project Director (GSC) HAZECO shall assess the quotation, which shall be given within seven (7) days of the request or within any longer period stated by the Project Director (GSC) HAZECO and before the Variation is ordered.

37.3 If the Contractor's quotation is unreasonable, the Project Director (GSC) HAZECO may order the Variation and make a change to the Contract Price, which shall be based on the Project Director (GSC) HAZECO's own forecast of the effects of the Variation on the Contractor's costs.

37.4 If the Project Director (GSC) HAZECO decides that the urgency of varying the work would prevent a quotation being given and considered without delaying the work, no quotation shall be given and the Variation shall be treated as a Compensation Event.

37.5 The Contractor shall not be entitled to additional payment for costs that could have been avoided by giving early warning.

37.6 In the case of an admeasurement contract, if the work in the Variation corresponds to an item description in the Bill of Quantities and if, in the opinion of the Project Director (GSC) HAZECO, the quantity of work above the limit stated in Sub-Clause 38.1 or the timing of its execution do not cause the cost per unit of quantity to change, the rate in the Bill of Quantities shall be used to calculate the value of the Variation. If the cost per unit of quantity changes, or if the nature or timing of the work in the Variation does not correspond with items in the Bill of Quantities, the quotation by the Contractor shall be in the form of new rates for the relevant items of work.

38. CASH FLOW FORECAST.

38.1 When the Program, or, in the case of a lump sum contract, the Activity Schedule, is updated, the Contractor shall provide the Project Director (GSC) HAZECO with an updated cash flow forecast. The cash flow forecast shall include different currencies, as defined in the Contract, converted as necessary using the Contract exchange rates.

39. PAYMENT CERTIFICATES.

39.1 The Contractor shall submit invoices **as stated in PCC** to the delegated representative of Project Director (GSC) HAZECO as per PCC.

39.2 The delegated representative Project Director (GSC) HAZECO shall check the Contractor's Invoices and certify the amount to be paid to the Contractor.

39.3 The value of work executed shall be determined by the delegated representative of Project Director (GSC) HAZECO.

39.4 The value of work executed shall comprise:

(a) In the case of an admeasurement contract, the value of the quantities of work in the Bill of Quantities that have been completed; or

(b) In the case of a lump sum contract, the value of work executed shall comprise the value of completed activities in the Activity Schedule.

39.5 The value of work executed shall include the valuation of Variations and Compensation Events.

39.6 The delegated representative of Project Director (GSC) HAZECO may exclude any item certified in a previous certificate or reduce the proportion of any item previously certified in any certificate in the light of later information.

40. PAYMENTS.

40.1 Payments shall be adjusted for deductions for advance payments and retention. The Employer shall pay the Contractor the amounts certified by the Project Director (GSC) HAZECO within 56 days of the date of each certificate. If the Employer makes a late payment, the Contractor shall not be paid interest on the late payment in the next payment. If an amount certified is increased in a later certificate or as a result of an award by the Adjudicator or an Arbitrator, the Contractor shall be paid interest upon the delayed payment as set out in this clause. Interest shall be calculated from the date upon which the increased amount would have been certified in the absence of dispute.

40.2 Unless otherwise stated, all payments and deductions shall be paid or charged in the proportions of currencies comprising the Contract Price.

Items of the Works for which no rate or price has been entered in shall not be paid for by the Employer and shall be deemed covered by other rates and prices in the Contract.

41. COMPENSATION EVENTS.

41.1 The following shall be Compensation Events:

(a) The Employer does not give access to a part of the Site by the Site Possession Date pursuant to GCC Sub-Clause 20.1.

(b) The Employer modifies the Schedule of Other Contractors in a way that affects the work of the Contractor under the Contract.

(c) The Project Director (GSC) HAZECO orders a delay or does not issue Drawings, Specifications, or instructions required for execution of the Works on time.

(d) The Project Director (GSC) HAZECO instructs the Contractor to uncover or to carry out additional tests upon work, which is then found to have no Defects.

(e) The Project Director (GSC) HAZECO unreasonably does not approve a subcontract to be let.

(f) Ground conditions are substantially more adverse than could reasonably have been assumed before issuance of the Letter of Acceptance from the information issued to bidders (including the Site Investigation Reports), from information available publicly and from a visual inspection of the Site.

(g) The Project Director (GSC) HAZECO gives an instruction for dealing with an unforeseen condition, caused by the Employer, or additional work required for safety or other reasons.

(h) Other contractors, public authorities, utilities, or the Employer does not work within the dates and other constraints stated in the Contract, and they cause delay or extra cost to the Contractor.

(i) The advance payment is delayed.

(j) The effects on the Contractor of any of the Employer's Risks.

(k) The Project Director (GSC) HAZECO unreasonably delays issuing a Certificate of Completion.

41.2 If a Compensation Event would cause additional cost or would prevent the work being completed before the Intended Completion Date, the Contract Price shall be increased and/or the Intended Completion Date shall be extended. The Project Director (GSC) HAZECO shall decide whether and by how much the Contract Price shall be increased and whether and by how much the Intended Completion Date shall be extended.

41.3 As soon as information demonstrating the effect of each Compensation Event upon the Contractor's forecast cost has been provided by the Contractor, it shall be assessed by the Project Director (GSC) HAZECO, and the Contract Price shall be adjusted accordingly. If the Contractor's forecast is deemed unreasonable, the Project Director (GSC) HAZECO shall adjust the Contract Price based on the Project Director's (GSC) HAZECO own forecast. The Project Director (GSC) HAZECO shall assume that the Contractor shall react competently and promptly to the event.

41.4 The Contractor shall not be entitled to compensation to the extent that the Employer's interests are adversely affected by the Contractor's not having given early warning or not having cooperated with the Project Director (GSC) HAZECO.

42. PAYMENTS OF INCOME TAX AND ORHERS.

42.1 The contractor shall be responsible for the payments of all Pakistani income tax and other taxes arising out from the contract which shall not be reimbursable to him by the Employer and the rates and prices stated in the priced Bill of Quantities shall be deemed to cover all such taxes.

42.2 The Project Director (GSC) HAZECO shall adjust the Contract Price if taxes, duties, and other levies are changed between the date 28 days before the submission of bids for the Contract and the date of the last Completion certificate. The adjustment shall be the change in the amount of tax payable by the Contractor, provided such changes are not already reflected in the Contract Price or are a result of GCC Clause 44.

43. CURRENCIES.

43.1 Where payments are made in currencies other than the currency of the Employer's country **specified in the PCC,** the exchange rates used for calculating the amounts to be paid shall be the exchange rates stated in the Contractor's Bid.

44. PRICE ADJUSTMENT.

44.1 Prices shall be adjusted for fluctuations in the cost of inputs only if **provided for in the PCC.** If so provided, the amounts certified in each payment certificate, before deducting for Advance Payment, shall be adjusted byapplying the respective price adjustment factor to the payment amounts due in each currency. A separate formula of the type indicated below applies to each Contract currency:

$$\mathbf{P_c = A_c + B_c \ Imc/Ioc}$$

where:

P_c is the adjustment factor for the portion of the Contract Price payable in a specific currency "c."

A_c and B_c are coefficients[1] **specified in the PCC,** representing the nonadjustable and adjustable portions, respectively, of the Contract Price payable in that specific currency "c;" and

Imc is the index prevailing at the end of the month being invoiced and Ioc is the index

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1 The sum of the two coefficients A_c and B_c should be 1 (one) in the formula for each currency. Normally, both coefficients shall be the same in the formulae for all currencies, since coefficient A, for the nonadjustable portion of the payments, is a very approximate figure (usually 0.15) to take account of fixed cost elements or other nonadjustable components. The sum of the adjustments for each currency are added to the Contract Price. [To be transferred to the User Guide] prevailing 28 days before Bid opening for inputs payable; both in the specific currency "c."

44.2 If the value of the index is changed after it has been used in a calculation, the calculation shall be corrected and an adjustment made in the next payment certificate. The index value shall be deemed to take account of all changes in cost due to fluctuations in costs.

45. RETENTIONS.

45.1 The Employer shall retain from each payment from the Contractor's payment the proportion **stated in the PCC** until Completion of the whole of the Works.

45.2 Upon the issue of Certificate of Completion of the Works by the Project Director (GSC) HAZECO, in accordance with GCC 51.1, half the total amount retained shall be repaid to the Contractor and half when the Defects Liability Period has passed and the Project Director (GSC) HAZECO has certified that all Defects notified by the Project Director (GSC) HAZECO to the Contractor before the end of this period have been corrected. The Contractor shall substitute retention money with an "on demand" Bank guarantee.

46. ***LIQUIDATED DAMAGES.***

46.1 The Contractor shall pay liquidated damages to the Employer at the rate per day **stated in the PCC** for each day that the Completion Date is later than the Intended Completion Date. The total amount of liquidated damages shall not exceed the amount **defined in the PCC.** The Employer may deduct liquidated damages from payments due to the Contractor. Payment of liquidated damages shall not affect the Contractor's liabilities.

46.2 If the Intended Completion Date is extended after liquidated damages have been paid, the Project Director (GSC) HAZECO shall correct any overpayment of liquidated damages by the Contractor by adjusting the next payment certificate. The Contractor shall be paid interest on the overpayment, calculated from the date of payment to the date of repayment, at the rates specified in GCC Sub-Clause 40.1.

47. BONOUS.

47.1 The Contractor shall be paid a Bonus calculated at the rate per calendar day **stated in the PCC** for each day (less any days for which the Contractor is paid for acceleration) that the Completion is earlier than the Intended Completion Date. The Project Director (GSC) HAZECO shall certify that the Works are complete, although they may not be due to be complete.

48. ADVANCE PAYMENT.

48.1 The Employer shall make advance payment to the Contractor of the amounts **stated in the PCC** by the date **stated in the PCC,** against provision by the Contractor of an Unconditional Bank Guarantee in a form and by a bank acceptable to the Employer in amounts and currencies equal to the advance payment. The Guarantee shall remain effective until the advance payment has been repaid, but the amount of the Guarantee shall be progressively reduced by the amounts repaid by the Contractor. Interest shall not be charged on the advance payment.

48.2 The Contractor is to use the advance payment only to pay for Equipment, Plant, Materials, and mobilization expenses required specifically for execution of the Contract. The Contractor shall demonstrate that advance payment has been used in this way by supplying copies of invoices or other documents to the Project Director (GSC) HAZECO.

48.3 The advance payment shall be repaid by deducting proportionate amounts from payments otherwise due to the Contractor, following the schedule of completed percentages of the Works on a payment basis. No account shall be taken of the advance payment or its repayment in assessing valuations of work done, Variations, price adjustments, Compensation Events, Bonuses, or Liquidated Damages.

49. SECURITIES.

49.1 The Performance Security shall be provided to the Employer no later than the date specified in the Letter of Acceptance and shall be issued in an amount **specified in the PCC,** by a bank or surety acceptable to the Employer, and denominated in the types and proportions of the currencies in which the Contract Price is payable. The Performance Security shall be valid until a date 28 days from the date of issue of the Certificate of Completion in the case of a Bank Guarantee.

50. DAY WORKS.

50.1 If applicable, the Day works rates in the Contractor's Bid shall be used only when the Project Director (GSC) HAZECO has given written instructions in advance for additional work to be paid for in that way.

50.2 All work to be paid for as Day works shall be recorded by the Contractor on forms approved by the Project Director (GSC) HAZECO. Each completed form shall be verified and signed by the Project Director (GSC) HAZECO within two days of the work being done.

50.3 The Contractor shall be paid for Day works subject to obtaining signed Day works forms.

51. COST OF REPAIRS.

51.1 Loss or damage to the Works or Materials to be incorporated in the Works between the Start Date and the end of the Defects Correction periods shall be remedied by the Contractor at the Contractor's cost if the loss or damage arises from the Contractor's acts or omissions.

E. FINISHING OF CONTRACT.

52. COMPLETION.

52.1 The Contractor shall request the Project Director (GSC) HAZECO to issue a Certificate of Completion of the Works, and the Project Director (GSC) HAZECO shall do so upon deciding that the whole of the Works is completed.

53. TAKING OVER.

53.1 The Employer shall take over the Site and the Works within seven days of the Project Director (GSC) HAZECO's issuing a certificate of Completion.

54. FINAL ACCOUNT.

54.1 The Contractor shall supply the Project Director (GSC) HAZECO with a detailed account of the total amount that the Contractor considers payable under the Contract before the end of the Defects Liability Period. The Project Director (GSC) HAZECO shall issue a Defects Liability Certificate and certify any final payment that is due to the Contractor within 56 days of receiving the Contractor's account if it is correct and complete. If it is not, the Project Director (GSC) HAZECO shall issue within 56 days a schedule that states the scope of the corrections or additions that are necessary. If the Final Account is still unsatisfactory after it has been resubmitted, the Project Director (GSC) HAZECO shall decide on the amount payable to the Contractor and issue a payment certificate.

55. OPERATING AND MAINTENANCE MANUAL.

55.1 If "as built" Drawings and/or operating and maintenance manuals are required, the Contractor shall supply them by the dates **stated in the PCC.**

55.2 If the Contractor does not supply the Drawings and/or manuals by the dates **stated in the PCC** pursuant to GCC Sub-Clause 55.1**,** or they do not receive the Project Director (GSC) HAZECO's approval, the Project Director (GSC) HAZECO shall withhold the amount **stated in the PCC** from payments due to the Contractor.

56. TERMINATION.

56.1 The Employer or the Contractor may terminate the Contract if the other party causes a fundamental breach of the Contract.

56.2 Fundamental breaches of Contract shall include, but shall not be limited to, the following:

(a) the Contractor stops work for 28 days when no stoppage of work is shown on the current Program and the stoppage has not been authorized by the Project Director (GSC) HAZECO;

(b) the Project Director (GSC) HAZECO instructs the Contractor to delay the progress of the Works, and the instruction is not withdrawn within 28 days;

(c) the Employer or the Contractor is made bankrupt or goes into liquidation other than for a reconstruction or amalgamation;

(d) a payment certified by the Project Director (GSC) HAZECO is not paid by the Employer to the Contractor within 90 days of the date of the Project Director

(GSC) HAZECO's certificate;

(e) the Project Director (GSC) HAZECO gives Notice that failure to correct a particular Defect is a fundamental breach of Contract and the Contractor fails to correct it within a reasonable period of time determined by the Project Director (GSC) HAZECO;

(f) the Contractor does not maintain a Security, which is required;

(g) the Contractor has delayed the completion of the Works by the number of days for which the maximum amount of liquidated damages can be paid, as **defined in the PCC**; or

(h) if the Contractor, in the judgment of the Employer, has engaged in corrupt or fraudulent practices in competing for or in executing the Contract, pursuant to GCC Clause 57.1.

56.3 When either party to the Contract gives notice of a breach of Contract to the Project Director (GSC) HAZECO for a cause other than those listed under GCC Sub-Clause 56.2 above, the Project Director (GSC) HAZECO shall decide whether the breach is fundamental or not.

56.4 Notwithstanding the above, the Employer may terminate the Contract for convenience.

56.5 If the Contract is terminated, the Contractor shall stop work immediately, make the Site safe and secure, and leave the Site as soon as reasonably possible.

57. FRAUD AND CORRUPTION.

57.1 If the Employer determines that the Contractor has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices, in competing for or in executing the Contract, then the Employer may, after giving 14 days' notice to the Contractor, terminate the Contractor's employment under the Contract and expel him from the Site, and the provisions of Clause 56 shall apply as if such expulsion had been made under Sub-Clause 56.5 [Termination by Employer].

57.2 Should any employee of the Contractor be determined to have engaged in corrupt, fraudulent, collusive, coercive, or obstructive practice during the execution of the Works, then that employee shall be removed in accordance with Clause 9.

57.3 For the purposes of this Sub-Clause:

(i) "corrupt practice"[2] is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;

(ii) "fraudulent practice"[3] is any act or omission, including a misrepresentation, that

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[2] "another party" refers to a public official acting in relation to the procurement process or contract execution]. In this context, "public official" includes World Bank staff and employees of other organizations taking or reviewing procurement decisions.

[3] a "party" refers to a public official; the terms "benefit" and "obligation" relate to the procurement process or contract execution; and the "act or omission" is intended to influence the procurement process or contract execution.

knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;

(iii) "collusive practice"[4] is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

(iv) "coercive practice"[5] is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;

(v) "obstructive practice" is

(aa) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or

(bb) acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for under Sub-Clause 22.2.

58. PAYMENT UPON TERMINATION.

58.1 If the Contract is terminated because of a fundamental breach of Contract by the Contractor, the Project Director (GSC) HAZECO shall issue a certificate for the value of the work done and Materials ordered less advance payments received up to the date of the issue of the certificate and less the percentage to apply to the value of the work not completed, as **indicated in the PCC.** Additional Liquidated Damages shall not apply. If the total amount due to the Employer exceeds any payment due to the Contractor, the difference shall be a debt payable to the Employer.

58.2 If the Contract is terminated for the Employer's convenience or because of a fundamental breach of Contract by the Employer, the Project Director (GSC) HAZECO shall issue a certificate for the value of the work done, Materials ordered, the reasonable cost of removal of Equipment, repatriation of the Contractor's personnel employed solely on the Works, and the Contractor's costs of protecting and securing the Works, and less advance payments received up to the date of the certificate**.**

59. PROPERTY.

59.1 All Materials on the Site, Plant, Equipment, Temporary Works, and Works shall be deemed to be the property of the Employer if the Contract is terminated because of the Contractor's default.

60. RELEASE FROM PERFORMANANCE.

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4 "parties" refers to participants in the procurement process (including public officials) attempting to establish bid prices at artificial, non competitive levels.

5 a "party" refers to a participant in the procurement process or contract execution.

60.1 If the Contract is frustrated by the outbreak of war or by any other event entirely outside the control of either the Employer or the Contractor, the Project Director (GSC) HAZECO shall certify that the Contract has been frustrated. The Contractor shall make the Site safe and stop work as quickly as possible after receiving this certificate and shall be paid for all work carried out before receiving it and for any work carried out afterwards to which a commitment was made.

61. BLACKLISTING MECHANISM.

61.1 As Specified in PCC

DETERMINATION OF LOSS IN CASE OF DEVIATION.

As Specified in PCC.

CONTRACT AGREEMENT REQUIREMENT.

As Specified in PCC.

PARTICULAR CONDITIONS OF CONTRACT

A. GENERAL	
GCC 1.1 (r)	**The Employer is**: **Name**: HAZARA ELECTRIC SUPPLY COMPANY **Authorized Representative**: Project Director (GSC) HAZECO Address: Office of the Project Director (GSC) HAZECO, 66 kV Grid Station, Murree Road, Abbottabad Telephone: 0092-9310090 Facsimile number: 0092-9310090 Email: manager.grid.system.construction@hazeco.com.pk
GCC 1.1(V)	The Intended Completion Date for shall be as follow: 90 days after the start date "defined in clause GCC 1.1 (dd) of PCC Section –VIII
GCC 1.1 (y)	Project Director (GSC): Hazara Electric Supply Company (HAZECO) Address: Office of the Project Director GSC HAZECO, 66 kV Grid Station, Murree Road, Abbottabad, Khyber Pakhtunkhwa. Telephone: 0092-9310090 Facsimile number: 0092-9310090 Email: manager.grid.system.construction@hazeco.com.pk
GCC 1.1 (aa)	**The Sites are located at:** Haripur District, Khyber Pakhtunkhwa.
GCC 1.1 (dd)	The Start Date shall be : Within seven (07) days after the handing over of the site to the firm
GCC 1.1 (hh)	The Works consist of the following: **Construction of Bitumen Road, Side Drains and Street Lights at 132 kV Grid Station Haripur** as per BDS Clause ITB 1.1
GCC 2.2	Sectional Completions are: **Not Applicable**
GCC 2.3(i)	The following documents also form part of the Contract: 1- Any correspondence between Employer / Engineer and the bidder before signing of the contract.

	2- All annexure to the bid
GCC 3.1	The language of the contract is: English language. The law that applies to the Contract is the law of: a) Public Procurement Ordinance-2002, b) PPRA Rules-2004.
GCC 5.1	The Project Director (GSC) HAZECO shall delegate his duties and responsibilities for all assignments for execution of project to. Name: Deputy Manager Civil Division Abbottabad Hazara Electric Supply Company (HAZECO) Abbottabad, Khyber Pakhtunkhwa. Address: 66 kV Grid Station, Murree Road, Abbottabad Telephone: 0092-9310090
GCC 8.1	Schedule of other contractors: **Not Applicable**
GCC 13.1	The minimum insurance amounts and deductibles shall be: (a) For loss or damage to the Works, Plant and Materials: Full value of the Works, Plant and Material (b) For loss or damage to Equipment: Full value of the loss or damage to Equipment (c) For loss or damage to property (except the Works, Plant, Materials, and Equipment) in connection with Contract: Full value of the loss or damage to property (d) For personal injury or death: (i) of the Contractor's employees: (ii) As per Workman Compensation Act of Pakistan,1923. (iii) of other people: According to Law of Pakistan
GCC 14.1	Site Data are: Soil investigation and bearing capacity reports. As & when required by the HAZECO Engineer Incharge and as required in relevant sections of this document, contractor shall carry out tests pits for foundation within contract price.
GCC 20.1	The Site Possession Date(s) shall be: Within fourteen (14) days after the date of signing of the Contract Agreement
GCC 23.1	Appointing Authority for the Adjudicator:

& **GCC 23.2**	HAZECO shall propose the name of the adjudicator in light of Standard Bidding Documents if needed. The adjudicator shall be appointed jointly by the Employer and the Contractor at the time of Award of Contract. However, in case of disagreement, Public Procurement Regulatory Authority (PPRA) shall be requested by the Employer to appoint the adjudicator, on mutual consent of the two parties, within fourteen (14) days of the receipt of such request.
GCC 24.3	Hourly rate and types of reimbursable expenses to be paid to the Adjudicator: <u>To be decided by the employer, the successful bidder and the adjudicator by mutual consultation at time of award of the contract</u>
GCC 24.4	Institution whose arbitration procedures shall be used: Any dispute between the Employer and a domestic Contractor arising in connection with the present Contract shall be referred to adjudication or arbitration in accordance with the Pakistan Arbitration Act 1940. The place of arbitration shall be: Abbottabad, Pakistan
B. TIME CONTROL	
GCC 25.1	The Contractor shall submit for approval a Program for the Works within <u>Seven (7) days</u> from the date of the Letter of Intent.
GCC 25.3	The period between Program updates is: <u>Seven (07) days.</u> The amount to be withheld for late submission of an updated Program is: <u>Two Percent (2 %) of the contract price</u>
C. QUALITY CONTROL	
GCC 33.1	The Defects Liability Period is: Three hundred and sixty-five **(365)** days after issuance of Completion certificates. <u>***Performance Guarantee will be released after handing over the Project to Concerned formation.***</u> <u>***The work shall be executed strictly in accordance with following additional specifications and conditions:***</u> 1. Errors and omissions in the BOQ will be rectified when and where pointed out. 2. The contractor shall submit construction schedule prior to the commencement of work and within 10-days of issuance of work order

	(whichever is earlier). 3. Monthly bill or interim bill according to contract will be allowed subject to other conditions including that the contractor will complete all the assigned tasks informed by Engineer's representative up to that date. 4. PEC/PPRA standard bidding documents are applicable. 5. Specification other than mentioned, shall be considered as WAPDA standard specification. 6. Shifting of material from store to site (where applicable) is entirely responsibility of the contractor. In case of any extra/surplus material at site or any equipment found defective and replaced at site, the bidder will be bound to return this material to store on approved MRN and get certificate from Engineer's representative. This certificate will be attached with final bill. 7. No idleness charges, no extra charges, no escalation will be paid due to delay in completion of the work caused by ROW problems, non-availability of shut down, system constraints, issuance of material by HAZECO, shifting of 11 KV feeders creating hindrance etc. No extra charges will be paid for removal of trees etc. 8. Watch and Ward and security of material will be entirely bidder's responsibility till the completion of the work and handing over to the concerned. 9. Where not mentioned as a separate item, the quoted rate should include charges for transportation (including loading, unloading and stacking etc.) of all the above goods/material as per BOQ. 10. Safety of workers of bidder's firm during execution of work is bidder's responsibility and in any case of Fatal / Non-Fatal accident of bidder's worker, bidder must be liable to pay the compensation to the deceased family as per HAZECO/WAPDA policy/rules. The bidder will also pay the cost of any damaged to the lives of public or system due to ignoring the design standard and work SOPs of safe work. 11. All the safety protocols on project site should be implemented including erection of safety boards, warning signs, cautionary notices and installation of barricades, traffic cones, diversion signs etc. and any other arrangements wherever required to facilitate the safety of residents, departmental employees, and the general public.

GCC 39.1	Contractor shall submit the invoices to representative of Project Director (GSC) HAZECO as PCC clause GCC 5.1
D. COST CONTROL	
GCC 43.1	The currency of the Employer's country is: Pak Rupees
GCC 44.1	The Contract ***"is not"*** subject to price adjustment in accordance with GCC Clause 44.
GCC 45.1	The proportion of payments retained is: Ten Percent (10 %)
GCC 46.1	The liquidated damages for the whole of the Works are "0.06% per day of the final contract price". The maximum amount of liquidated damages for the whole of the Works is "10 %" of the final Contract Price.
GCC 47.1	The Bonus for the whole of the Works is **Nil** per day. The maximum amount of Bonus for the whole of the Works is **Nil** of the final Contract Price.
GCC 48.1	The Advance Payments shall be: **Not Applicable** Against the provision by the contractor of an Unconditional Bank Guarantee on the prescribed format attached with the bidding document.
GCC 49.1	The Performance Security amount is: **10% (Ten) of the final contract price in the form of Bank Guarantee issued by a Schedule bank of Pakistan on the prescribed format attached with the bidding document**.

Invoice No.	% completion of work
1st Invoice	10%
2nd Invoice	20%
3rd Invoice	40%
4th Invoice	60%
5th Invoice	70%
6th Invoice	80%
Final Invoice after submission of satisfactory completion certificate and takeover of concerned formation	**100%**

	The performance security shall not be reduced at any Juncture / Event and Clause: 49 of the General Condition of Contract shall be followed.
E. FINISHING THE CONTRACT	
GCC 55.1	The date by which operating and maintenance manuals are required: **Not Applicable** The date by which "as built" drawings are required is: Before 7 days of finalization of the rehabilitation work
GCC 55.2	The amount to be withheld for failing to produce "as built" drawings and /or operating and maintenance manuals by the date required in GCC 55.1 is **Not Applicable**
GCC 56.2	The maximum number of days is: 90 days
GCC 58.1	The percentage to apply to the value of the work not completed, representing the Employer's additional cost for completing the Works, is: **100% of the cost of the non-completed works.**
GCC 61.1	Bidder involve in corrupt practice, "Fraudulent Practice "Fraudulent Practice, Collusive Practice, Coercive Practice during procurement processes or contract agreement, bidder will be recommended for blacklisting/debarment as per Mechanism of Black listing attached in the Standard Bidding Document.
GCC-62	Contractor is bound to carryout work as per approved drawings and instructions of Engineer/Designer. In case work is not executed as per approved Drawing, contractor is sole responsible for any loss occurs as result.
GCC-63	Stamp Duties: This Agreement shall be stamped in accordance with Stamp Act, 1899 by the Applicant