

Republic of Iraq
Standard bidding documents
For executing the medium works contracts

Introduction

- 1- This tender document shall be applied according to the order of the dissolved temporary coalition authority #87 for 2004 or any substitute law and in accordance with the instructions of executing the governmental contracts applicable and the instructions of executing the federal budget.
- 2- This tender document shall apply when implementing the projects financed from the investment federal general budget/current and operational and use for medium projects-valued at between (five to ten) Billion Iraqi dinar, and when the employer has the full technical documents for them (plans, bills of quantities and technical specifications...etc.), and the contractor responsibility shall be for the supply of implementation requirements, execution of works, erection, conduction of tests, acceptance tests, delivery of works to the employer and maintenance.
- 3- This document shall not be different from the general tender document for works contracts issued by the Ministry of Planning while taking into consideration simplifying the standards to be in line with size and value of work required to be implemented.
- 4- This document shall apply upon implementation of works through national and international bids.

Republic of Iraq
Bidding document
For the execution of works

{Enter the name of project}

Contracting party (employer):	{Enter the name of contracting party (employer)}
Name of project/ tender:	{Enter the name of project/ tender }
No. of tender/invitation:	{Enter tender/invitation no.}
Project reference:	{Enter budget and tabulation as contained in the relevant budget}
Tender document date of issue:	{Enter date of tender issue from the contracting party (employer)}

Form of announcement/invitation letter

Republic of Iraq

{Enter the name of contracting party/employer}

No.:

Date:

To: {Enter the name of bidder} **(this option is omitted in case of general tenders)**

Sub. {Enter name and no. of tender}

1. The {Enter the name of contracting party (employer)} is pleased to invite qualified and experienced bidders to offer their bids for {Enter brief description of the works required to be implemented}.
2. The tender of this project was published in the national journals {Enter the name of journals} and publishing is made also on (dg Market) & (UNDB online) (if the tenders were international).
3. Qualified bidders and willing to get additional information should contact {Enter the name of contracting party (employer, email of the employee in charge)} during {Enter the working hours}.
4. Required qualification {Enter a list of the technical, financial and legal requirements...etc.}.
5. Bidders interested in buying the tender documents, following the submission of written application, to the address {Enter the address} and after the payment of documents price {Enter the value in dinar}.
6. Bids shall be submitted to the following address {Enter the address} at the deadline {Enter time and date of submission}. Late bids will be rejected and the bids will be opened in the presence of bidders or their representatives who are willing to attend at the following address {Enter the address} at the time and date {Enter the time and date}. All bids should contain a bid bond {Enter letter of bank security or bill of exchange or certified check} and with the amount of {Enter the amount}.
7. The aforementioned addresses are {Enter the address/detailed addresses including the name of contracting party (employer), concerned section, name of person in charge, building no., alley no., district no., city, country}.

Notice: (contracting party (employer) may add further data compatible with the nature of tender provided that they are not in conflict with the legal enactments regulating the governmental contracts procedures in Iraq).

Signature

Name of the person authorized for the contracting party (employer)

Position of the representative authorized for the contracting party (employer)

Bidding document

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Instructions to bidders

A. General

1. Scope of tender

- 1.1 Employer identified in the tender data sheet shall float this tender where the name and number of which is in the tender data sheet to implement the works as described in the tender data sheet in national and international bids.
- 1.2 In the tender documents:
 - a. the expression "in writing" means any means of written communication (mail, email, fax), with confirmation of receipt.
 - b. Where the context required that, singular form shall be used to describe the plural and vice versa.
 - c. "Day" mean the calendar day.
 - d. "Bid Bond" means the initial guarantees.

2. Source of Funding:

the budget in which the project is listed and the source of funding and as indicated to in the tender data sheet.

3. Fraud and corruption

- 1.3 Bidders are required to hold on the highest ethical standards during contracting and implementation.
 - a- defined for the purposes of these provisions the terms set forth below as follows:
 - 1- "**Corrupt practices**" means any offer or giving, receive or solicitation of anything of value, either directly or indirectly, to a public official or by a public official in implementation of the contract to impact negatively on the other party's actions.
 - 2- "**Fraudulent practices**" means distortion or omission of facts with the aim to deceive the other party, either for obtaining material advantage or other or to evade certain obligation.
 - 3- "**Collusion practices**" means any scheme or arrangement between two parties or more, with the aim to attain something illegal (such as quoting a bid at fake and uncompetitive levels), and this shall include improper influence on the other party's actions.
 - 4- "**Coercive practices**" means harm or threaten to harm persons or their property, either directly or indirectly, in order to influence improperly the other party's actions such as, influencing their participation in the process of contracting or the implementation of contract.
 - 5- "**Hindrance practices**" means to destroy or falsify, change or withhold investigation evidences or giving false information to investigators to hinder an investigation in corrupt, fraudulent, collusive or coercive practices.
 - b. The recommendation in awarding the bid shall be rejected if it was proven that the bidder has participated, either directly or indirectly, in corrupt, fraudulent, collusive, coercive or hindrance practices during competition of the contract.
 - c. Legal proceedings shall be taken, under the legislation applicable including the instructions for implementation of governmental contracts, against any institution or person nominated for the contract award, including, the announcement of ineligibility, whether for a fixed term or a limited period of time, if it was found at any time that the bidder was involved, either directly or indirectly, or through an agent, in corrupt, fraudulent, collusive, coercive or hindrance practices during the competition for obtaining the contract or during the implementation of that

contract.

4 Qualified Bidders

4.1 Qualified bidders mean those to who shall not apply the content of clauses (a, b, c, d) of 2.4.

4.2 Bidders hereunder shall be excluded from entering into any contract with any contracting party (employer):

- a) Any insolvent, bankrupt or under receivership whose business has been stopped owing to that.
- b) Any bidder, either a natural /legal person who has been convicted, or its officers, employees of any violation to law of sanctions, law of taxation which resulted in being banned from participation in the general contracts processes.
- c) Any bidder who has been temporarily excluded (its new activities suspended, blacklisted, or listed on the lagging companies by a decision from the entity concerned at the ministry of planning) from participation in the general contracts processes, and that throughout the listing period and, such companies list is available on the email specified in the tender data sheet.
- d) Any bidder who was proved to have been involved in conflict of interests with a party or more in the bidding process, if it was now or previously in a relation with the advisor, directly or indirectly, or any institution which developed the design and specifications and other documents of the project. However, any commission which was hired by the employer to provide consultancy services for the project or supervise it or any of its satellites, was ineligible to enter the bid

4.3 Bidders should confirm their continued eligibility whenever requested by the employer.

4.4 The bidder who is holding the nationality of certain country, he is either a citizen therein or has established or participated or registered the company therein, and worked under the requirements and stipulations of such country. However, this definition shall be adopted to identify the nationality of any sub-contractor or provider who participated in implementing part of the contract and, the bidder and all partners in the joint venture, who are holding any nationality, shall have the right to participate in the bids under the temporary consortium authority (dissolved) # (87) for 2004, or any replacement law and instructions applicable, to prevent the institutions in the countries or the goods produced in the countries from participation in the tenders in the following cases:

- a) If the legislation applicable forbid the employer's country to establish commercial relationships with such countries.
- b) Due to responding to the a resolution issued from the UN /Security council, chapter 7) of the UN constitution, under which the employer's country is forbidden to enter into contract to import any goods, or implement works or provide services, with such a country or pay any amounts to persons or entities in such a country.

5 Bidder qualifications

5.1 All bidders should submit "**bid form and qualifications information**" as noted in part (4), in addition to preliminary description of work approach, timeframe and any plans and charts whenever needed.

5.2 All bidders should submit the following information and documents in their bids:

- a) Rating identity of Iraqi contractors provided that it must be applicable to the Iraqi contractor and the Iraqi contracting companies.
- b) Original copies of documents determining the legal status and place of registration and principal bidder's workplace.

- c) Proposals on the works articles that will be assigned to sub-contractors which are not beyond 30% of the total contract as determined in the tender data sheet, if that was allowed by the contracting party (employer).

5.3 Bids of the company consortium should be subjected to the following requirements, unless stated otherwise in the tender data sheet.

- a. Bid should include all the information mentioned in clause 5.2 above, and to each partner in the consortium.
- b. To sign the bid so that all partners shall be legally liable.
- c. All partners shall bear, collectively and separately, joint and several liability to implement the contract according to contract terms.
- d. Joint venture (consortium) shall assume the designation of a representative for a shareholding partners and will be entitled to powers necessary to implement the contract starting from setting up, providing and warding the bid contract and to contract implementation phase.
- e. A copy of the consortium (joint Venture) agreement between the companies (partnership) signed by all partners and duly certified must be attached to the bidding documents.

5.4 Governmental companies in the Republic of Iraq are considered qualified only if they proved that they are:

1- Legally and financially independent.

2- Operating according to commercial law and general companies' law.

5.5 Not taking into account the expert and sub-contractors' resources when determining the bidders obligation by the qualifications criteria unless otherwise stated in the tender data sheet.

6. One bid to each bidder

Each bidder shall submit one bid only, either at an individual level or as a partner in a company's consortium. The bidder, who submits more than one bid or participate in more than one bid at the same time, will cause the rejection of all bids it participated in (yet this will not include the sub-contractors).

7. Qualified materials, equipment and services

Materials, equipment and services in place under this contract funded by the employer, must be from qualified origins (countries qualified under the determinant indicated in clause 4.4 and the 3rd part), and the disbursement of all amounts must not be in conflict with that; however, the bidder has to present evidences that would prove the veracity of materials, equipment and services origins when requested by the employer.

8. Cost of bid preparation

Bidder shall bear all costs related to the preparation and submission of its bid, and the employer shall not, in no way, be responsible for such costs, or bearing them.

9. Site visit and Pre-bidding conference

- 9.1 Bidder shall visit the site of works implementation on its own responsibility and expense, to inspect the site and surroundings and obtain all information that may be necessary to prepare the bid and commitment to the implementation of works, the employer shall provide all possible facilities for the bidder to access and enter the site.
- 9.2 Invite Representatives of bidders, who are entitled to attend the pre-closing conference if that was denoted in the tender data sheet. The objective of this conference is to clarify and answer any inquiries posed at that stage.

B. Tender documents

10 Contents of tender documents

Tender documents are composed of the parts mentioned below and the annex issued according to clause (12) of the instructions to bidders

Part one:	Instructions to bidders
Part two:	Tender data sheet
Part three:	Evaluation and qualification criteria
Part four:	Bid form
Part five:	Requirements of works
Part six:	General conditions of contract
Part seven:	Special conditions of contract
Part eight:	Unified forms

11 Clarification of tender documents

In case clarification or interpretation of any information in the tender documents is needed, then the bidders must correspond with the employer at the address noted in the tender data sheet, and the latter must respond to any inquiries received provided that they are received before a reasonable time of not less than (10) days prior to the closing date for the tenders where the delivery time was specified by (15) days from the last date of ads in the journals, or as otherwise stipulated in the tender data sheet and, the employer has to send a copy of its reply to such inquiries to all who have received the tender documents directly from it including the description of inquiry without showing its source.

12 Amendment of tender documents

- 12.1 Before the closing date for submission of bids the employer may amend the tender documents by issuing an annex to that.
- 12.2 Any annex issued shall become a part of the tender documents and sent in writing to all purchasers of the s who should inform the employer that they have received the annex in writing.
- 12.3 In order to give the bidders a reasonable time to take the annex into consideration while preparing the bid, the employer has to extend the deadline for submission of bids, as this deemed necessary, or according to instructions to bidders, sub-clause 22.2 below.

C. Preparation of bids

13 bid language

All documents related to the bid shall be in Arabic and/or Kurdish and English languages as identified in the tender data sheet.

14. The documents constituting the bid

The bid submitted by the bidder shall consist of the following:

- a. Contractor's bid (according to forms in part four).
- b. Bid bond according to the instructions to bidders, clause (18), if requested.
- c. Priced bill of quantities.
- d. Form and information documents of qualifications completed by the bidder.
- e. Voucher of purchasing the tender documents.
- f. Any other documents as identified in the tender data sheet.

15 Bid prices

- 15.1 The price mentioned in the bid shall cover all works as described in the instructions to bidders, sub-clause 1.1, based on the priced bill of quantities submitted by the bidder.
- 15.2 Bidder should fill the unit price and total value of all works items described in the bill of quantities. However the items that don't contain the unit price and total value, the employer shall not pay them upon implementation and as such the cost of which

will be considered covered at the expense of other items in the bill of quantities. Correction in the bills of quantities, if any, shall be made by deletion and signing, dating and re-writing.

15.3 Price of bid shall cover all amounts of customs, taxation and the amounts due from the contractor based on the contract.

16 Bid currency and payment

Employer shall allow for the bidders to submit their bid in addition to local currency, in any of the three foreign currencies at most, as identified in the tender data sheet, provided that such currencies are on the foreign exchange prices table with the Iraqi Central Bank and have a rate of exchange against the Iraqi dinar.

17 Period of validity of bids

17.1 The bid shall remain valid for the period determined in the tender data sheet.

17.2 The employer may request, at exceptional circumstances, of the bidders to have the validity period of bid extended for further definite period. Such request must be in writing. While taking into consideration the extension of bid bond validity indicated in clause (18).

18 Bid Bond

18.1 Bidder should provide the bid bond required in the tender data sheet.

18.2 bid bond shall be as confirmed in the tender data sheet, in the form of a certified check or bill of exchange or letter of guarantee from a bank approved inside Iraq or outside thereof, and such guarantee must remain valid for (28) days after the end of bid validity.

18.3 Any bid not associated with a reasonable guarantee shall be rejected by the employer, and the bid bond as to a company's consortium is defined as to be submitted from all partners in the consortium and this should be put in writing as follows : "a company's consortium composed of ... "&" ..."& ".

18.4 Bid bond shall be returned to bidders whose bids were not accepted after the end of bid validity period stipulated in clause (17).

18.5 Bid bond of the winning bidder shall be returned after signing the contract and having submitted the good performance guarantee required.

18.6 Bid bond shall be confiscated if:

- a. The bidder has withdrawn its bid within the bid validity period,
- b. Bidder has rejected to correct the value of its bid pursuant to clause (29), or the winning bidder has failed during the definite period to:
 - Sign the contract agreement
 - Submit the good performance guarantee required

19 Alternative bids from the bidders

19.1 Alternative bids shall not be considered unless permitted in the tender data sheet, yet as for the mechanism of dealing with alternative bids, the mechanism set out in the tender data sheet shall be implemented.

19.2 Alternative bids shall contain all necessary information or an overall evaluation of the alternatives by the employer, including calculations of design, technical specifications, and details of prices, proposed construction means and other relevant particulars.

20 Bids form and Signing the Bid

20.1 Bidder should prepare an original copy of the documents from which the bid is formed as set out in the instructions to bidders, clause (14), enveloped with the documents containing the bids form and addressed clearly as "**original copy**". Additionally, the bidder should submit copies of the bid, in the number required in the tender data

sheet, addressed clearly as "**copies**". In case there is a discrepancy between them, the original copy will be the reference.

20.2 Bid original copy and all copies must be printed or written in indelible ink, and signed by the signatory person(s) authorized in the name of Bidder, according to instructions to bidders. However, any additions of modifications on the bids must be signed by the authorized signatory persons(s).

* bidder must submit the bid bond in the amount and form stipulated in the instructions applicable for the implementation of governmental contracts.

20.3 Bid shouldn't contain any modifications or additions, except for those obliged by the employer's instructions or what deemed necessary to correct mistakes committed by the bidder, and in this case signature must be fixed by the authorized signatory.

20.4 It's required also to enclose an authorization for the joint venture representatives signed by the legal authorized signatories representing the partners in the joint venture and duly certified by the notary.

D Submission of bids

21 Sealing and closing the Bids

21.1 Bidders may submit their bids by the registered mail, or by person. Bidder must put the original copies and all other copies of the bid in two internal envelopes and an external one, so that the two internal envelopes are addressed clearly as "**original**" and "**copies**".

21.2 All internal and external envelopes must be:

- a. Addressed to employer at the address mentioned in the tender data sheet.
- b. Carry the name, ID number of the tender as identified in the tender data sheet.
- c. Carry a warning not to open them before the date specified for opening the bids.

21.3 in addition to the ID required in the instructions to bidders, sub-clause 21.2, the external envelope shall bear the name and address of bidder to enable returning the bid un-open in case it arrives late, according to instructions to bidders, clause 23.

21.4 If the external envelope was not closed and marked as mentioned, the employer shall not take any responsibility for loss or opening of the bid pre-maturely.

22 Deadline for the submission of bids

22.1 Bids shall be submitted to employer at the address specified and at the date and time specified in the tender data sheet.

22.2 Employer may extend the deadline for submitting the bids through issuing "amendment release" according to the instructions to bidders, clause 12, and in this case all rights and duties of the employer and bidders that previously submitted to the original deadline will become subject to the new deadline.

23 Late bids

No bids shall be accepted if arrived by the employer after the closing date specified in the instructions to bidders, clause 22, and will be returned to their owners un-open.

24 Withdrawal, Replacement and amendment of bids

24.1 Bids can withdraw, replace or amend their bids by a written notice sent before the deadline mentioned in the instructions to bidders, clause 22.

24.2 Notice sent by the bidder in withdrawal, replacement or amendment must be sealed, according to the instructions to bidders, the two clauses 20 & 21, in internal and external envelopes to which is added the note "**withdrawal**" or "**replacement**" or "**amendment**" as applicable.

24.3 No bid shall be replaced, amended after the deadline for the submission of bids.

24.4 Withdrawal of any bids after the closing date will lead to confiscation of the bid bond , according to the sub-clause 18.6.

24.5 Bidders may make a discount or modification on their prices only by submitting such amendment or include it in the main bid.

E. Opening and evaluation of bids

25 Bids Opening

25.1 Employer shall open the bids, including the amendments prepared under the clause 24, in the presence of bidders representatives who decide to attend, at the time and place specified in the tender data sheet.

25.2 Envelopes addressed "withdrawal" shall be opened and read first.

25.3 employer shall announce, upon opening the bids, about the names of bidders, bid prices, total value for each bid, and the alternative bid (if alternatives were allowed or requested), and any discount, withdrawal, replacement's or amendments, the presence or not of the bid bond , if requested so, and other similar details deemed fit by the employer. However, no tender bid shall be turned down during the opening of bids but only the late ones pursuant to the bidder's instructions, clause 23. Alternative bids, or the amendments submitted according to the instructions to bidders, clause 24, which were not read out during the opening of bids, their evaluation will not be completed irrespective of the circumstances. Yet as for the late, withdrawn or replaced bids, they will be returned un-open to the bidders.

25.4 Employer shall prepare a report on opening bids including the information announced to attendance according to the instructions to bidders, sub-clause 25.3.

26. Confidentiality

Information related to examination, clarification, evaluation and comparison of bids and the recommendations to award the contract shall not be announced to the bidders or any other person unconcerned formally with the operation (confidential), the contract awarding to the winner has been announced according to instructions to bidders, sub-clause 35.4. And, any attempt by the bidders to influence the employer in processing the bids or the awarding decision may result in rejecting its respective bid.

27 Clarification of bids

In order to facilitate the process of bids' examination, evaluation and comparison, the employer may question the bidders to clarify its bid, including the details of unit prices, if requested, and answering them must be presented in writing without any changing on the proposed bid price or substance, or proposing that or allowing it but only as regards the limits of arithmetic errors correction detected by the employer during the evaluation of bid according to the instructions to bidders, clause 29.

28 Examination of bids and determination of their extent of response

28.1 The following interpretations shall be adopted during the process of bids evaluation:

- a) **Immaterial deviations:** the divergence from the requirements determined in the tender documents.
- b) **Reservations:** placing certain conditions or non-acceptance, by the bidder, of all requirements specified in the tender documents.
- c) **Omission:** failure on the part of bidder in submitting part or all information and documents required in the tender documents.

28.2 Employer has to decide, before the detailed evaluation of bids, if the bid:

- a) Realizes the eligibility criteria specified in part three.
- b) Duly signed.

- c) Bid Bond is attached, if required.
 - d) Essentially responsive with the requirements of tender documents.
- 28.3 The bid essentially responsive is the one fulfilling all conditions and specifications in the tender documents, without deviation or tangible reservation which would:
- a) Affects clearly in any way the scope and quality and performance of works;
 - b) Limits clearly, and inconsistent with the tender documents, the rights of employer or obligations of bidder under the contract;
 - c) The amendment of which would, unduly affect the competitive status of other bidders, who submitted responsive bids.
- 28.4 If any bid was essentially irresponsible, then it will be turned down by the employer.

29 Correction of arithmetic errors

- 29.1 Employer shall examine the responsive bids to be sure they are free from arithmetic errors. And the employer shall correct the errors as follows:
- a) Wherever there is a difference between the prices in figures and letters, those given in letters will be adopted.
 - b) Wherever there is a difference between the unit price and the total of item the product of multiplying the unit price by the quantity, then the unit price will be adopted as mentioned, unless in the opinion of the employer that there is material error in placing the decimal point in unit price, then on this case the total will be adopted as mentioned and the unit price corrected.
 - c) If there is an error in the grand total of the bills of quantities due to processes of addition and subtraction of the sub-lists totals in the bill of quantities, then the sub-lists totals will be adopted and grand total amended accordingly.
- 29.2 The amounts mentioned in the bid will be amended by the employer in line with the previous process to correcting the errors, and shall be deemed binding on the bidder.

30 The conversion to single currency

For the purposes of comparison and analysis the currency (currencies) mentioned in the bid shall be converted to single currency as determined in the tender data sheet.

31 Margin of preference

No margin of preference shall be taken up for the bid submitted by local bidders, unless it was stated in the tender data sheet, and then reference shall be made to the value of margin specified in the tender data sheet.

32 Evaluation and comparison of bids

- 32.1 Employer shall evaluate and compare only the responsive bids essentially according to the instructions to bidders, clause 28.
- 32.2 Employer shall amend on the bid value while bids are being evaluated, and as follows:
- a) Correct any errors pursuant to the instructions to bidders, clause 29.
 - b) Exclude the reserve amounts, if any, for emergencies in the bills of quantities.
 - c) Conduct the appropriate amendment for any reasonable difference or deviation according to clause 28.1 of the instructions to bidders or for alternative offers delivered as per the instructions to bidders, clause 19.
 - d) Conduct the appropriate amendments to reflect the discount or any other amendments on the prices as per the instructions to bidders, sub-clause 24.5.
- 32.3 Employer shall reserve the right to accept or reject any difference or deviations or alternative offer. So, the differences, deviations, alternative offers and other factors that override the tender documents requirements or otherwise yields benefits to the employer, will not be taken into consideration upon evaluating and awarding the

bid.

F. Bid Award

33 Bid award criteria

According to the instructions to bidders, clause 32, employer should award the contract to the bidder whose bid was selected as responsive essentially to the tender documents and submitted the least evaluated and responsive price, provide that the bidder must have:

- a) Eligibility in line with the instructions to bidders, clause 4.
- b) The qualifications as per the criteria required in part three.

34 Employer right to accept or reject any/all bids(s)

In spite of the aforementioned in the instructions to bidders, clause 33, the employer shall reserve the right to accept or reject any bid, and to cancel the tender, and reject all bids at any time prior to bid award, without becoming legally liable to the bidders, while the bidders should be notified of respective grounds for that. And the cost of tender documents will be returned to bidders in case of cancellation.

35 Announcement of bid award and signature of contract

35.1 Announce the bidders, whose bid was accepted by awarding contract to it in writing by the employer, before the end of bid validity. This letter (known as letter of award) will determine the amount that will be paid by the employer to the contractor to implement and complete and maintain the works as described in the contract (referred to hereinafter and in the contract as "the contract value").

35.2 Letter of award shall be deemed as initial contract after being notified to the bidders officially provided that the winning bidders will provide the employer with a performance guarantee according to the provisions of clause 36.

35.3 Employer shall send the format of such contract in the tender documents to the winning bidders, which encompasses all agreements entered into between them and the winning bidders shall sign the contract and return it to the employer during a period not beyond (14) working days from the date of notification.

35.4 Employer shall notify the winning bidders of accepting its bid and the other bids of rejecting their bids at the same time and publish a summary in that on its website and the UNDB website and (dg market) (if the tender was an international one), including the following information:

- a. Name of each bidders who participated in the tender.
- b. Cost of each bid as read out in the bids opening session.
- c. The name and estimated price for each evaluated bid with mentioning the rankings of candidates
- d. Names of bidders whose bids were rejected and show the reasons for that.
- e. Name of winning bidders, and the price awarded.

36 Good Performance guarantee

36.1 Winning bidders should submit to the employer within (14) working days from receiving the "letter of award" a good performance guarantee in the value determined in the tender data sheet and in writing and such a guarantee will remain valid up to after the end of maintenance period and the issuance of final receipt certificate and final settlement of accounts.

36.2 The Good Performance guarantee shall be issued from a bank accredited in Iraq.

36.3 If the winning bidders failed to comply with the sub-clause 36.1 requirements this will be a sufficient cause to cancel the contract award and confiscate the bid bond.

37 Right to objection

- 37.1 For any nominated or bidder who thinks that the tender documents have restricted the full and open competition unfavorably and in a way conducted to its exclusion improperly from the competition, and any nominated and bidder who thinks that it was not treated justly during the awarding procedures, shall have the right to object according to the instructions of implementing the governmental contracts applicable.
- 37.2 The objection may address the selection of contacting method and tender documents including technical specifications and award of selection and the report of evaluation committee and the award of contract decision.
- 37.3 Objection application shall be submitted in writing, within (7) working days from the date of notification by the letter of award, to the objections committee, at the contracting party (employer), which practices its functions according to the instructions of implementing the governmental contracts applicable.

Part Two: Tender Data Sheet

A- General	
1.1 instructions to bidders	{Enter the name of employer} No. of announcement/invitation: Name of tender: No. of tender: Number and description of the components of the tender's bills of quantities:
2 Instructions to bidders	{Enter the name of budget in which the name of budget and source of funding are incorporate}
4.2.C Instructions to bidders	A list is available in the name of the companies unqualified or banned from working with the Ministry of Planning (enter the email Ministry of Planning /department of governmental contracts- legal division)
5.2 Instructions to bidders	The information needed to be submitted by the bidders in their bids: Either {enter: all bidders should provide the information required in sub-clause 5.2 of the instructions to bidders} Or {enter: any addition or cancellation to the list of sub-clause 5.2 of the instructions to the bidders }
5.2.C Instructions to bidders	Upper limit for the participation of sub-contractors is {enter a percentage}
5.3 Instructions to bidders	Requirements of bidders presented from a consortium include: {enter any addition or cancellation to the list of sub-clause 5.3 of the instructions to bidders }.
5.5 Instructions to bidders	Sub-contractors' experiences and resources {enter "will take" or "will not take" into consideration}.
9.2 Instructions to bidders	Conference prior to closing shall be held at: Time {enter the time and local time (for example: 10:00 A.M in local time of Baghdad)} Date: site:

B- Bidding documents	
11 Instructions to bidders	Address of employer for inquiry: Name of entitled person: City: Street no.: Building: No. of floor and room: Phone no.: Email: Period set for inquiries is {enter the period}
C-Preparation of bid	
13 Instructions to bidders	Bid language {enter the language}
14 (F) instructions to bidders	Additional documents required to be submitted by the bidders: {enter a list or "n/a"}
16 instructions to bidders	Currency of bidding {enter the currency (currencies)}
17.1 Instructions to bidders	Bid shall remain valid for {enter the bid validity period}
18.1 & 18.2 instructions to bidders	Bid bond {enter whether required or not} {enter the type of guarantee, bank letter of guarantee or certified check or bill of exchange} {enter the amount and currency of bid bond } {enter the bid bond required}
19.1 Instructions to bidders	Alternative bids {enter they will be "taken" not "taken"} into account, and in case of taking them the following mechanism shall be applied in analysis.
20.1 Instructions to bidders	The number of bid copies that must be submitted is {enter the number} in addition to the original copy.

D-Submission of bids	
21.2 (A) instructions to bidders	The bid shall be delivered at the employers' address set out below: Name of person entitled for receipt: City: Street: No. of floor and room: Date: Time: {enter time and local time (for instance: 10:00 AM in local time of Baghdad)}
22 Instructions to bidders	Deadline for delivery of bids {enter the deadline}
E-Opening and evaluation of bids	
25 Instructions to bidders	Bids shall be opened at the following address: City: Street: No. of floor and room: Date: Time:
30 Instructions to bidders	Iraqi currency shall be adopted to evaluate and compare the bids and foreign currencies, adopted in the bid will be converted to it for this purpose, and the exchange rate contained in the publication issued from the Iraqi central bank shall be adopted. Date of exchange rate {enter the date specified}
31 Instructions to bidders	A differential margin shall be allowed to local bidders {enter "yes" or "no"} and in case of "yes" {enter the amount of margin} in addition to the methodology that will be adopted: -----
F-Contract award	
33. instructions to bidders	The percentage of good performance guarantee is {enter the percentage of contract value}

Part Three: Evaluation and qualification criteria

This part shall contain the criteria that the employer should adopt in evaluation and qualification of bidder in addition to that contained in articles (4 &5) of the instructions to bidders related to {nationality and conflict of interests, attitude to prevention of contracting inside Iraq, non-qualification due to an order issued from the UN, and the extent to which public companies are qualified}, where the bidders are obliged to submit all the information required under the forms specified in part four { bid form}.

1-Financial position

	Subject	Requirements	Individual co.	Joint venture			Submission requirements
				All partners	Every partner	One partner at least	Submission requirements
1.1	Final accounts	Submit the general balance sheet audited by chartered accountants displaying the financial position for the previous years () ¹ showing financial capability, forecast of future profits for the bidders.	Requirements must be met	Not required	Requirements must be met	Not required	Under the forms of final accounts no. (5.1).
1.2	Average of annual revenues	Minimal limit of average annual revenues of the bid amounts to ID (---) ² calculated from the of average total payments received for the works implemented for the completed contracts during the previous years (---).	Requirements must be met	Requirements must be met	Requirements must be met by at least (----%) ³	Requirements must be met by at least (-----%) ⁴	Under the form of annual average revenues no. (5.2).
1.3	Cash flow	Bidders must provide cash-flow ⁵ amounting to ID (---) ⁶ and during a period of (---).	Requirements must be met	Requirements must be met	Requirements must be met by at least (----%) ⁷	Requirements must be met by at least (-----%) ⁸	Under the cash-flow form no. (5.3).

(1) Final accounts are required either for the last two years, preceding the tender closing date, {in case the company has no final accounts for the last two years then its final accounts for the two years preceding the year 2014 should be submitted given that June 2014 is the beginning of financial crisis}

(2) Calculation of annual revenue average shall be made by a lump sum meeting thus a percentage ranging between (75% -100%) of the project's speculative cost.

(3) The percentage of a partner must not be less than (25%)

(4) The percentage of one partner must not be less than (50%).

(5) Cash flow is defined as the movement of cash flow for the period determined by the employer which precedes the announcement.

(6) Cash flow is calculated according to the equation (Cash flow = speculative cost/contract period (in months) x 1/3 contractual period (provided not to override 6 months))

2- Experience

	Subject	Requirements	Individual co.	Joint venture			Submission requirements
				All partners	Every partner	One partner at least	Submission requirements
2.1	General experience	Previous experience in the field of contracts as a contractor or sub-contractor or contract administration for at least for (---) years before the deadline of bid submission and with at least (9) months of activity.	Requirements must be met	Not required	Requirements must be met	Not required	Under the general experience form no. (6.1).
2.2	Specialized experience in implementation of works	Participation as a contractor, contract management, or as sub-contractor in (---) contracts and for the prior years (---) and in amount of at least (---) to implementing contracts similar to this contract works and was completed with full success and quality ²	Requirements must be met	Requirements must be met	Not required	Required	Under the specialized experience form no. (6.2)
2.3	Specialized experience in the main activities	Experience in the following main activities, if any:	Requirements must be met	Requirements must be met	Not required	Required	Under the specialized experience form no. (6.3)

(1) The number of years required for the general experience shall be between (3-10) years.

(2) The number of similar works that should be required are be between (1-3), and the term (similar) will be measured on the basis of cost, work volume, complexities, atmospheric and geologic circumstances, methods/techniques and/or other features that are described in the scope of requirements; also, it's not permissible to combine a number of contracts (works) with low value to meet the requirement, namely, the value of each work must be considered separately and, the number of years for which the similar works are required shall be between (5-10) years, and must be associated with similar contracts, and the value of similar contract must cover (60-80%) of the contract value to be implemented.

3-Staff

The bidders have to demonstrate the availability of staff for key positions to implement the contract and achieve the following requirements:

Ser.	Position	General total experience in implementation of works (-----) years	Specialized experience in similar works (----) years
1			
2			
3			
4			
5			

* bidder should submit details of staff suggested to implement the contract, specifying their precious experiences under staff forms # (3-5/1) and (3-5/2).

4-Equipment

bidder must prove its ownership or possession of the key equipment listed subsequently:

Ser.	Type of equipment and specifications	Quantity required
1		
2		
3		
4		
5		
6		
7		

The bidder shall provide the additional details of the proposed equipment to be used in the execution of the contract under Form No. (3-6).

*{Contracting party (employer) has to clarify whether it was stipulated for the equipment to be owned by the bidder or not and as needed and according to work requirements}

Part Four
Bid forms

(To be filled out by bidder)

- 1- Bid submission form
- 2- Bill of quantities
- 3- Technical proposal
 - 3.1 Organizational structure at the site
 - 3.2 work methodology
 - 3.3 Preparation methodology
 - 3.4 Plans
 - 3.5 Staff Schedule
 - 3.6 Equipment schedule
- 4- Qualification of bidder
 - 4.1 information form about bidder's qualification (individual company)
 - 4.2 Information form about bidders qualification (joint venture)
- 5- Forms of financial position
 - 5.1 Forms of final accounts
 - 5.2 form of annual average revenues for construction works
 - 5.3 Cash flow
- 6- Forms of experience
 - 6.1 Form of general experience in implementation of works
 - 6.2 form of specialized experience in implementation of works
 - 6.3 form of specialized experience in main activities

1 Form of bid submission

Date:

Tender no.:

Invitation letter no.:

To: (name and address of employer)

We, the undersigned, declare that we:

- a- Confirm that we have examined and checked the tender documents and we have no reservations as to them and to any amendments conducted under the article (12) of the instructions to bidders.....
- b- We present our offer to implement the works set out subsequently and under what is specified in the tender documents
- c- Total price of our bid, after excluding any discounts contained in or bid set out in clause (d) below amounts to
- d- Discounts contained in our bid and method of their application are: -----
- e- Our bid shall be effective for days from the deadline to submit the bid, as specified in the tender documents, and shall remain binding on us and acceptable by us till the end of its validity period.
- f- In case our bid was accepted we undertake to submit the good performance guarantee referred to in the tender documents and to attend to signing the contract according to the times specified in clause (35/3) of the instructions to bidders, and otherwise the provisions of clause (18.6) of the instructions to bidders, shall be applied to us.
- g- We confirm that there is no conflict of interests for us, or for any of our sub-contractors and providers of any part of the contract referred to in clause (4-1) of the instructions to bidders.
- h- We confirm not to participate in any other bid, except this one, in any capacity whatsoever, whether as a bidders or partner in another bid, pursuant to provisions of clause (6-1) of the instructions to bidders, except the alternate bids submitted by us under the article (18) of the instructions to bidders.
- i- We undertake no order will be issued from the Ministry of Planning, or any other authority, approved legally binding on the state of Iraq, implying our ineligibility or placing our company on the lists of suspending the new activities or blacklisted or on the list of lagging companies, or any of our sub-contractors or providers of any part of contract otherwise we shall bear liability for this.
- j- We confirm we are not a governmental entity /or we are a governmental entity meeting the requirements specified.
- k- We perceive that this bid and accepting it in writing by you under the letter of acceptance (awarding) which will be issued later on, will be as a binding contract between us till an official contract was prepared and concluded (and in case we have declined to sign the contract then we shall be obliged to bear legal and financial liabilities which would be owed by us due to that and according to the occupational provisions in this regard provided for in the legislation for governmental contracts and the respective procedures pertaining to that in the provisions of this document).
- l- We recognize that you are not to accept the lowest bids or any other bid not received by you.
- m- We undertake to take all actions to ensure that any of our employees or any person working for our interests will not conduct any corrupt or fraud practices.

Name of bidder:

Position:

Signature:

Name of person entitled to sign on behalf of:

Dated on: (day/month/year)

2-Bill of quantities

Schedule no. ()

Item #	Item description	Unit	Quantity	Price in figures	Price in letters	Amount of item in figures	Amount of item in letters	
		Total of schedule no. (to carry forward to summary schedule page---)						

Schedule: summaries of payment currencies

In case of payment using several currencies
(under clause (16-1) of instructions to bidders)

Summary of payment in currencies: {Enter the name of works part covered by that}

Currency	Amount payable under the bid
Iraqi currency	
Foreign currency (1)	
Foreign currency (2)	
Foreign currency (3)	

Schedule of reserve items

No. of bill of quantities	Item number	Description	Amount in figures and letters
1			
2			
3			
4			
Total of reserve items amounts in figures and letters (to carry forward to summary page ---)			

Final summary

Contract name:

Contact number:

General summary	Page number	Amount in figures and letters
Schedule (1)		
Schedule (2)		
Schedule (3)		
...etc.		
Total of schedules above without reserve amounts	(A)	
Total of reserve items amounts	(B)	
Final total (A+B)		

3-Technical proposal

3.1 Organization structure at the site:

3.2 Implementation of works methodology

3.3 Preparation methodology

3.4 Plans:

3.5 Schedule of staff:

For of staff number (1): names of key staff proposed, bidders have to submit a list in the qualified key staff to fulfill the requirements specified in part three in addition to the information about their experiences under the form number (2):

1	Name: Position: Scientific qualification: Experience:
2	Name: Position: Scientific qualification: Experience
3	Name: Position: Scientific qualification: Experience

As specified in part three

Form of staff number (2): experience of the key staff

Name of bidder:		
Position:		
Personal informati on	Name	Date of birth
	Work experience	
Current job	Name of employer:	
	Work address:	
	Phone:	Name of person in charge (director/personnel)
	Fax:	Email:
	Job title:	Years of service with this employer

3.6 Schedule of equipment

Bidder shall submit the information to prove precisely the possibility to provide what is needed of key equipment required to implement the contract indicated in part three (criteria of evaluation and qualification), where it's required to fill out a separate form for each equipment listed or proposed by the bidder.

Type of Equipment		
Information about the equipment	Name of Manufacturer	Model and Horsepower
	Productivity	Year of manufacture
Current status	Current work site	
	Current work description	
Ownership	Insert the ownership of equipment or machinery Owned by the bidder Rented Specifically manufactured	

Omit the following schedule in case the equipment is owned by the bidder

Ownership of Equipment	Name of Owner of the Equipment	
	Owner's Address	
	Telephone/Fax: Fax:	Name and position of the Owner's representative:
		Website:
Agreement	Details of Leasing, and Manufacturing the equipment required for the project	

4- Bidder's qualification

4.1 form of information about the bidders (individual company)

Information about The bidder	
Legal Name of Bidder	
Country of Incorporation	
Date of company's incorporation	
Legal Address in the country of incorporation	
Data of the authorized representative of the Bidders (Name, Address, Telephone, Fax, Email)	
The Enclosures are Copies of the original Documents listed hereunder 1- In case of individual company, the items related to incorporation or legal merger of the company according to article (5.2/ a & b) of the instructions to bidders. 2- In case the company is owned by the state, any additional documents shall not be included in clause (1) above, and in consistence with clause (5-4) of the instructions to bidders.	

4.2 Information form about the qualifications of bidders (joint venture) or the specialized sub-contractor

Information about the Joint Venture or the Specialized Subcontractor	
Legal Name of bidder	
Names of Companies in the Joint Venture or the Specialized Subcontractor	
Country of Incorporation of the company establishing the Joint Venture and the Specialized Subcontractor	
Year of Incorporation of the company establishing the Joint Venture and the Specialized Subcontractor	
Legal Address of the partners in the Joint Venture and the Specialized Subcontractor	
Name, Address, Telephone, Fax and Email Address of the Representative Authorized by the Joint Venture and the Specialized Subcontractor	
<p>The Enclosures are Copies of the original Documents listed hereunder</p> <p>1- Documents of incorporating the consortium or the legal joint venture named above according to clause (5.3-e) of the instructions to bidders.</p> <p>2- Letter of Authorization for the representative of joint venture named above according to clause (20-4) of the instructions to bidders.</p> <p>3- In case of the companies owned by the state, the documents that prove their legal and financial independence, and they work according to the commercial laws according to clause (5- 4) of the instructions to bidders.</p>	

5-Forms of Financial Situation

5.1 Forms of final accounts

Summary of final accounts

Financial statements for the years-----				
Year 1	Year 2	Year 3	Year 4	Year 5

Information from balance sheet form

Total assets			
Total debts			
Net capital			
Current assets			
Current debts			

Information about the financial position certificates

Total revenues	
Profits before tax accounting	
Profits after tax accounting	
<p>Enclosures are copies of the financial position certificates (final balance sheet including all notes and income certificates for the past three years as shown and in conformity with the following conditions:</p> <ul style="list-style-type: none"> • All these documents reflect the financial position of the bidder or the partners in the joint venture and do not involve mother companies emanating therefrom. • Previous financial position must be issued from an auditor. • Previous financial certificates must be complete and inclusive of all notes mentioned in all financial certificates. • Previous financial certificates must represent the previous accomplished items for which a certificate audit was issued {Interim Financial Certificates are not required and will not be accepted}. 	

5.2 Form of average annual revenues for the construction works accomplished

{To fill out by the bidder and each partner in the joint venture}

Annual Revenues statement (Construction)	
Year	Annual revenues in the currency adopted
Average Annual Revenues for the Constructional Works	

5.3 Cash flow

Bidder must provide whatever proves the required Cash flow he has under part three (evaluation and qualification criteria) through the submission of a certified check from an approved bank showing the cash flow, the period and the amount required.

6-Experiecn

6.1 Form of general experience in the field of construction

To be filled out by the bidders, wither an individual company, or a partner in joint

General Experience in the field of construction works				
Month and year of commencement	Month and year of completion	No. of years	Name and description of contract, name and address of employer, summary description of works executed by the bidder	Tasks of bidder in the executed works

6.2 Form of specialized experience in implementation of works (to fill one form for each contract)

Contracts with similar nature and volume to this contract		
No. of contract – from –	Introduction of Contract	
Date of Awarding		Date of Completion
Bidder's Role in the Contract	<u>Contractor</u> <u>Contract Management Contractor</u> <u>Sub-contractor</u>	
Total Value of Contract		
If he was a partner in a joint venture or subcontractor, specify the volume of commitment out of the total contract value contract	Percentage of the total contract value	Amount of commitment
Name of Employer, address, telephone, fax and email		
Describe the similarities according to the criteria specified in clause (2.1) of Part three		

6.3 Form of specialized experience in main activities

Contracts with similar main activities		
No. of contract	Description of contract	
Date of award		Date of expiry
Role in the contract	<input type="checkbox"/> contractor <input type="checkbox"/> contract management contractor <input type="checkbox"/> subcontractor	
Total cost of contract	In bidding's currency or other currency	
If the partner was in joint venture or subcontractor, specify the total engagement volume described in the contract	Percentage of engagement volume out of the total engagement	
Name of employer, address, phone, fax, and email		
Description of main activities under the criteria of clause 2.3 of part three		

Part five: Works requirements

1-Specifications and works requirements

2-Plans

3-Bill of quantities

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Part Six

General conditions of works implementation contracts

CONTRACT GENERAL CONDITIONS

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Article One- General Provisions

1-1 Definitions:

The following words and terms wherever mentioned in this Conditions of Contract (including the general and the special) shall have the meaning assigned to them, and the words that refer to persons or parties shall include companies and other legal entities, unless the context requires otherwise:

1-1-1 The contract

1-1-1-1 The contract

Shall mean the items agreed upon between the contract parties and includes, the Contract Agreement, the Letter of Award, the general and Specific conditions and specifications and drawings, tables, forms of Bid Submission and any other documents (if any) listed in the contract agreement.

1-1-1-2 Letter of Award

Means the official letter issued and signed by the employer prompt for the official winning bidder, and shall contain the awarded bidder's name, his address, phone number, e-mail, name and number of tender or invitation, award amount, implementation period, contract enforcement date, final insurances and any other things required by the nature of the award.

1-1-1-3 Form of Bid Submission

Means the form completed by the bidder **and** includes the offer relating to the works signed and provided by him to the employer

1-1-1-4 Specifications

Means the "Specifications" as referred to in the contract, and any amendments issued by the employer (or his representative) under the provisions of the contract.

1-1-1-5 Drawings

Shall mean "work's drawings" as referred to in the contract and any additional and amended drawings issued by the employer (or his representative) under the provisions of the contract.

1-1-1-6 Tables

Means the Documents completed by the bidder and submitted with the form of bid submissions and are an integral part of the contract, such and these tables may include tables (bill) of quantities, data, lists, tables of prices and / or wages.

1-1-1-7 The Bid

Means the form of bid submission and all what is provided by the contractor with other documents, as mentioned in the contract.

1-1-1-8 "Tables (Bill) of Quantities"

Means tables containing descriptions, quantities, prices and business items to be performed under the contract.

1-1-2 Parties

1-1-2-1 The Party

Shall mean the employer or the contractor as the context indicated.

1-1-2-2 The Employer

Shall mean the contracting party (employer) defined in the special conditions, including his legal successors

1-1-2-3 The contractor

Shall mean the person (s) named as contractor in the form of bid submissions approved by the employer, and it includes as well his legal successors.

1-1-2-4 The Engineer

Shall mean the person, persons, institution or company appointed by the employer to carry out the tasks of the engineer for the purposes of this contract, or any other person appointed by the employer as a substitute for the engineer from time to time, and he shall notify the contractor of such appointment according to paragraph (3-4), (Engineer Replacement).

1-1-2-5 Contractor's Representative:

Shall mean the person named by the contractor to represent him in the contract, or his designee from time to time under paragraph (4-3) to act on his behalf.

1-1-2-6 Employer's Personnel:

Shall mean the engineer and his assistants referred to in paragraph (3-2) and other staff and workers of the engineer and the employer, as well as any of the personnel who the engineer or the employer notify the contractor that they are members of the employer.

1-1-2-7 Contractor staff

Shall mean the contractor representative and all employed by the contractor at the site, including the employees, workers and others of the contractor's group or the group of any subcontractor and other persons who assist the contractor in the implementation of the works.

1-1-2-8 Subcontractor:

Shall mean any person named by the contractor as subcontractor, or any person appointed as well to implement part of the works, and the legal successors of any of them.

1-1-3 Dates, Tests, Terms and Completion

1-1-3-1 Commencement Date:

Shall mean the date determined for the commencement of work and notice is given in respect thereof according to paragraph (8-1).

1-1-3-2 the Completion Period (period of implementation of works):

Shall mean the period specified for the completion of works or any part thereof (as the case may be) under paragraph (8-2) calculated from the commencement date, as identified in the special conditions, with any extension for this period made under paragraph (8-4).

1-1-3-3 Tests on Completion

Shall mean those tests stipulated in the contract or agreed between the parties, or which are requested under change orders, that are made under the provisions of "Article Nine" before the receiving of the works or any part thereof (as the case may be) from the employer.

1-1-3-4 The Initial Acceptance Certificate of works (Initial Acceptance Minutes):

Shall mean the initial acceptance certificate of works that is issued under the provisions of "Article Ten"

1-1-3-5 Maintenance Period:

Shall mean the period that has been determined under paragraph (11-1) to give notice to correct the defects in works or any part thereof (as the case may be) extended for 12 month unless otherwise stated in the special conditions (with any extension thereof made under paragraph (11-3)) calculated from the date of completion of works, or any part thereof, as specified in the initial acceptance certificate of the works under paragraph (10-1).

1-1-3-6 Final Acceptance Certificate of the works (Final Acceptance Minutes)

Shall the mean the certificate issued under paragraph (11-9).

1-1-3-7 The day

Shall mean a calendar day

1-1-4 Amount and Payments

1-1-4-1 Contract amount approved:

Shall mean the contract amount as approved in the "Letter of Award" against the implementation, completion of works and the correction of any defects therein

1-1-4-2 Contract amount (actual contract amount):

Shall mean the contract amount identified under paragraph (14-1) and shall include any amendments thereon made according to the provisions of the contract.

1-1-4-3 Cost

Shall mean all costs incurred or will be incurred by the contractor, inside and outside the site, including administrative expenses or similar, but shall not include profit.

1-1-4-4 Final Account Certificate

Shall mean the final account certificate that is issued under paragraph (14-13)

1-1-4-5 Final Statement of Account:

Shall mean the final statement of account identified under paragraph (14-11)

1-1-4-6 Foreign Currency:

Shall mean any currency to be determined for the payment of some part of the contract amount (or all), other than the local currency.

1-1-4-7 Progress Advance:

Shall mean any payment certificate to be issued under the provision of article "Fourteen" other than the final account.

1-1-4-8 Local Currency:

Means (the Iraqi dinar).

1-1-4-9 Advance Payment (Advances):

Shall mean any payment certificate to be issued under the provisions of article "Fourteen"

1-1-4-10 Reserved Amount:

Shall mean any amount (if any) to be specified as such in the contract for the purpose of implementing part of the works or supplying materials or mechanical supplies or providing services under paragraph (13-5)

1-1-4-11 Cash Deductions:

Shall mean total amounts withheld by the employer for payment under paragraph (14-3), which he shall return under paragraph (14-9).

1-1-4-12 Statement of Performed Work:

Shall mean any statement of work performed provided by the contractor as part of the request for advances, under the provisions of "Article Fourteen".

1-1-5 Works and Implementation Requirements

1-1-5-1 Contractor' Equipment:

Shall mean all devices, machinery, vehicles and other means necessary to implement and deliver works, and repair any defects therein, but shall not include temporary works nor employer's equipment (if any), mechanical supplies, materials or other things that formed or intended to form part of the permanent works.

1-1-5-2 Implementation Requirements

Shall mean contractor's equipment, materials, mechanical supplies and temporary works or any of them, as appropriate

1-1-5-3 Materials:

Shall mean things of all kinds (non-mechanical supplies) that formed or intended to form part of the permanent works, including supplied materials only (if any) which are required to be provided by the contractor under the contract.

1-1-5-4 Permanent Works:

Shall mean the permanent works to be carried out by the contractor under the contract

1-1-5-5 Mechanical Supplies:

Shall mean devices, machinery and vehicles formed or are intended to form part of the permanent works, which include transport modes purchased for the employer for the purposes of implementation or operation of the project.

1-1-5-6 Section:

Shall mean any section of the works stipulated in the **contract data** as a section of the works (if any).

1-1-5-7 Temporary Works:

Shall mean all temporary works of every kind (except for contractor's equipment) which their presence is required at the site for the implementation and completion of permanent works and repair any defects therein.

1-1-5-8 Works:

Shall mean permanent and temporary works, or any of them, as appropriate

1-1-6 Other Definitions:

1-1-6-1 Contractor Documents:

Shall mean the documents provided by the bidder under the employer's requirements for contract implementation

1-1-6-2 Employer's Equipment:

Shall mean devices, machinery and vehicles (if any) provided by the employer to be used by the contractor in the implementation of works as defined in the specification, but shall not include such mechanical supplies that the employer did not yet receive.

1-1-6-3 Force Majeure:

As defined in the "Article Nineteen"

1-1-6-4 Laws:

Shall mean all legislations and laws of Iraq (or laws of the counties where the project is located in) and instructions, orders and regulations issued by any public authority formed by law.

1-1-6-5 Good Performance Guarantee

Shall mean the guarantee (or guarantees, if any) that are required under paragraph (4-2).

1-1-6-6 Site:

Shall mean the premises in which permanent works will be performed thereunto including storage spaces, work spaces and sites in which mechanical supplies and materials are delivered in, as well as any other premises specifically stated in contract being considered part of the site.

1-1-6-7 Unforeseen

Shall mean what an experienced contractor could not expect in normal conditions before the date of bid submission

1-1-6-8 Change Order:

Shall mean any change in the works based on a written notice issued by the employer under the provisions of "Article Thirteen".

1-2 Interpretation

In the contract, unless the context requires otherwise:

- a) The words refer to one gender shall include the other gender.

- b) The words refer to the singular shall also include the plural and words refer to the plural shall also include the singular.
- c) Provisions that contain the word "approve" or "approved" or "agreement" are conditioned that such approval be documented in writing.
- d) "In writing" or "written" shall mean putting down in writing by handwriting or typewriter or printing press and electronic printing so that it forms a permanent record.

1-3 Communications:

Where these conditions state on giving or issuing any approvals or certificates or consents or estimates or notifications or requests or termination of service, then such communications shall be:

- a) In writing and delivered by hand (against notice of receipt), or shall be send by mail or via a person or transferred electronically as stipulated in the special conditions, and
- b) Delivered or sent to the consignee address indicated in the special conditions, however:
 - 1) If the consignee has sent notice of change of address then it shall be sent accordingly.
 - 2) If the consignee did not specify another address when an acceptance or approval is requested, it may be sent to the address where the request is sent from.

It is not permitted to refrain from giving such approvals or certificates or estimates or acceptance or delaying their issuance without reasonable justification, and the party who issue such a notice to the other party or to the engineer, shall send a copy thereof to the engineer or to the other party as the case may be.

1-4 Law and Language

This contract shall be subject to Iraqi laws.

The language of the contract and correspondence shall be as settled in the special conditions and in the case of the adoption of more than one language for the contract, the language approves shall be determined when there is a difference of interpretation in the special conditions.

1-5 Date of Conclusion of the Contract

The parties shall conclude the contract within (29) days including the notice period calculated from the day after the receipt of the Letter of Award by contractor unless otherwise provided in the special conditions.

1-6 Waiver

Any party shall not be entitled to waive the contract or any part thereof, or any benefit or interest in the contract or thereunder. But any party may:

- a) Waive the contract or any part thereof with the prior approval of the other party and other party has the sole discretion in this regard.

b) Transfer what is due to him or will be due to him of amounts under the contract as a guarantee for the benefit of any bank or financial institution.

1-7 Care of documents and obtaining them:

The Contractor shall retain on-site a copy of the contract, bulletins referred to in the specifications, contractor's documents (if any), drawings, changes, and other correspondences relating to the contract. The employer personnel shall be entitled to access to all such documents at all times.

If one of the parties discovered an error or a defect in any of the documents that have been prepared for the purpose to be used in the implementation of works, this party shall notify the other party immediately of such error or defect.

1-8 Delay in Issuing Drawings or Instructions :

The contractor shall provide the engineer with a written notice when the implementation of the works is delayed due to non-provision of drawings or instructions by the engineer within a specified period, provided that the period shall be reasonable, and provided that this notification shall include details of the necessary drawings or instructions and the reasons for their issuance, and the date needed, and demonstrating the consequent resulting from the delay in their issuance represented by the impede to work or its delay.

If the contractor incurred a delay and / or any cost as a result of engineer's failure in issuing any drawings or instructions within a reasonable time which he received a notice thereto with stating the reasons needed, the contractor shall give another notification to the engineer to estimate the contractor's dues in respect thereof taking into the following

- a) Any extension in the completions period as a result of this delay if the completion is delayed or will be delayed in accordance with paragraph (8-4); and
- b) Any such cost with a reasonable profit margin to be added to the contract value.

And the engineer shall also, after receipt of such other notice and based on paragraph (3-5), agree on such matters or make estimates in respect thereof.

But if the contractor delayed in issuing the instructions as a result of an error or delay due to an act of the contractor including any error or delay in issuing contractor's documents, then in such case, the contractor shall not be entitled to any extension in the completion period or any compensation for any cost or profit.

1-9 Employer's use of contractors documents:

The contractor reserves the right to copyright and intellectual property rights with respect to "contractor's documents" and designs that he prepared (or have been prepared in his favor).

The contractor is considered, once signed the contract agreement, that he gives the employer complete undiminished right to reproduce or use or circulate the contractor's documents, including making amendments on them, and this right:

- a) Shall be considered applied during the actual or intended lifetime for the operation of parts of the relevant works, whichever is longer.
- b) Shall authorize any person which the ownership of that part of the works devolves to the right to reproduce, use and handle contractor's documents until the completion, operation, maintenance, modification, repair and demolition of works; and
- c) Allow the use of contractor's documents of computer nature and their software, by any computer in any site or places determined by the contract, including the replacement of any computer hardware provided by the contractor.
The employer (or his representative) shall not allow any third party to use or reproduces or handle contractor's documents and other design documents prepared by him (or have been prepared in his favor) without the contractor approval, for purposes other than those permitted under this "article".

1-10 Contractors' use of employer's documents:

In the relationship between the two parties, the employer reserves the right to copyright and other intellectual property rights for each of the specifications, drawings and other documents prepared by the employer (or have been prepared in his favor). The Contractor may, at his own expense, use or reproduces or handle these documents for the purposes of the contract only. Unless there is a necessity required by the contract, the contractor shall not allow any third party to use or reproduced or handle such documents, except as may be necessary for the purposes of the contract.

1-11 Confidential Details:

Contractor's and employer's representatives shall disclose all confidential information and others to ensure the implementation of the contract in accordance with its provisions. And each of them shall also have to deal with the details of the contract in a private and confidential manner only to the extent necessary to achieve their respective obligations under the contract or applicable laws and neither of them shall be allowed to publish or disclose any works prepared by the other party without his approval. But the contractor shall be allowed to disclose any information published publically or any other information that is required to prove his eligibility to compete in other projects.

1-12 Compliance with Law:

Contractor shall, in the course of contract implementation, comply with applicable laws, and unless otherwise provided in the special conditions:

- a) The employer shall have obtained (or will obtain) the necessary permits on planning instruction or regulation or licensing related to the permanent works, and any other licenses have been set out in the specification and the employer shall, in this context, protect the contractor against any damage as a result of the failure of the employer in doing so.
- b) The Contractor shall send notices, pay duties and taxes and obtain permits and approvals required by applicable laws regarding the implementation

and completion of works and repair any defects therein. And the contractor shall bear any damages that may affect the employer as a result of the contractor's failure to do so, unless the contractor was prevented from achieving that and provided evidence on his pursues to obtain those permits.

1-13 Joint and individual responsibilities:

If the contractor forms (under the applicable laws) a joint venture (coalition) then he shall consider the following:

- a) All partners, jointly and individually, shall bear legal solidarity and interdependence liability in the implementation of the contract under its conditions.
- b) The joint venture (coalition) shall name a name a representative acting on behalf of all contributors' partners and he shall be authorized with the powers necessary to perform the contract, starting from the preparation and submission of the bid, then tender award, and through the period of contract implementation and management before the employer and receive payments.
- c) The contractor shall not change the composition of the consortium (coalition) or its legal entity without the prior approval of the employer.

1-14 Inspection and Audit by the Employer:

The Contractor shall allow the employer and / or his designee to carry out checks on the site and his accounts and records relating to the implementation of that contract, in the contracts resulting from the contracting procedures, and to allow auditing such accounts and records by auditors appointed by the owner if required.

Contractor shall, in general and for all contracts, consider paragraph (15-6), which states on the event of the contractor performing any obstruction to the employer's right to carry out checks and audits on contractor's accounts and records referred to in this paragraph, and in the event of proving his involvement in any corruption and fraud cases, the consequence resulting in the termination of the contract and considering the contractor ineligible under the order of the provisional coalition authority (disbanded) No. 87 for the year 2004 or any law that replaces it.

Article Two: The Employer

2-1 The right to access the site:

The employer shall give the contractor right to enter to all parts of the site, and enable him to execute the works, at the time (or times) specified in the special conditions, but the right to enter and possession shall not be exclusive to the contractor alone.

If stated in the contract that the employer shall give the contractor the right to access and enablement of any foundations or construction or mechanical supplies or access road, then the employer shall do so on the dates and in the manner specified in the specification, but the employer may withhold the right to access and enablement until he receives the performance guarantee.

If a date for the delivery of the site has not been specified in the special conditions, the employer shall give the contractor the right to enter the site and its enablement within the timings which enable the contractor to commence the implementation of the works and proceed according to the work program referred in paragraph (8-3).

If the Contractor incurs a delay as a result of employer's failure to enable him to access the site or its enablement during that time, the contractor shall give notice to the engineer to assess the contractor's entitlements in this regard, taking into account the provisions of paragraph (20-1) to decide any extension of the completion period due to such delay,

And the engineer shall, after the receipt of this notice, prepare estimates resulting of this under paragraph (5-3), whether by agreement or by carrying estimation in respect thereof.

However, if the employer delayed (and to the extent to which this delay) is due to an error or delay by the Contractor, including any error or delay in the submission of "contractor's document," then in such a case the contractor shall not be entitled to any extension or compensation for any cost or profit.

2-2 Permits, licenses, or approvals:

The employer provides reasonable assistance to the contractor (upon his request) to obtain the following:

- a) Copies of the applicable laws related to the contract, which are not available normally.
- b) Permits or licenses or approvals required under the applicable laws:
 1. In relation to the requirements of paragraph (1-13) - compliance with laws;
 2. To supply implementation requirements, including customs clearance;
 3. To export contractor's equipment when removed from the site.

2-3 Employer's Personnel:

The employer shall be responsible for his personnel and other contractor's personnel working with him in the site to ensure:

- a) The cooperation with the contractor in his efforts according to the provisions of paragraph (4-5).
- b) The obligations to provide safety procedures as are required from the contractor under items (a, b, c) of Article (4-7), and the environmental protection procedures under paragraph (4-16).

2-4 Employer's Claims:

If the employer considers that he has the right to receive an installment, under any of such conditions, or for other contract-related reasons and / or any extension of maintenance period, and then he or the engineer shall, give notice to the contractor of this and provides him with details. However, he is not required to send any notifications relating to the amounts owed to him concerning water, electricity and gas consumption under paragraph (4-17), or for equipment and materials provided by the employer pursuant to article (4-18), or for any other services required by the Contractor. The notice shall be sent as soon as practicable and not later than 28 days from the date on which the employer was aware of the incident or the circumstances that led to the emergence of such claims, As for notice of extension of the "maintenance period", it shall be issued prior to its expiry.

These details should refer to the "article and paragraph" in the contract or other grounds of claims, and include employer's proof-of-claim of such amounts and / or periods of extension that he considers that he is entitled to under the contract. And the engineer shall, in such a case, examine such demands under the provisions of Article (3-5) of the agreement or prepare estimates for the following:

1. Any amounts (if any) the employer is entitled to obtain it from the contractor; and
2. Any extension (if any) of the period notice of defects repair, in accordance with paragraph (11-3).

These amounts can be included as a deduction in the contract value and payment certificates. And the employer is entitled to put a seizure or make a deduction only for the quantities approved in the advance payment, or otherwise make a claim under this paragraph.

Article Three: The Engineer

3-1 Duties and Authority of the Engineer:

The employer shall appoint the "engineer" to carry out the duties specified for him in the contract. The engineer's personnel must be engineers and professionals who have proper sufficiency and qualified to perform such duties.

And the engineer shall not have authority to amend the provisions of the contract.

Engineer may exercise the powers conferred upon him specifically in the contract, or those understood by implication in the contract by necessity. If the engineer was required to obtain employer's consent before exercising his authority, then such requirements should be stipulated in the special conditions. The employer shall inform the contractor immediately of any changes he made on the powers granted to the engineer.

In any case, when the engineer exercises his powers, which require employer's approval, it is for the purposes of this contract they shall be deemed as approved by the employer.

Except as otherwise stipulated in these conditions:

- a) When the engineer performs his duties or exercises his powers, whether explicitly incorporated in the contract, or understood by implication, he conducts them on behalf of the employer.
- b) The engineer shall have no authority to exempt any of the parties from any of the duties or obligations or responsibilities specified in the contract.
- c) Any authentication or audit or certificate or approval or check or inspection or issuance of any instructions or notification, or suggestion, or request for testing or any other similar act of the engineer (including negligence to issue disapproval) shall not exempt the contractor from any liability incurred under contract provisions, including responsibility for errors or omissions or discrepancies or cases of non-compliance with the conditions.
- d) Any action of the engineer in response to the request of the contractor shall be in writing and within (28) days from the date of application, unless otherwise provided explicitly and the controls listed later shall be relied on.
The engineer shall obtain the employer's approval specifically before taking any actions in terms of any of the cases listed in the paragraphs below:
 - a) Approval on adding a period and / or increasing a cost under paragraph (4-10); and
 - b) Instruct to carry out a change under paragraph (13-1) except in the following cases:
 1. Emergency cases as determined by the engineer;
 2. If the change will lead to the increase of the exact contract cost in a percentage less than what is specified in the special conditions.

- c) Approve a change proposal by the contractor pursuant to paragraph (13-3) and change orders proposed by the contractor under paragraphs (13-1) or (13-2); and
- d) Determine the amounts due for payment under any of the approved currencies pursuant to the provisions of paragraph (13-4), without neglecting the specified aforesaid obligations on the need for the engineer to obtain employer's prior approval to implement the work and If in the opinion of the engineer that there is an emergency situation related to the safety of personnel, works and surrounding property then the engineer is entitled, without exempting the contractor of any of his obligations and duties under the contract, to Instruct the contractor to implement any of the works or the necessary measures to ensure the avoidance or the reduce of the risk arising from such emergency situation, the Contractor shall respond promptly to implement that directive issued by the engineer despite not obtaining the prior approval of the employer in respect thereto and the engineer shall determine the value of the amount to be added to the contract for the implementation of such additional work pursuant to the provisions of article thirteen and to notify each of the contractor and the employer in writing.

3-2 Authorizations by the Engineer:

Engineer - from time to time - may assign to any of his assistants to carry out any of the duties or to authorize him any of the powers conferred upon him, and he may also cancel such delegation or authorization. And these assistants include resident engineer and / or any independent inspectors appointed to inspect all mechanical supplies or materials or testing them. Such appointment or delegation or cancellation shall be in writing, and such a measure shall not be considered effect only after both parties receive notices thereon. But the engineer shall not be entitled to authorize his powers to prepare estimates pursuant to paragraph (3-5), unless the parties agreed to such authorization.

It is required of those assistants to be of proper efficiency and qualified to perform their duties and carry out the authority entrusted to them, and be of experienced in using the language of communication specified in paragraph (1-4) of the contract.

Each of the engineer's assistants who were assigned to carry out duties or authorized a power shall issue instructions to the contractor, and act within the authority limits specified to them in the authorization. Any authentication or audit or certification or approval or test or inspection or the issuance of instructions or notice or suggestion or request or examination or perform any similar procedure done by any of them - within the limits of its authorization – shall be considered as if it were issued by the engineer, and in spite of the foregoing:

- a. Any failure on the part of the assistant engineer to reject any work or mechanical supplies or materials shall not mean approving it, and therefore nothing shall prevent the exercise of the engineer of his right to reject the works or mechanical supplies or materials.

- b. If the contractor object to any estimates or instructions issued by the assistant engineer, it is permissible for the contractor to refer the matter to the Engineer, which he shall, without delay, either confirms or reject or modify its content.

3-3 Engineer's Instructions:

The engineer shall issue to the contractor at any time, additional or amended instructions and drawings if they are necessary for the implementation of works or repair any defects therein, pursuant to the provisions of the contract.

Contractor shall not receive instruction only from the engineer, or from any of his assistants authorized duly under the provisions of this "article." However, if any of these instructions constitutes a change [Change Order], then the provisions of "Article Thirteen" shall apply.

The Contractor shall comply with the instructions issued to him by the engineer or his authorized assistant on any matter relating to the contract. And whenever practicable, the instructions shall be issued in writing, but if the engineer or his authorized assistant:

- a) Issued a verbal order;
 - b) And received a written confirmation from the contractor (or his representative) regarding the verbal order within two business days from the date of its issuance; and
 - c) And he did not respond in writing by rejection and / or issue instruction thereon within two business days from the date of his receipt of contractor's notification.
- Then contractor's confirmation for such verbal order shall be deemed as if it were a written order issued by the engineer or his authorized assistant, as the case may be.

3-4 Replacement of Engineer:

If the employer intends to replace the engineer, he shall give notice to the contractor within a period of not less than (21) day from the date of replacement, and he shall specify in his notice the name, address, details and experience of the alternative engineer.

3-5 Estimations:

Where these conditions require the engineer to carry out the work of this "article" for the purposes of agreement or to prepare estimates for any matter, the engineer shall consult with both parties in a serious effort to reach an agreement. If no agreement is reached, the engineer shall prepare an estimate in an equitable manner under the provisions of the contract, taking into account all relevant circumstances.

Then the engineer shall notify both parties on any agreement or estimates reached, with supporting details within (28) day from receiving the objection or the request, unless stated otherwise. And both parties shall adhere to the agreement or estimates contained in the notice, unless it is (or will be) re-considered, under the provisions of "Article Twenty" (Claims, Disputes, Arbitration).

Article Four: The Contractor

4-1 General Obligations of the Contractor:

The Contractor shall design (to the extent stipulated in the contract), implement and complete the works under the provisions of the contract and according to the instructions of the engineer and to repair any defects therein.

The Contractor shall provide mechanical supplies and "contractor's documents" specified in the contract, and all his implementation staff, and implementation requirements and consumables and other things and services, whether they are of a temporary or permanent nature, which is required of him to perform the tasks of design, implementation and completion of works and repair any defects therein. And that the equipment, materials and services involved in the core of the works or it required shall be from origins of the eligible countries identified by the employer.

Contractor shall be responsible for the efficiency, stability and safety of all site operations and for all methods of construction, and unless otherwise stated in the contract, the contractor:

1. He shall be responsible for all "contractor's documents", temporary works and the design of any the mechanical supplies' items and paragraphs as required so this clause shall be consistent with the contract's requirement; and
2. Otherwise, the contractor is not responsible for the design and specification of the permanent works.

The Contractor shall - whenever requested by the engineer – provide the engineer with details of arrangements and methods of implementation of the works that the

contractor proposed to be followed for the implementation of the works. The contractor shall not make fundamental change on these arrangements or methods without prior notice of his procedures to the engineer, and then and unless specified otherwise in the special conditions:

- a) The contractor shall provide the engineer with "contractor's documents" for that part of the works according to the procedures stipulated in the contract;
- b) it is conditioned that the "contractor's documents" be consistent with the specifications and drawings, and shall be drafted in the language of communications specified in paragraph (1-4) and include the additional information as required by the engineer to be added to the drawings in order to coordinate between parties;
- c) Contractor shall be responsible for this part of the works, and that this part, after its implementation and the completion of the works and achieving the purpose for which it was set up for it, be carried out as required in the contract; and
- d) The Contractor shall provide the engineer - prior to commencing with the testing upon completion – drawings of the facility (or that part of it) "that has been implemented (as- built)," and if required the maintenance and operation guide (manual) required under the specifications, and in detail, so the employer be able to carry out maintenance, operation, dismantle, installation, calibration and repair processes on it, and this part of the works, shall not be considered it has been completed for the purpose of receiving it under paragraph (1-10) only after the submission of these documents and the operating guide (manual) to the engineer.

4-2 Good Performance Guarantee:

The contractor shall provide (at his own expense) good performance guarantee until the final delivery and settlement of the final accounts, with the amount specified in the special conditions.

The contractor shall provide a good performance guarantee to the employer within (29) day from his receipt the "Letter of Award including the warning period from the date of receiving the "Letter of Award".

The guarantee shall be issued by a bank or a financial institution approved by the employer

The contractor shall ensure that the performance guarantee remains valid till the contractor implements and completes the works and repair any defects therein. But if the guarantee conditions contain the date of its expiry, and it found that the contractor will not be authorized to receive the " final acceptance certificate of the works " on a date precedes the deadline for the validity of the good performance guarantee by (28) days, he shall extend of the guarantee until the completion of the works and repair any defects therein.

The employer shall not have to submit a claim in connection with the good performance guarantee only in regard of the amounts due to him under the contract.

The employer shall return the good performance guarantee to the contractor within (28) day from the date of his receipt of the final acceptance certificate of the works.

In addition to the conditions set forth in this paragraph, whenever the engineer determined

the need to increase or decrease the contract value as a result of changes in prices or as a result of change orders by no more than the percentage of the general reserve amount of the project according to the implementation instructions for the Federal budget.

4-3 Contractor's Representative:

The Contractor shall appoint "contractor's representative," and shall give him full power necessary to act on his behalf under the requirements of the contract. And if no contractor's representative has been named in the contract, the contractor shall – before the commencement date – provide the engineer for approval, the name and qualifications of the person proposed by the contractor to be his representative. And If he has not been approved or the approval is withheld later by the engineer based on paragraph (6-9) (contractor's representatives), or if the representative failed in exercising his work as a contractor's representative, the contractor shall provide in the same manner the name and qualifications of another person to be appropriate for such appointment.

The Contractor shall not be entitled to cancel the use of his representative or to replace him, without obtaining the prior approval of the engineer on this action. Contractor's representative shall work on a full-time basis to manage the implementation of the contractor's works, if circumstances warrant such a representative to be absent temporarily from the site during the implementation of the works, then the contractor shall designate a suitable alternative with the prior approval of the engineer, and the engineer shall be notified thereof. The contractor's representative shall receive instructions on behalf of the contractor, pursuant to paragraph (3-3), and contractor's representative may delegate some of his powers or duties or authorities to any qualified person, and to cancel such delegation in any time later on. But such delegation or cancelation shall not be deemed valid only if approved by the engineer, after receiving a prior notice signed by the contractor's representative contains the name of that authorized person and his qualifications and the power or the tasks or the authority he was delegated or the one that has been cancelled. The contractor's representative and all these people shall be well-versed using the language of communication specified under paragraph (1-4). Otherwise, the Contractor shall secure translators with experience on an ongoing basis within working hours and with the number required of the engineer.

4-4 Subcontractors:

The contractor shall not assign the entire works to subcontractors but he may assign part of the works to them after obtaining the written approval of the

engineer. And the contractor shall be responsible for the actions and errors of any subcontractor or his agent or his employees, as if such acts or errors carried out by the contractor himself, and unless otherwise provided in the special conditions:

- a) The contractor shall not be required to obtain approval regarding the suppliers of material (preparation of materials and items), or on any subcontract where the subcontractor name is mentioned specifically in the contract.
- b) The contractor shall obtain the prior approval of the engineer on other subcontractors.
- c) The contractor shall send notice to the engineer in a period of no less than (28) day of the target date for the commencement of the work of any subcontractor, and the actual commencement of such work at the site.

The foreign contractor shall provide equal opportunity to local contractors to work as subcontractors in the implementation of the works assigned to him.

4-5 Cooperation:

The Contractor shall, as stipulated in the contract or in response to engineer's instructions, provide the proper facilities to carry out any acts of:

- a) Employer's personnel
- b) Any other contractors used by the employer
- c) Employees of any other public authorities legally formed.
- d) Those who are used to implement work on or near the site of works other than what is covered in the contract.

Such instructions will be considered changes to the extent in which the contractor is exposed to a delay on his work and / or bear unforeseen costs. Such services required by those employees or other contractors may include the use of contractor equipment, temporary works and arrangements for access to the site, which is considered the responsibility of the contractor.

If it is required from the employer under the contract to give the contractor possession of any foundation or construction or mechanical supplies or access right under the "contractor's documents", the contractor shall provide the engineer with such documents at the time and in the manner specified in the specifications.

4-6 Setting up the dimensions:

The contractor shall set up works regarding cardinal points and alignments (Linearity) and reference levels that are described in the contract or those that provide to him by the engineer. Contractor is also responsible for the installation accuracy of all parts of works, and it has to repair any error in the places or levels or measures or alignments of the works.

The employer shall be responsible for any errors in identifying those reference points stipulated in the contract, or those provided by the contractor, but the contractor shall do his utmost to investigate its accuracy before use. If the Contractor incurred delays in the implementation of works and / or in the cost due to the implementation of works based on false information in reference

points, which an expert contractor could not discover such errors reasonably and avoid the delay and / or increased costs arising from them, the contractor shall send a notice to the engineer to assess its requirements in this regard, as follows:

- a) Any extension to the completion period due to this delay, if the completion has been delayed or will be delayed under paragraph (8-4)
 - b) Any such cost with a profit margin, to be added to the contract amount.
- When receiving such notice, the engineer shall and pursuant to paragraph (3-5), approve it or prepare the necessary estimates for the following:
1. If detecting the error was impossible reasonably, and to what extent.
 2. The two matters mentioned in paragraphs (a, b) above, but within this extent.

4-7 Safety Procedures:

The contractor shall:

- a) Adhere to all safety instructions required to be applied.
- b) Care for the safety of all persons entitled to be present on-site.
- c) Make reasonable efforts to maintain site and works free of unnecessary barriers, with a view to protect these people from exposing to risk.
- d) Provide fences, lights, guards and works monitoring until the completion and delivery of work under the provisions of "Article Ten".
- e) The provision of any temporary works (including roads, pathways, guards and fences) as required, due to the implementation of the works, to use and protect the audience, owners and users of the users of the land adjacent to the site.

4-8 Quality Assurance:

The Contractor shall develop a quality assurance system to prove his adherence to the contract's requirements, provided that the system be compatible with the contract's details, and the engineer is also entitled to audit any of the manifestations of this system.

Details of all conforming procedures and documents shall be provide to the engineer - to inform him - before starting in any of the design and implementation phases, and when issuing any document of a technical nature to the engineer, it should appear on this document what proves the prior approval of the contractor himself on them. Adherence to the quality assurance system shall not exempt the contractor from any of his duties or obligations or responsibilities mentioned in the contract.

4-9 Site Data:

The employer shall put at the disposal of the contractor to brief him, within the tender documents what he has of data related to the subsurface and hydrological conditions at the site, including environmental phenomena.

And also he shall be put at the disposal of the Contractor any information obtained after the date of contract signature, but that the contractor shall be responsible for his interpretation of all such information.

And also, and to the extent practically possible (taking into account the two factors time and cost), the contractor is considered that he has obtained the necessary information related to the risks and contingency prospects and other conditions that may affect his proposal or the works. And to the same extent, the contractor is considered that he has inspected and examined the site and the adjacent area, and he had become familiar with all the aforementioned information, and that he personally is satisfied, before submitting the tender offer, with all things related, and including but not limited to the following:

- a) Form and nature of the site, including the conditions of the subsurface.
- b) Hydrological and climatic conditions.
- c) The amount and nature of work and the implementation requirements necessary for the implementation and completion of works and repair any defects therein.
- d) Laws and procedures of the country, and work practice therein;
- e) Contractor's requirements with respect to site access, accommodation, utilities, personnel, power, transportation, water, and other services.

4-10 Sufficiency of the accepted contract amount

It is assumed that the contractor:

- a) Is satisfied with the accuracy and adequacy of the "contract value approved";
- b) Has prepared his offer based on the information, interpretation, data, detections and tests necessary and his conviction of all matters referred to in article (4-9).

And except as may be otherwise stated in the contract, the "contract value approved" shall cover all contractor's obligations required in the contract (including reserve amounts - if any) and all things necessary for the design, implementation and proper completion of works and repair any defects therein.

4-11 Unforeseen material condition (obstacles beyond the control of the contractor)

The term "material conditions": shall mean the physical natural conditions and artificial barriers and other natural obstacles and contaminants that the contractor may face in the site when performing works, including the subsurface and hydrological conditions, but it does not include climatic conditions.

If the contractor faced adverse physical conditions, which is considered unforeseen, he shall notify the engineer in a period not exceeding 28 days, provided that the notice shall include a description of the condition and statement of the reasons that led him to consider it as such so the engineer can preview and verify the reasons attributed by the contractor to being unforeseen.

The Contractor shall continue to implement the works, taking reasonable and appropriate precautions against these "material conditions" and comply with any instructions may be issued by the engineer in this regard, but if any of these instructions form a change [change order], then the provisions of Article (Thirteen) shall apply in respect thereof.

If the contractor faced such unforeseen material conditions, and to the extent they can be considered as such, and he sent a notice thereon to the engineer, and incur

delays in completion period and / or cost because of them, he shall be entitled, to the following:

- a) Extension of completion period due to this delay, if the completion has been delayed or will be delayed, under the provisions of article (8-4);
- b) Any such cost to be added to the contract amount.

The engineer shall, after receiving the aforementioned notice, check and / or investigate the "material conditions" and then agreed upon pursuant to paragraph (3-5) or prepared the estimates as follows:

- 1) Whether the "material conditions" are unforeseen, and to what extent can be considered as such; and
- 2) Assess the two matters in items (a, b) above, given to that extent but however, the engineer may, prior to agreement on financial compensation or its estimations as mentioned in paragraph (b) above, investigate whether the other material conditions in similar parts of the works (if any) is better than perspective when submitting the tender offer by the contractor, and if such favorable conditions has been encountered, the engineer may follow the method of paragraph (3-5) to estimate or reach by agreement to cost reduction due to these conditions, which can be considered discounts from the contract value and payment certificates.

And the engineer shall view any proof provided by the contractor for these material conditions, as was expected by the contractor when submitting tender offer, but the engineer is not obliged to adopt the interpretation contained in such a proof.

4-12 Right of passage and Facilities:

Unless otherwise stipulated in the contract, employer shall secure (and without any cost on the contractor) access road and possession of the site, including special or temporary access right, which is considered necessary for the work, and the contractor shall secure on his own responsibility and expense any additional facilities outside the site, which may be required for the implementation of the works.

4-13 Access roads

The contractor is deemed that he has investigated the availability and suitability of access roads to the site on the date prior to his bid submission, and that he is convinced of their conditions. The contractor shall make reasonable efforts to avoid damage to roads or bridges and protect them from damage as a result of the traffic movement of the contractor or his employees, including the use of appropriate vehicles and roads. Except as otherwise provided in these conditions:

- a) The contractor shall be responsible (between the parties) for any maintenance that may be required for access roads due to his use of them.
- b) The contractor shall provide necessary signals and guidelines along these roads. And acquire the required permits from the relevant authorities regarding the use of roads, signals and directions;

- c) The employer shall not be responsible for any claims that may arise from the use or otherwise of any access road.
- d) The employer shall not guarantee the suitability or availability of access roads;
- e) The contractor shall bear the cost incurred due to the lack of or adequacy of these access roads.

4-14 Transfer of implementation supplies

Unless otherwise stated in the special conditions:

- a) The Contractor shall notify the engineer in a period not exceeding (21) days from the date of the arrival of any mechanical supplies or a major piece of the other implementation requirements to the site.
- b) The contractor shall be responsible for packing, loading, transporting, receiving, unloading, storing and protecting all supplies and other items necessary for the works.
- c) The contractor shall compensate the employer and protect him from any damages, losses or expense (including litigation's fees and expenses) that may result from any damage occurs as a result of the transport of implementation requirements, and he shall negotiate and pay claims that may result from the transport process.

4-15 Contractor's Equipment:

The contractor shall be responsible for all his equipment. The contractor equipment, after been brought to the site, shall be deemed dedicated exclusively for the implementation of the works. The contractor shall not be entitled remove from site any major parts of equipment without the approval of the engineer, but such approval is not required in connection with vehicles used for the transfer of implementation requirements or contractor's personnel.

4-16 Environment protection:

The contractor shall take all steps to protect the environment (inside and outside the site), and to limit the creation of inconvenience or damage to individuals and property as a result of pollution or noise or otherwise, which could result from the implementation processes. And the contractor shall also ensure that the percentage of emissions and the amount of swage and their flow resulted from his activity do not exceed the amounts allowed in the specifications or the amounts specified in the applicable laws.

4-17 Electricity, Water and Gas:

The contractor shall be responsible for providing power, water and other services that he may need it, except what is provided for later, for the purposes of implementing the construction works and for the extent required in the specifications for testing purposes.

The contractor has the right to use electricity, water, gas and other services available at the site for the purpose of implementation of the works, according to the details and for the prices set forth in the specification, the contractor shall

provide on his responsibility and expense any tools required for such uses and for measuring the quantities he consumes.

Agreement shall be made on the amounts of the consumed quantities and their prices (under the specified prices) for such services, or shall be estimated pursuant to paragraph (2-4) to calculate the employer's claims, and paragraph (3-5) to make estimates, and the contractor shall pay these amounts to the employer

4-18 Equipment and materials provided by the employer:

The employer shall allow the contractor to use "employer's equipment" - if any - in the implementation of the works according to the details and arrangements for the prices specified in the specification, and unless otherwise provided in the specification:

- a) The employer shall be responsible for his equipment, with the exception of the following;
- b) Contractor shall be responsible for any piece of "employer's equipment" while contractor's personnel operate or drive or possess or control it.

Amounts and usage allowances shall be determined "according to the specified prices" for the use of employer's equipment by agreement or by engineer's estimates in accordance with the provisions of paragraphs (2-4, 3-5) and the Contractor shall pay these amounts to the employer.

The employer shall provide the contractor - at no charge - the materials he is obliged to provide for free (if any) in accordance with the details specified in the employer's requirements. The employer shall, on his responsibility and expense, provide these materials at the time and place specified in the contract, where the contractor shall check them visibly, and inform the engineer immediately for any shortage or defect or insufficiency therein. And unless agreed between the parties otherwise, the employer shall immediately correct any shortage or defect or insufficiency therein.

After such visible check, these free of charge materials shall become in the custody of the contractor and under his protection and control, but contractor's obligation to check and protect it shall not relieve the employer from the responsibility for any shortage or defect or insufficiency unless it cannot be detected through the visible check.

4-19 Reports on works progress:

Unless otherwise provided in the special conditions, the contractor shall prepare monthly work progress reports and pass them to the engineer in (6) copies, provided that the first report shall cover the period until the end of the month following the date of commencement, and then the reports shall be issued monthly, within (7) days from the last day of the period in respect thereof.

Reporting shall continue till the contractor performs all the remaining works and shortages until the completion date specified in the initial acceptance certificate of the works. Each report shall contain the following:

- a) Diagrams and details of work progress including each stage of the design, contractor's documents, purchase orders, manufacturing, delivery to the site and the construction, installation, testing and include all work stages performed by the named subcontractor as defined in accordance with Article Five (subcontractors who has been named).
- b) Photographs showing the conditions of manufacturing and work progress at the site.
- c) With regard to the manufacture of the major items of mechanical supplies and material: list the names of manufacturers and manufacturing sites and the percentage of progress and the expected and actual dates of completions:
 - 1) For commencement of the manufacture process;
 - 2) For inspection operations by the contractor;
 - 3) For tests; and
 - 4) For shipment and delivery to the site.
- d) Contractor implementation staff and his construction equipment data as described in paragraph (6-10);
- e) Copies of documents of quality assurance, results of tests and certificates of materials;
- f) List of notifications of change orders related to employer's claims according to paragraph (4-2)
- g) Public safety statistics, inclusive of details relating to any dangerous incidents and any activities related to environmental aspects and public relations;
- h) Comparison between the actual progress and the planned progress of implementation of the works, with details of the facts or circumstances that might hinder the completion according to the contract, a statement of the actions being taken (or to be taken) to avoid delays.

4-20 Security at Site:

Unless specified otherwise in the special conditions:

- a) The contractor shall be responsible for not allowing unauthorized persons to enter the site; and
- b) The presence of authorized personnel at the site shall be restricted to contractor's personnel and employer's members and any other persons whom a notice is given in this regard to the contractor from the employer or engineer as persons authorized by the other contractors of the employer at the site.

4-21 Contractor's operations at the site:

The contractor shall restrict his operations to the site and any other areas that the contractor may obtain and approved by the engineer to be considered as work arenas (yards). And he shall also take all necessary precautions to keep contractor's equipment and his personnel within the boundaries of the site and these arenas (yards), so as to prevent trespassing on adjacent land.

The contractor shall, during the implementation of works, maintain the site free of all unnecessary obstacles, store or take out surplus equipment for after coordination with the engineer and cleans up the site of all debris, waste and temporary works no longer needed.

The contractor shall, upon the issuance of the initial acceptance certificate of the works, clean up all parts of the site or the works related to such certificate, and to remove the surplus equipment and materials located in the site, as well as waste, debris and temporary works, so as to leave such parts of the site and works clean

and in a safe condition. But the contractor may maintain on the site until the end of the "maintenance period" what he need of implementation requirements up to the fulfillment of his obligations under the contract.

4-22 Antiquities:

All fossils or money or findings of value or antiques or installations and other remains or material of geological or archaeological value which are found at the site shall be placed under the care and disposal of the employer. The contractor shall take all reasonable precautions to prevent his personnel or any other persons from removing or damaging any of these findings. And the contractor shall, at his discovery of such assets, give notice forthwith to the engineer of their existence, and the engineer shall give his instructions on how to deal with them.

If the Contractor incurred a delay in the implementation period and / or cost as a result of compliance with such instructions, he shall send another notice to the engineer to assess his entitlements, with respect to the following:

- a) Extension of completions period due to this delay, if the completion delayed or will be delayed, under paragraph (8-4); and
 - b) Any such cost, to be added to the contract amount.
- And the engineer shall act after receiving this other notification, in accordance with paragraph (3-5) to agree on, or conduct estimates for these matters.

Article Five: Nominated Subcontractors

5-1 Definition of the nominated Subcontractor:

The nominated subcontractor in this contract shall mean any subcontractor:

- a) If stipulated in the contract that he is a nominated subcontractor; and
- b) Who the engineer, according to the provisions of article "Thirteen" – Changes and Amendments", shall issue instructions to the contractor to use him as a subcontractor under paragraph (5-2)?

5-2 Objection to the nomination:

Except for the nominated subcontractors in the contract, the contractor shall not be obligated to use any other nominated subcontractor which he has an objection against. Provided that he shall give notification, the engineer and stating the supporting details. And the objection shall be considered reasonable if it shows (in addition to other things) any of the following matters, unless the employer also agreed to indemnify the contractor for the results of this matter:

- a) That there are grounds to believe that the subcontractor does not have sufficient training or resources or financial capacity;
- b) That the named subcontractor does not accept the contractor's compensation and his insurance against any failure or misuse of supplies resulting from him or his agents or his personnel; or
- c) That the named subcontractor has refused signing the contracting agreement for sub-works (including the development of designs if any).
The named subcontractor shall:

- 1) Bear towards the contractor all obligations and responsibilities that enable the contractor to fulfill his obligations and responsibilities under the contract.
- 2) Compensates the contractor towards all obligations and responsibilities that may result from the contract or those related to it and as a result of the failure of the subcontractor in the performance of those obligations or fulfill those responsibilities.

5-3 Payments to the nominated subcontractors:

The contractor shall pay the nominated subcontractor all amounts referred to in the approved lists of payments to the subcontractor after approving them by the engineer as a an entitlement to him under the subcontracting agreement, and these amounts plus any other expenses shall be part of the contract price under paragraph (5-4) and no payment of dues shall be paid to the named subcontractor unless the contractor receives payments from the employer for the works performed under the subcontracting agreement.

5-4 Proof of payments:

The engineer may, before issuing any payment certificate contains an amount due to the named subcontractor, request the contractor to provide a reasonable proof that all amounts that are due to the named subcontractor in the previous payment certificates have been paid to him, minus the deductions applied to the withholdings or the others, unless the contractor carried out the following:

- a) Provide this reasonable proof to the engineer
- b) In addition to:
 - 1) Convince the engineer in a written proof that the contractor is reasonably right to withhold such amounts or refuse to pay them; and
 - 2) To provide the engineer a reasonable proof that the named subcontractor has been notified of the contractor is right in his procedure.

Then the employer may (at his sole discretion) order payment to the named subcontractor part or all of the amounts that had been approved previously (net of deductions applicable) which entitled to the named subcontractor were and the contractor were unable to provide proofs described in paragraphs (a, b) above in terms thereof. The contractor shall, in such a situation, return to the employer such amounts that are spent directly by the employer to the named subcontractor.

Article Six: Employees and Workers

6-1 Appointment of Employees and Workers:

Unless otherwise stated in employer's documents, the contractor shall take arrangements for the appointment of the necessary employees and workers, local or others, and the payment of their salaries, food and transportation and if appropriate, their accommodation and the contractor shall -to the extent possible- appoint experienced and qualified workers and employees from local sources within the country of works.

6-2 Wage average and labor conditions:

The contractor has to pay salary rates and take into account the working conditions so that its level shall not be less of what is followed by the owners of commercial and Industrial profession in the area where the works are being

implemented. If no such rates or conditions exist, the contractor shall pay the salary rates and consider the working conditions so it shall not be less than the general level of salaries or conditions that are considered locally by the employers of commercial or industrial professions similar to those carried out by the contractor.

The contractor shall notify his employees of their responsibility for the payment of income tax realized on them in the country of works for their salaries, wages, bonuses and any relief related to such taxes under the laws of the country of works, the contractor shall conduct such tax deductions from his employees income realized under such laws.

6-3 Persons employed by the employer (Employees):

The contractor shall not be allowed to use or attempt to attract the services of any of the personnel (employees) or workers who are working within the members of the employer.

6-4 Work Rules:

The contractor shall comply with all labor laws applicable to its employees, including laws relating to employment, health, public safety care, residence and immigration, and that he shall take into account all their legal rights. The contractor shall also require his employees to obey applicable laws, including safety systems at work.

6-5 Working Hours:

No Implementation of works at the site shall be conducted during local official holidays acknowledged or beyond the regular working hours stated in the special conditions, unless:

- a) It was stipulated otherwise in the contract;
- b) It was approved by the engineer; or
- c) Continuation of work cannot be avoided, or was necessary to save the life of people and properties or to save the safety of the works, and in such case the contractor shall inform the engineer forthwith.

6-6 Employees and Workers Facilities:

Unless stated otherwise in employer's requirements, the contractor shall provide and maintain the necessary facilities and supplies for his employees, and he shall provide the facilities set forth in employer's requirements. The contractor shall not allow any of his employees to use any of the facilities that form part of the permanent works as their permanent or temporary place of residence.

6-7 Health and Safety:

The contractor shall take reasonable measures at all times to maintain the health and safety of his employees, and to provide what is necessary of first aid facilities, and rooms for patients and an ambulance, to be ready at all times on the site and shall also provide appropriate arrangements for public health requirements and to prevent the spread of epidemics.

The contractor shall appoint a person responsible for the safety and the prevention of accidents at the site, so this person shall be of proper qualification to be in charge of safety and accident prevention matters. And he shall be authorized with the power to issue instructions and to take preventive measures necessary to ward off accidents. And in this context, the contractor shall provide the safety officer with all that is needed to enable him to exercise his powers and responsibilities.

The contractor shall also send the engineer details of any incident as soon as it occurs, and he shall maintain records and submit reports related to public health and safety and damage to property as required by the engineer

6-8 Contractor's Control:

The contractor shall provide all staff necessary for planning, directing, arranging, managing, inspecting and testing of works, throughout the implementation period and beyond for any period required for the contractor to fulfill his obligations.

Control shall be carried out by a sufficient number of qualified persons using communication language (in accordance with the provisions of paragraph (1-4)) and in operations to be implemented (including methods and techniques required and risks may be exposed to and accidents preventing methods), till the implementation of the works satisfactorily and safely.

6-9 Contractor's Employees:

The contractor's employees shall be of adequacy, skill and experience suitable both in his career or his craft and be approved by the engineer, and the engineer may ask the contractor to expel (or to work on expel) any person employed in the site or in the works, including the contractor's representative, if the that person:

- a) Is persisting in his behavior or careless on an ongoing basis;
- b) Carry out his duties in incompetent or neglecting manner;
- c) Fails in applying any of the provisions of the contract;
- d) Is persisting in a behavior that threatens the safety or health or environmental protection.

And in this case, the contractor then shall appoint (or work to appoint) a suitable alternative.

6-10 Records of contractor's workers and equipment:

The contractor shall provide the engineer with detailed records to declare what is available at the site of the numbers contractor's personnel classified by skills, and the number of his equipment classified by types. These records shall be provided to the engineer each month, by using the samples approved by the engineer, till the contractor performs any work known that is remained at the completion date specified in the "Acceptance Certificate of the Works."

6-11 Undisciplined Behavior:

The Contractor shall at all-time take all precautions to prevent any riots or overcome the law or breach of system by contractor's employees or among them, and to maintain the security and protection of persons and property at site and surrounding area.

6-12 Foreign labor:

The Contractor shall be entitled to bring foreign workers from outside the country of works with the necessary numbers for the implementation of works and within the limits allowed under the laws applicable.

The Contractor shall ensure the entry of such labor according to entry visas and legal work approvals, and the employer under a request of the contractor may provide immediate assistance to the contractor to obtain the local, regional and governmental permits to bring in foreign labor needed to the work.

The Contractor shall be responsible for return his employees to the place that they have been hired from or their former place of residence. In case of death of any of them or one of their family members residing with them, the contractor in a similar manner shall be responsible for securing necessary procedures for the repatriation or burial.

6-13 Supplies needed for Food:

The Contractor shall prepare the necessary arrangements for the preparation of adequate supplies of proper food as defined in the specification and at affordable prices to his employees involved in the implementation of the contract

6-14 Water Supply:

The contractor shall be familiar with the conditions of the site and secure safe drinking water and for other purposes.

6-15 Protection against harmful and annoying insects:

The Contractor shall, throughout the contract duration, take the necessary measures to protect his employees working at the site from harmful and annoying insects in order to reduce risks to workers' health. The contractor shall implement the instructions issued by the local health departments when selecting and using pesticides for this purpose.

6-16 Alcoholic liquor and drugs

The Contractor shall not import, sell or barter or distribute any of the alcoholic beverages, drugs or allowing the supply, sale or barter or distribute any of by his employees in violation of what is applicable in the laws of country of works in this regard.

6-17 Weapons and ammunition:

The Contractor shall not give or barter or distribute any weapons or ammunition of any kind to any person or permit any of his employees to do so.

6-18 Celebrations and Religious Events:

The Contractor shall respect the recognized events in the country, rest days and any religious habits or others.

6-19 Funeral Ceremonies:

The contractor shall be responsible for taking the required measures under domestic instruction necessary for the funeral ceremonies of any of his local employees, who died during his employment and under applicable local requirements.

6-20 Use of Force and Threat in the Appointment of Workers:

The Contractor shall not appoint labor under the use of force and threat of any type, and that any kind of work and performance of service in which voluntary appointment has not been adopted, such appointment shall be deemed made by adopting the use of force and the imposition of sanctions.

6-21 Prohibition of juvenile labor:

The Contractor shall not use juvenile labor in any of the works of economic exploitation nature, or that exposes or deprives him of education or that are harmful to his health or body or mind or behavior or psychology or social development according to labor laws .

6-22 Reports of Workers ' Operation:

The Contractor shall maintain complete and accurate reports of the rules and regulations of the appointment of the workers at the site and that these reports shall include name, age, sex, working hours and wages paid and for all his workers, these reports shall be summarized monthly, and be ready for the engineer review during normal working hours. These reports shall be provided within the rest of the other details to be submitted by the Contractor to the engineer under paragraph 6-9.

Article Seven: Mechanical Supplies, Materials and Workmanship

7-1 Method of Implementation:

Contractor shall manufacture mechanical supplies, and all other implementation works as follows:

- a) In the manner specified in the contract (if any);
- b) In a keen manner and befits the principals of a professional and recognized industry; and
- c) By using adequately equipped facilities and non-hazardous materials (unless otherwise provided for in the contract.)

7-2 Samples:

The Contractor shall provide the engineer, with the following samples of materials and relevant information, to obtain approval before the use of such materials in the works:

- a) Samples of standard manufactures materials and samples set forth in the contract and at the expense of the contractor.

b) Any other additional samples required by the engineer as changes.

Provided that a label shall be put on each sample to indicate the origin and purpose of its use in the works

7-3 Inspection:

The employer's personnel shall have in all reasonable times the following:

a) Easy access to all parts of the site and to all other places from where the natural materials (raw materials) are obtained from; and

b) To be able during production, manufacturing and construction (inside and outside the site), to test, inspect, measure and check the materials and workmanship, and verify the progress of manufacturing of the mechanical supplies and the production and manufacturing of the materials.

The Contractor shall give employer's personnel the full opportunity to carry out these activities, including the provision of right of access and facilities, permits, safety kits, note that the contractor carrying out such acts shall not exempt him from any obligation or liability.

The Contractor shall notify the engineer when works is supplied and before being covered or hidden, or packaged with a view to storage or transport. And then the engineer shall conduct examination, inspection, measurement or testing without any delay, or that the contractor knows that he does not need to make detection of them.

If the contractor failed to notify the engineer, it entails - when requested by the engineer – to disclose the works that have been covered, and then return it to its former position and repair the defects therein and the contractor shall bear all the costs that ensue.

7-4 Testing:

What is contained in this "paragraph" shall apply on all tests stipulated in this contract except the tests that are carried out after completion (if any).

Unless otherwise provided for in the contract, the contractor shall provide all tools, supporting materials, documents, other information, electricity, equipment, fuels, consumables, tools, labor, materials, qualified staffs and expertise that is necessary to conduct the tests set forth in an effective manner. And he shall agree with the engineer on the time and place to hold the test for any of the mechanical supplies, materials and other parts of the works.

The engineer may, pursuant to the provisions of "Part Thirteen" to change the site or the details of the tests prescribed, or to order the contractor to carry out additional testing. And if it is found as a result of these changed or additional tests that the mechanical supplies or materials that have been examined do not conform to contract's requirements, then the cost of implementing these changes shall be borne by the contractor, regardless of the other provisions of the contract.

The engineer shall give notice to the contractor before (24) hours at least informing him of his intention to attend the tests. If the engineer or his designee did not attend at the time and place agreed, the contractor may continue to carry out tests, unless written instructions are issued to him from the engineer

otherwise, these tests shall be considered as if it had been conducted in the presence of the engineer.

If the contractor incurred a delay and / or a cost due to his compliance with these instructions, or as a result of the delay which the employer is considered to be responsible for it, the contractor shall give notice to the engineer to assess his requirements in this regard, concerning :

- a) Extension of completion period due to the delay, if the completion is delayed or will be delayed under the provisions of article (8-4); and
- b) Any such cost to be added to the contract amount.

The contractor shall, after receiving such notice, to agree or conduct estimates on these matters under the provisions of paragraph.(5-3)

The Contractor shall provide the engineer certified tests reports. If the engineer found that the tests have been approved, he shall approve and acknowledge the test certificate, or issued to the contractor a letter to that effect. And the engineer shall, if he has not attended the tests, accept the results of the readings as being correct.

7-5 Rejection:

If the contractor failed to conduct any tests required under the contract, or if he found that as a result of any test or inspection or measurement that any the mechanical supplies, materials or workmanship are defective, or that it does not comply with contract requirements, the engineer may reject the mechanical supplies or materials or workmanship by sending a notice to the contractor, with a statement of the reasons for the refusal. The contractor shall consequently, repair the defect in the item rejected until it become compatible with the contract requirements.

If the engineer requested for any re-test of the mechanical supplies, or materials or workmanship, then the re-conducting of the tests shall be made under the same conditions or circumstances .

7-6 Repairs Works:

Despite of any previous test or issuance of a previous certificate, the engineer has the powers to issue instructions to the contractor, with the following:

- a) Remove any mechanical supplies or materials in violation of the requirements of the contract and replace them;
- b) Remove and re-implementation any part of the works in violation of the contract's requirement; and
- c) Implement any work considered in the opinion of the engineer is required urgently for the safety of the works, due to an accident, or unforeseen incident, or for other reasons.

The contractor shall adhere with engineer's instructions, and to implement it within a period not exceeding the period specified (if any) in the instructions, or to implement it immediately if the matter is related to the implementation of a work if immediate nature as required in paragraph (c) above.

If the contractor failed to comply with the engineer's instructions, the employer is authorized to use other persons to carry out such work and pay him in exchange for his work. And except for and to the extent that the contractor shall be entitled to a payment in connection with this work, the contractor shall, pursuant to paragraph (2-4) pay the employer all the expenses resulting from such failure.

7-7 Ownership of the Mechanical Supplies and Materials:

Unless otherwise stated in the contract, any items of the mechanical supplies and materials, and to the extent that consistent with the laws of the state, become the property of the employer (free of any mortgage or the rights for third parties) as of the closest date of the following:

- a) When entered to the site, or installed in the works;
- b) When the contractor receives a payment for the value of the mechanical supplies and materials pursuant to paragraph (8-7) (payment for mechanical supplies in case of work suspension).

7-8 Ownership returns:

The Contractor shall - unless otherwise provided for in the specifications - ownership returns and rents and other payments related to the following:

- a) Natural materials (raw materials) that are obtained from outside the site;
- b) Remove debris, excavations result and other excess material outside the site (whether natural or manufactured), unless the contract involves the allocation of places to put the debris within the site.

Article Eight: Commencement, Completion Delay and Work Suspension

8-1 Commencement of work:

Unless otherwise stated in the special conditions, the date of commencement shall be considered the date by which the previous conditions hereinafter referred to all has been achieved and the engineer announcement that both parties have performed the following and instructing the contractor to proceed with the works:

- a) Signing of the contract agreement by the parties hereto and approved by the entity authorized to do so in the country of the works if required;
- b) The receipt of the site by the contractor as well as site-specific data and approvals referred to in subparagraph (a) of paragraph (1-12) required to start the work unless otherwise stated in the contract.
- c) The receipt of the advance payment by the contractor under paragraph 14-2 after he has submitted his letter of guarantee of the advance payment.

The Contractor shall immediately carry out the works at the earliest practicable time after the "date of commencement" and shall continue to operate thereafter with due speed without delay.

8-2 Completion Period:

The contractor shall complete all works, and any part thereof (if any), within the completion period specified for the entire works, or any part thereof (as the case may be), and includes:

- a) Achieve success "tests upon the completion"; and
- b) The completion of all works specified in the contract, as is required for the entire works or any part thereof; so that it can be considered that it has been completed for the purposes of receipt under paragraph (10-1).

8-3 Work Program:

The contractor shall provide the engineer with a detailed timetable within (28) days from the date of receiving notice to proceed under paragraph (8-1). And he shall also submit a revised program at any time it appears that the former program is no longer in line with the actual progress or with the contractor's obligations, that each of these tables should include the following:

- a) The order in which the contractor plans to implement the works thereunder, including the expected timing for each of the design stages, and the preparation of contractor's documents, procurement, manufacturing of mechanical supplies, supply to the site, construction, installation, inspection, acceptance and commissioning;
- b) The period necessary to review, provide authentication and approval of contractor's documents as defined in the employer's requirements under paragraph (5-2);
- c) Stating the sequence and timing of inspections and tests specified in the contract;
- d) A supporting report covers:
 - 1) General Description of implementation methods to be adopted for each key stage of implementation.
 - 2) Exhibiting the contractor's reasonable estimates of Contractor's personnel classified according to the skills, and contractor's equipment log classified by types, which required his presence in the site for each key stage of implementation

And unless the engineer - within 21 days from the date of receipt of the program - make a comment and inform the contractor about the extent of non-conformity of the program to the contract, then the contractor shall have the right to carry out the implementation thereunder, taking into account its other obligations under the contract. And employer's personnel shall be authorized to rely on this program when planning to perform their activities.

The contractor shall give notice to the engineer immediately, on any possible events or future conditions that may adversely affect the implementation of the works, or increase the contract value or delay the implementation process. And the engineer may ask the contractor to prepare his estimates for the results of such possible events or future conditions and / or provide his suggestions thereto.

If the engineer notified the contractor at any time that the work program is no longer consistent with the contract (stating the extent of such inconsistency) or that it is not commensurate with the actual progress of the implementation and the planned objectives of the contractor, the contractor shall provide a revised work program to the engineer pursuant to the provisions of this "paragraph."

8-4 Extension of Completion Period:

- a) Employer is entitled to extend the contract period for any of the following reasons:
 - 1. If any increase of change is made in the works of the contract or the amounts required to be processed in quantity and quality which affects the implementation of the agreed upon program where it cannot be completed within the period agreed upon under the original contract and the percentage specified in the special conditions must be considered.
 - 2. If any delay in implementation is due to reasons or actions of the contracting party (employer) or any legally authorized party or for any reason due to other contractors employed by the contracting party.
 - 3. If exceptional circumstances arise after contracting, the contractors have no hand in them and cannot be expected when contracting or avoided, resulting in a delay in completing the work or processing the required materials under the contract.
- b) Legislations in force shall be considered when submitting requests for extension or objection.

8-5 Percentage of Work Progress:

If it found out at any time:

- a) That the actual progress is very slow where completion becomes unattainable during the completion period; and / or
- b) That the work progress is delayed (or will be delayed) from the timing of current program referred to in paragraph (8-3) and this was not due to one of the reasons mentioned on paragraph (8-4), then the engineer may issue his instructions to the contractor pursuant to paragraph (8-3) so the contractor can prepare a revised work program, supported by a report showing the modified methods that the contractor intends to follow to accelerate the rate of work progress and its completion within the completion period.

And unless the engineer issued instructions otherwise, the contractor shall proceed using the modified methods that might require increase in working hours and / or the number of contractor's personnel and / or the implementation requirements, on contractor's responsibility and cost. But if these modified methods led to the employer bears the extra cost, then the contractor shall - in accordance with the provisions of paragraph (2-4) - pay this additional cost to the employer, in addition to any penalties for the delay (if any) under paragraph (8-7) later.

Employer shall pay the additional cost resulting from a review of implementation methods issued by the engineer in order to accelerate the pace of work and to reduce the delay for the reasons listed in paragraph (8-4) without causing any additional payment realized to the contractor.

8-6 Delay penalties:

If the contractor failed in the obligation to complete the works in accordance with the provisions of paragraph (8-2), he shall pay the employer pursuant to the provisions of paragraph (2-4) delay penalties resulting from such failure, and these penalties shall be in the amount stipulated in the special conditions, for each day that passes between the period specified for completion and the date specified in the initial receipt of works certification, however, the total fines due under this paragraph shall not exceed the maximum penalty for delay (if any) as provided in the special conditions .

These delay penalties shall be all what the contractor has to pay for such failure, except in the case of contract termination by the employer under paragraph (15-5) before completion of the works, and these penalties shall not relieve the contractor from the obligation to complete the works or of any of his duties or obligations or other responsibilities mentioned in the contract.

8-7 Stoppage of Work

a) Stoppage: is the decision made by the employer binding the contractors with it with a written order to stop implementing the contractual obligations for a specific period according to an order from the party concerned within the employer or that contracted with for the existence of reasons that require it taking into consideration the mechanism adopted in this article .

b) Reasons of stoppage :

1- If the contracting party (employer) deems the stoppage necessary for the purpose of proper contract implementation .

2- Climate conditions that affect the safety of implementation .

3- Exceptional official holidays or curfews .

c) Legislations in force are considered in issuing stoppage orders and dealing with cases and periods of stoppage .

d) The contractor shall commence work immediately after the reason for stoppage has ceased and the issuance of a written order from the employer thereto and without delay .

e) If the stoppage period exceeds (90) days, the employer may and within a period not exceeding (60) days from the date of registration of the application with the competent authority make either one of the following decisions :

Firstly: terminating of the contract due to the failure of the reason of stoppage to case, and the duties shall be payed to the contractor for the materials performed before the issuance of the stoppage order and in this case, contract termination shall take effect (7) days from the date of notification of termination of the contract, and the contractor shall immediately take the necessary measures to stop the work and remove his equipment pursuant to paragraph 16-3 upon contract termination in this manner, the engineer shall proceed to make estimates the value of the works that have been completed and issue a payment certificate containing the following :

- 1- Amounts payable for any work that has been executed and has a fixed price in the contract.
- 2- Cost of mechanical supplies and materials that have been their purchased have been confirmed and received by the contractor or those are contracted to be supplied and received: In such case, the mechanical supplies and material shall become property of the employer (and within his responsibility) once their values is paid, and the contractor shall deliver and place them at the disposal of the employer.
- 3- Costs and other financial burdens that the contractor incurred in such circumstances reasonably and necessary and as a result of his expectation of the completion of the works;
- 4- Cost of removing the temporary works and contractor's equipment from the site, and returning them to his warehouses.

Secondly: Study the methods possible to resolve the issue in order to reach one of the following options :

- 1- Resume work fully or partially
- 2- Eliminate unaccomplished items that were affected by the causes of stoppage in case they do not affect the other parts and in the event that the employer asked for them to be implemented, and consideration shall be given to the adjustment of the costs of execution if there is justification for this, and when the stoppage period exceeds (90) days, it shall be determined according to the prevailing prices after a price analysis, confirmation and authorization is made before the contractor starts work unless the contractor submitted a request of commitment for not claiming compensation for damages caused by the employer.

8-8 Resumption of work:

If instructions or permission issued from the engineer to resume the work, the contractor and the engineer combined, shall carry out inspection (detection) on the works, mechanical supplies and materials affected by the suspension, and the contractor shall repair any deterioration or defect or loss incurred during such period of suspension after receiving the engineer's direction under Article thirteen (changes and amendments).

Article Nine: Tests upon Completion

9-1 Contractor's Obligations:

The Contractor shall conduct a “Tests upon completion” in accordance with the provisions of this "article" and paragraph (7-4), after submitting the documents required of him under paragraph (4-1-d).

The contractor shall notify the engineer through a notification in period of not less than (21) days from the date when the contractor shall be ready to carry out any of the tests upon completion. Unless otherwise agreed, these tests shall be conducted within (14) days after this date, in the day or days specified by the engineer.

The engineer shall, when evaluating the results of "tests upon completion", obtain an appropriate permit to consider any use of works with the knowledge of the

employer on the performance or other characteristics of the works. And the contractor shall provide a certified report of the results of such tests to the engineer, when works, or any part thereof, are considered has passed the "tests upon completion" stag.

9-2 Delayed Tests:

If the employer delayed the tests upon completion without justification, the provisions of the fifth paragraph of paragraph (7-4) and / or paragraph (10-3) with respect to interference in conducting the tests shall apply.

And if it the conduct of "tests upon completion" is delayed by the contractor without justification, the engineer may give notice to the contractor asking him to conduct the tests within 21 days after the date of receipt of the notice, the contractor shall conduct the tests during that period on the day or days determined by the contractor, provided that the engineer shall be notified of that.

But if the contractor failed to carry out "tests upon completion" during the period of the (21) days, the employer's personnel may carry out the tests on contractor's responsibility and expense, and these tests are considered as if it had been conducted in the presence of the contractor and their results shall be accepted as true.

9-3 Retesting:

If the works or any part thereof failed to pass "tests upon completion", then the provisions of paragraph (7-5) shall apply thereto. The engineer or the contractor may request to conduct the retesting for the part of the works that failed in passing the tests, provided that tests shall be re-conducted under the same terms and circumstances.

9-4 Failure in passing the Tests upon Completion:

If the works or any part thereof failed in passing the "tests upon completion" after retesting under paragraph (9-3), the engineer shall be authorized to take any of the following procedures:

- a) To order the repeat the test upon completion once again under paragraph (9-3);
- b) If this failure leads to the loss of employer the full benefit of the Works or any part thereof materially, the engineer may reject the works or any part thereof (as the case may be), and in this case the employer shall have the right to obtain same penalties set out within the provisions of item (11-4-c); and
- c) That the engineer to issue the initial acceptance certificate of the works, if requested by the employer.

In case of applying paragraph (c) above, the contractor shall continue in performing his other obligations under the contract, and the contract value shall be decreased in an appropriate amount to cover the decrease in realized value for the employer as a result of this failure. Unless this reduction that is related to this failure is defined in the contract (or its calculation method is defined), the employer may request evaluation of the reduction in one of the following two methods:

1. Agreement between both parties shall be reached (as a full compensation for this failure only) and the compensation shall be paid before the issuance of the initial acceptance certificate of the works; or
2. It shall be evaluated and paid for under the provisions of paragraphs (2-4) and-3)
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Article Ten: Receipt of Works by the Employer

10-1 Receipt of Works and Parts of Works:

Except for the text in paragraph (9-4) with respect to the failure to pass the "tests upon completion," the employer shall receive the works when:

- 1- Works have been completed according to the contract, including the matters specified in paragraph (8-2) related to the completion, and with the exception of what is allowed under paragraph (a) below, and
- 2- The initial acceptance certificate of the works has been issued, or shall be considered as have been issued in accordance with the provisions of this "paragraph".

The contractor may request the engineer to issue the "initial acceptance certificate of the works" in a period no less than (14) day from the date where the works – in the opinion of the contractor – have been completed and ready for delivery. If the works were divided into sections, the contractor shall submit an application to hand over any of them in the same manner.

The engineer shall carry out, within (28) days after the date of receipt of the request from the contractor, the following:

- a) Issue the initial acceptance certificate of the works to the contractor specifying in it the date in which the works or any part thereof has been completed under the contract, except for any secondary works remaining or defects that do not affect significantly the use of the works - or any part thereof - for the purpose for which it was created, (these works to be completed and defects to be repaired) ; or
- b) Reject the request, stating the reasons, and determining the work that the contractor shall complete so the initial acceptance certificate of the works can be issued. The contractor shall complete such work before giving another notice to deliver the works under the provisions of this Article.

But if the engineer did not issue the initial acceptance certificate of the works or did not reject the contractor's request during the (30) day period, and the works or part thereof (as the case may be) has been completed substantially according to the contract, then the "initial acceptance" certificate shall be considered as if it were already issued on the last day of that period.

10-2 Receipt Parts of the Works:

The engineer may - at the discretion of the employer solely - to issue an initial acceptance certificate of any part of the permanent works. And the employer shall not use any part of the works (other than use as an interim measure stipulated in the contract or agreed between the parties thereon) unless or until the engineer issue the acceptance certificate of the works for that part. But if the employer used any part of the works before issuing the initial acceptance certificate:

- a) This part of the works that has been used shall be considered as if it been received from the date of the beginning of its use;
- b) The responsibility of care for that part of the works shall be transferred to the employer as of that date, and the contractor's responsibility of care for that part shall stop; and
- c) The engineer shall issue initial acceptance certificate for that part, if so, requested by the contractor.

After the engineer issue the initial acceptance certificate of the works for some part of the works, the contractor shall be allowed the opportunity as soon as possible to complete the necessary steps to carry out what remains of "tests upon completions" and the contractor shall perform these tests as soon as practicable and before the expiration of the "maintenance period "pertaining to that part.

If the initial acceptance certificate for some part of the works has been issued, the delay compensation for what remains of the works shall be reduced, and similarly, the delay compensation for the remainder of the some part of the works (if any) if some part of it have been received, they shall also be reduced. As for reduction in delay compensation, it shall be calculated in proportion to the value of that part which has been received attributed to the total value of the works or part of the works (as the case may be). The engineer shall, pursuant to the provisions of paragraph (3-5), approve it or to prepare estimates for these percentages. Note that the provisions of this paragraph shall not apply only to the daily amount of delay compensation under paragraph (7-6) and shall not affect its maximum amount.

10-3 Interference in the Conducting of Tests upon Completion:

If the contractor was unable to perform "tests upon completion" - for a period exceeding

14 days - for any reason then the employer shall be considered responsible thereof, and that such works or any part thereof shall be considered (as the case may be) that they have been received from the employer on the date where achieving "tests upon completion" was possible.

The engineer shall issue the initial acceptance certificate of the works in accordance with that, but the contractor shall conduct tests upon completion as soon as practicable before the expiry of "maintenance period". And the engineer shall give notice within a period of (14) day includes conducting tests upon completion under the conditions related to the contract.

If the contract incurred a delay in completion period and / or a cost as a result for such delay in conducting test upon completion, the contractor may give notice to the engineer to estimate his dues thereon regarding:

- a) Any extension in the completion period of which resulted in the delay, if completion had been delayed or will be delayed, under Article (8-4); and
- b) Any such cost to be added to the contract amount.

The engineer shall – after receiving contractor's notification – approve it or make estimates in relation to such matters pursuant to the provisions of paragraph.(5-3)

10-4 Surfaces Required to be Returned to its Previous condition

Except as provided otherwise in the acceptance certificate of the works, the initial acceptance certificate of any section or part of the works, shall not be considered an endorsement on the completion of any work for the land or the surfaces required to be returned to its former position

Article Eleven: Responsibility for Defects

11-1 Completion of the Remaining Work and Repair of Defects:

In order for the works, contractor's documents, and any part thereof, in the case required by the contract (except as may result from normal use and expected consumption) on the expiry of the maintenance period relating thereto, or immediately after it in the shortest practically possible period, the contractor shall:

- a) Complete any remaining work as of the date specified in the acceptance certificate of works, within a reasonable time and according to the engineer's instructions; and
- b) Implement all works required to repair the defects or the damage, according to employer's instructions (or his representative), and before the expiration of the maintenance period in such works or any part thereof (as the case may be.)

And if a defect or damage occurs, the employer (or his representative) shall give notice to the contractor thereon.

11-2 Cost of Repairing the Defects:

Contractor shall bear the cost of all the works referred to in paragraph (11-1 - b) on his own responsibility and expense, if and to the extent to which these works are attributable to:

- a) Any design where the contractor is considered responsible for;
- b) The provision of mechanical supplies or manufactured materials in violation of contract conditions; and
- c) Any failure from the contractor to comply with any other obligation.

But if and to the extent to which these works attributed to any other reason, "that does not belong to the contractor", in whole or in part, the contractor shall be informed by the employer (or on his behalf), without delay.

11-3 Extension of Maintenance Period (during maintenance period)

The employer shall have the right to extend maintenance period in the works or any part thereof, under paragraph (2-4), with a period equal to the maintenance period mentioned in contract data not exceeding two years, if such works or any part thereof, or any key item of mechanical supplies (as the case after his receipt) cannot be used for the purposes intended, due to the existence of a defect or damage.

If the supply of mechanical supplies and / or materials or their installation has been stopped under paragraph (8-7) or based on contractor's procedures under paragraph (16-1), the contractor's obligations according to the provisions of this "article" shall not apply on any defects or damage that may occur after two years from the deadline in which the notice period of repairing defects will expire for such mechanical supplies and / or materials, if such stoppage never happened.

11-4 Failure to Repair Defects:

If the contractor failed to repair any defect or damage within a reasonable period, the employer (or his representative) may give notice to the Contractor specifying another reasonable date to repair such defects or damage prior to its expiry. If the contractor failed to repair the defect or damage at this deadline referred to, and this resulted that repair to be carried on the contractor's expense, in accordance with paragraph (11-2), the employer may take any of the following procedures (at his choice):

- a) Implement the work by himself or through third parties, in a reasonable manner and on contractor's expense, but without contractor bearing any responsibility for this performed work. In such case, the contractor shall - according to paragraph (2-4) - pay to the employer the costs reasonably incurred to repair the defect or damage;
- b) To request the engineer to reach an agreement or to prepare his reasonable estimates to reduce the value of the contract for it according to the procedures of paragraph (3-5);
- c) If the defect or damage leads to depriving the employer substantially from taking full advantage of the works or any key part thereof, he may terminate the contract as a whole, or terminate that part, including the key part thereof, which

cannot be used for its intended purposes. And without prejudice to any other rights entailed to him under contract or other reasons, the employer shall have the right to recover all amounts that have been paid to the contractor for the works or for that part (as the case may be), adding to it the funding costs and the expenses of dismantling and evacuation of the site and returning the mechanical supplies and materials to the contractor.

11-5 Removal of Defective Works:

If the defect or damage cannot be repaired at the site on an urgent basis, the contractor may - after obtaining employer's approval - transfer from the site in order to repair them, any parts of the mechanical supplies that are defective or damaged.

11-6 Further Tests:

If the repair work for any defect or damage has an impact on the performance of the works, the engineer may request the re-perform any of the tests described in the contract, including completion tests and / or after-completion tests provided that such request is made within (28) days from the date of completion of the repair of the defect or the damage. Such tests shall be conducted in the same conditions under which the previous tests have been conducted, but the cost of performing such tests shall be borne by the party who is responsible for the defect or damage as may be specified under paragraph (11-2) with respect to the cost of the repair work.

11-7 Right of access to the site:

The contractor shall have the right, till the issuance of the certificate of performance (the final acceptance certificate of the work), to access to all parts of the works and view the operation and performance records. Except with matter inconsistent with the reasonable security considerations of the employer

11-8 Contractor's Duty to Look for Reasons:

The Contractor shall - if requested by the engineer - and under the supervision of the engineer to look for the reasons of any defect in the works. And unless the cost of repairing defects are at the contractor's expense under the provisions of paragraph (11-2), the engineer shall estimate the cost of the process of looking for reasons in accordance with the provisions of paragraph (3-5), either by agreement or prepare the required estimate thereof, to be added to the contract amount.

11-9 Final Acceptance Certificate of the works:

Contractor shall not consider that he has fulfilled his obligations only after the engineer issued "final acceptance certificate of the works" for the contractor, stating the date on which the contractor is considered has completed the obligations required of him under the contract.

And the engineer shall issue the "final acceptance certificate of the works " within (28) days after the expiration of the last period of the maintenance periods, or at the earliest opportunity after the contractor has submitted all "contractor's documents" and completed the works and all have been tested including the repair of any defects therein, and a copy of the final acceptance certificate shall be send to the employer.

The "final acceptance certificate of works" solely without others is considered representative of accepting the works.

11-10 Unfulfilled Obligations:

Each party shall, after the issuance of the "final acceptance certificate of the works", remain liable for the fulfillment of any obligation that has not been completed to date. Accordingly, the contract remains in force between the two parties until the determination of the nature and extent of the unfulfilled obligations.

11-11 Site Evacuation:

The Contractor shall, upon receipt of the final acceptance certificate of the works, remove from the site the remaining of contractor's equipment, surplus material, debris and waste and temporary works.

And if not all of the equipment and implementation accessories has been removed within (28) days after the date of employer receipt a copy of the "final acceptance certificate", the employer shall be entitled to sell or dispose of their remnants. The employer shall be authorized to recover the costs he incurred for the completion of the sale or disposal process and restoring the site.

And then he pays the contractor any surplus balance of the sale proceeds. If the value of what has been collected is less than what the employer spent, the contractor shall pay the remaining balance to the employer.

Article Twelve: Measurement of Works and Estimation of Value

12-1 Measurement of Works:

Works are measured and valued for the purpose of paying their values under the provisions of this Article. The contractor shall clarify, in every application for an interim payment under paragraph (3-14) or when submitting a request for the completion payment (installment) under paragraph (10-14) or his request for the final payment (installment) under paragraph (11-14), the quantities and any special details of its amounts owed under the contract. When the engineer makes a request to carry out measurement for any part of the works, he shall send a written notice to the contractor's representative, who shall:

- a) Immediately comply, either by being present or send another qualified representative to assist the engineer in conducting the measurement; and
- b) Provide all details required by the engineer.

If the contractor failed to appear or send a representative, then the measurement being prepared by the engineer (or his representative) shall be the correct measurement of the work.

Except as otherwise provided in the contract, and where measurement of permanent works requires the use of records, the engineer shall prepare them. The contractor, while requested therefore, to attend to examine the records to

agree upon with the engineer, and then sign it upon approval. If the contractor failed to appear, then the records shall be considered acceptable and certified.

If the contractor examined the records and did not approve them and / or did not sign them by approval, he has to notify the engineer of this, stating the matters that he sees as incorrect in these records.

And the engineer shall after the receipt of this notification review the records and either confirms them or makes amendment thereon and approves the payment of the undisputed parts. In the event that the contractor did not send such notice to the engineer within (14) days after the date of the call for examination, the measurement carried out by the engineer is considered final and approved.

12-2 Method of Measurement:

Except as otherwise provided in the contract, in spite of any local customs, the measurement shall be carried out is as follows:

- a) The measurement shall be for the actual net quantities implemented from each item of permanent works geometrically, in accordance with the principles set forth in the Quantity Survey of Building and Civil Engineering Works issued by the Ministry of Planning.
- b) The measurement method shall be according to the table (bill) of quantities or any other tables applicable

12-3 Estimation of Value:

Except as provided otherwise in the contract, the engineer shall - pursuant to the provisions of paragraph (3-5) – make agreement on the contract value or estimates it by calculating the value of each item of the works, by adopting the measure approved or that is estimated under the provisions of paragraphs (12-1 and 12-2) above, and the unit price determined for the item shall be the unit price of the item as specified in his contract, and if the item does not exist, unit price for a similar item shall be relied on. If any item of the works mentioned in the table (bill) of quantities does not have a price or amount, then its price and the amount shall be mentioned implicitly in the prices and amounts of other items in the table (bill) of quantities and payment for them shall not be made individually, and regarding the changes in the quantity of any paragraph in the priced tables consideration shall be given to the provisions of paragraphs 13-3.

12-4 Cancellations:

When the cancellation of any work forms part of or the entire change, and agreement had not been reached to determine its value:

- a) If the contractor shall incur (or has incurred) a cost that was not supposed to be covered in an amount that forms part of "the approved contract amount", As if the cancellation did not happen;
- b) The cancellation of work will result (or has resulted in) that this amount is no longer a part of the contract amount; and
- c) That this cost cannot be considered included in the estimation of value of any alternative work.

In such a case, the contractor shall give notice to the engineer, with supporting details. And the engineer shall also, when receiving this notice - pursuant to the provisions of paragraph (3-5) - agree, or to prepare necessary estimate for such a cost, to be added to the contract value at the commencement of that part of works

Article Thirteen: Changes and Amendments

13-1 Authority to Make Changes:

The engineer may, at any time and before the issuance of the initial acceptance certificate of the works and after approval from the employer, proceed to make changes in the works, whether through instructions he issues, or by request to the contractor to submit a proposal to be considered.

The contractor shall comply with each change (change order) and implement it, unless the contractor gave notice without delay, to the engineer informing him:

1. His inability to obtain the implementation supplies required for the implementation of changes works on time;
2. That change will significantly affect the achievement of the undertakings schedule.

The engineer shall, as soon as he receives such notice, cancel or confirm or amend his instructions.

Each change [Change Order] may include the following:

- a) Increasing or Decreasing the amount of any work included in the contract.
- b) Deletion of any part of the works .
- c) Changes in the quality, class or characteristic of any of the works .
- d) Changes in the levels, straights, placements and dimensions of any part of the works.
- e) The implementation of any additional work, or the provision of mechanical supplies or materials or services that are required for permanent works, including any "test upon completion" related thereto, or the making of sensors or checks or other exploratory processes.
- f) Changes in the sequence or timing of the implementation of works.

The Contractor shall not be entitled to make any change and / or any amendment to permanent works, unless and until the engineer instructs or approve conducting the change.

13-2 Calculating value of changes

The Engineer shall determine the amount (if any) that he believes should be added to or deducted from the contract value in respect of any increase or decrease of works omitted by order of the Engineer, in the event that such increase or decrease relates to the works were an item regarding it is mentioned

in the Pricing Table then the values of these changes shall be calculated in accordance to paragraph 13-3 of this article, and as for the changes relating to works that do not have similar or comparable items in the pricing table that can be applied on the changes, then appropriate prices are agreed upon between the Engineer and the Contractor and in the absence of an agreement, the Engineer shall determine such prices as he deems fit and appropriate .

13-3 Changes in the items of the priced bill of quantities

- a) If the change is related to the priced bill of quantities then the contract price for the original item to be changed is used as a basis for the pricing and to be added or subtracted from it the difference in the cost materials or works.
- b) In the event of changing an item or items in the in the priced table, the price of the alternative item or items shall be calculated on the basis of the real cost with taking into consideration the profit and loss of the contractor from each item to be changed .
- c) In respect of the changes in the quantity of any item in the priced table, its price in the contract shall be applied with up to (20%) of increase or decrease from the quantities stated in priced table, provided that the contractor and the contractor agree on a new price .
- d) If a decrease to the quantities if items of the priced bill of quantities occurs with a percentage exceeding 20% of the quantities listed in the priced bill of quantities then the contractor should be compensated for the loss of expected profit from the reduction that exceeded the said percentage and in the event that the reduction prevents the contractor from an expected loss, the same principle should be considered for the employer.

13-4 Non-Agreement on Prices

If the Engineer and the Contractor do not agree on any of the prices as mentioned in paragraphs 13-1 and 13-2 of this Article, the Contractor shall continue to execute the works at the prices specified by the Engineer and he may prove his objection with a written notice addressed to the Engineer indicating his intention to demand a price increase provided it does not affect the progress of work.

13-5 Change Procedures

If the engineer proposed to the contractor, prior to issue instructions, a change, then the contractor shall respond to the request in writing as soon as practicable, either by giving reasons for its inability to comply (if this is the case), or to provide the following:

- a) A description of the works that he proposed to be implemented and the timetable for its implementation.
- b) Contractor proposals for any amendment required on the timetable in accordance with paragraph (8-3), and its impact on the completion period of the works.
- c) Contractor proposal to calculate the change value.

The engineer shall, as soon as practicable after receipt of the contractor's proposal (under paragraph (13-2) or otherwise), respond to the contractor either

to approve or disapprove, or to send him his remarks, noting that the contractor shall not postpone the implementation of any work during the period of waiting for the response.

Any instructions to implement a change, and any order for the requirements of costs registration, shall be issued by the engineer to the contractor, and the contractor shall inform him of the receipt of such instructions.

The value of each "Change" under the provisions of "Article Thirteen" shall be estimated, unless the engineer has issued instructions or approved otherwise in accordance with the provisions of this Article.

13-6 Reserve Amounts

1- Reserve amounts stated in the Priced bill of quantities

Means any amounts covered by the Contract and determined by the Employer and stated as such in the Priced bill of quantities to be used for the performance of work or for the preparation of materials or services or as a reserve for the implementation of a particular paragraph which may be used in whole or in part or never be used according to the Engineer's instructions and choices and is equal to the actual contract value under the amounts actually disbursed and the Engineer shall order in regards :

- a) The contractor performing a work or supplying materials or services and these shall be prices according to article 13-2.
- b) The named subcontractor performs the work or supply of materials and services .

2 -Presenting documents and others

The Contractor shall present all the offers, lists, documents, accounts or receipts related to the expenses related to the reserve amounts referred to in this Article when required by the Engineer.

3 -General reserve amount for the contract

Means the amount allocated by the employer for the purposes of the contract and is not included in the contract amount, except to the extent that it is spent under the contract and with a written order from the Engineer.

13-7 Daily Paid Work:

The Engineer may instruct in writing to carry out any additional or alternative work on the basis of daily paid work if he deemed that necessary or beneficial.

In this case, the contractor shall be paid for such work under the conditions and prices listed in the daily paid work table stated in the contract and the contractor shall provide the engineer with the receipts and documents, as the case may be, to support the amounts paid and shall provide the engineer with the prices of materials before purchasing them for approval .

The contractor shall in each case have a relationship with all works performed on the basis of daily paid work and throughout their continuity while providing the engineer's representative with an accurate list in two signed copies containing the names, jobs, working period and wages of the workers employed for that work as well as providing a statement of two signed copies specifying the descriptions

and quantities of all material and supplies used in or for that work and must be signed by the engineer's representative and one copy of each list or statement is returned to the contractor if it was correct or when approved .

The contractor shall submit to the engineer's representative at the end of each month a priced statement of the manpower, materials and supplies that have been used and the contractor shall not be entitled to any amounts unless those lists and statements are fully provided and on a regular basis, it shall always be taken into consideration that if the engineer finds for any reason that the contractor's submission of those lists and statements according the aforementioned provisions is not practically possible then the engineer may however be entitled to permit paying for such work on the basis of daily paid work after the satisfaction that the time taken to perform that work and materials and supplies used therein or on the basis of such values as he deems fair and appropriate .

13-8 Amendments due to change in legislations:

The contract value shall be amended to take into account any increase or decrease in cost as a result of any change in the laws of Iraq (including the enactment of new laws and cancel or delete existing laws) or the judicial or government interpretations thereof, and if that change occurred after the basic date, and resulted in an impact on the contractor's performance of his obligations under the contract.

If the contractor incurred (or he would incur) a delay and / or additional costs as a result of these changes in the laws or in the interpretation, took place after the basic date, the contractor shall give notice to the engineer to assess his requirements in this regard, taking into account the provisions of paragraph (20-1), regarding:

- a) Extension of the completion period due to the delay, if the completion had been delayed or will be delayed, under paragraph (8-4); and
- b) Any such cost to be added to the contract value.

After engineer receipt of such notice, he shall- pursuant to the provisions of paragraph (3-5) –reach an agreement thereof or prepare the necessary assessment in terms thereof.

Further to the aforementioned, the contractor shall not be entitled to any extensions in the work period if the delay had already been considered in the extension of the contract duration.

13-9 Amendments due to Costs Change:

In the case of the application of the principle of price amendments due to costs change, it shall be done according to what is included in the table of price adjustment data accompanied to the special conditions, and for each of the local and foreign currency specified in the table (bill) of quantities.

The term "data amendment table contained in this" paragraph means the data amendment table completed and annexed to the tender offer attachment, in the absence of such a table, the contents of this paragraph shall not apply. In the case of the application of the provisions of this "paragraph", the amounts paid to the contractor shall be amended to include the impact of increases or decreases for any rise or fall occurring in labor wages or prices on the implementation supplies

and other requirements of the works, by applying the equations listed in this article. And to the extent to which a compensation is comprehensive for any increase or decrease in the cost that is not covered under the provisions of this paragraph or the provisions of any other items in the contract, the "value of the contract accepted" shall be deemed to contain accidental amount to compensate for other fluctuations in costs.

The amendment in the amounts payable to the contractor shall be calculated (as their value are assessed by using the appropriate tables and through the ratification of payment certificates) and by applying the following equation, but for cases of payment in different currencies separately, note that this amendment shall not apply to any work being assessed on the basis of costs or prices prevail.

$$\text{Adjustment factor (t)} = a + b (5 p / p 1) + c (5 m / m 1) + d (5L/1L)....+$$

Where:

T= Amendment coefficient (factor), multiplied by the assessed value in the currency involved in the contract during the time period (n) assessed by months, unless stated otherwise in the text of the tender offer attachment.

A= Fixed coefficient (factor), shall mean that part of the value assessed that is not changed, as specified in the relevant tables.

B, C, D= Coefficients (relative weights), which represents the ratios of the cost elements involved in the execution of works such as employment, equipment and materials.

P5, M5, L5= Coefficients of the current "price guide" of cost elements, in the forty ninth day which proceeds the period of assessment regarding the relevant payment certificate.

P1, M1, L1= Coefficients of the basic or reference "price guide" of cost elements on the day of the Basic Day for each currency.

Provided that the coefficient of "Prices Guides" or the reference price specified in the amendment evidence table shall be used, and if there was a doubt about their source, it shall be assessed by the engineer. And for this purpose, it must be guided by the values of the "Prices Guides" in specific dates until clarifying the said source; although these dates (and these values) may not fit with the reference Prices Guides (evidence).

In cases where the "Currency Guide" is not the currency specified in the table, it must conduct the necessary conversion in currency rates by adopting the sales price specified by the central bank on the applicability of the Prices Guides.

And until such time in which the current "Prices Guides" is being determined, the engineer shall put a temporary guide for the purpose of issuing the progress payment certificates, and at a time when the price guide is available, the calculation of amendment value shall be re-conducted accordingly.

*If the contractor failed to complete the works within the completion period, the amendment on the amounts due after completion period shall be calculated by any of the two following methods:

1. Each price guide or price applicable in the forty-ninth day before the expiry date of the "completion period" of the works.
2. Prices Guide or current price. Whichever best for the employer.

As for the coefficients (relative weight) (B, C, D) of the constituent elements of the cost (P, M, L) specified in the amendments table(s), it shall not be reviewed unless they become unreasonable or unbalanced or that they no longer apply as a result of the changes

Article Fourteen: Contract Value and Payments

14-1 Contract Value:

Unless otherwise provided in the special conditions:

- a) The contract value shall be agreed upon or determined under paragraph (12-3) and this amount is subject to any amendments (increase or decrease) made pursuant to the provisions of the contract;
- b) The contractor shall pay all taxes, fees and wages required to be paid by him under the contract, and the contract value shall not be amended due to any such expenses except what is stated in paragraph (13-7).
- c) The amounts written in the table (bill) of quantities or other tables (bill) are approximate quantities, and shall not be considered that they are the actual and accurate quantities of:
 - 1) Such works required to be implemented by the contractor;
 - 2) For the purpose of measurements and value assessment under "Article twelve."

14-2 Advance Payment:

The employer may pay the contractor an advance payment as a loan without interest for the purposes of preparation for work, designs and secure cash flow when the contractor provides the guarantee required of him under the provisions of this "paragraph". The total amount of the advance payment and the method of payment of its premiums (if numerous) and the payment currencies shall be in a manner specified in the special conditions.

The provisions of this paragraph shall not apply in the case of non-receipt of guarantee from the employer, or if the amount of the advance payment has not been specified in the special conditions.

The engineer shall, after receiving a certificate of advance payment pursuant to the provisions of paragraph (14-3), issue progress advance certificate or the first installment of it and sent it to both the employer and the contractor, after the employer has received:

1. Good Performance guarantee under paragraph.(2-4)
2. Advance payment guarantees equal in its amount and currencies to the amount of the advance payment, and shall be issued by a bank or a financial institution

approved by the employer. And this guarantee shall be in the form attached to the special conditions or any other form approved by the employer.

The Contractor shall ensure the entry into force of the validity of the advance payment guarantee of till the repayment of the amount of the advance to the employer in full, but the amount of such guarantee may be reduced by first hand in the amount recovered from the contractor as being described in the advance progress certificate. If among the guarantee conditions its expiry on a specified date, the contractor shall, in such a situation, extend its validity until its full amount has been paid.

Unless otherwise stated in the contract, the amount of the advance shall be recovered through deductions in a percentage of progress advances approved by the engineer under the provisions of paragraph (6-14)

Provided that the recovery of the advance shall be in full before the time that dues payable has reached (90%) of the contract value accepted, net of reserves amounts.

If the advance payment has not been recovered before issuing the initial acceptance certificate of the works or before the termination of the contract under the provisions of "Article Fifteen ", or termination of the contract under the provisions of "Article Sixteen ", or termination of the contract under the provisions of "Article Nineteen" - as the case may be - the balance of advance unpaid becomes due for payment and payable immediately by the contractor to the employer.

14-3 Application for interim advances:

Contractor shall submit to engineer after the end of each month a statement of the advance of work performed (in the number of copies required) so that the statement is organized in the sample approved by engineer, stating the details of amounts which the contractor consider are due to him, and accompanied by supporting documents, including the monthly report on the progress of work during this month under the provisions of paragraph (4-19), where 10% shall be deducted from the value of work performed and these deductions shall continue until their sum equals 5% of the value of the contract..

The statement of the advance payment shall include the following items, as applicable, that shall be expressed in different payment currencies in which the contract value is paid, in the following order:

- a) Estimated contractual value of works performed and contractor's documents provided until the end of the month and include changes. With exception of what is stated in (b) and (f) below;
- b) Any amounts to be added or deducted in exchange for price amendments due to changes in legislation or change due to the costs, pursuant to the provisions of paragraphs (13-8, 13-9);
- c) Any amount to be deducted as cash deductions, by the percentage specified in bid annex as a deduction from the total outstanding amounts in above, till the amount of deductions withheld by employer reach the maximum value of the cash deductions (if any), as specified in the special conditions;

- d) Any amounts to be added to the advance payment and (if there is more than one premium) deducted for the purposes of recovery, under paragraph (14-2)
- e) Any amounts to be added or deducted of mechanical supplies and materials under paragraph (14-5) related to the preparations;
- f) Any amounts or other deductions may be realized under any provisions the contract, or otherwise, including those resulting from the provisions of "Article Twenty"; and
- g) Discount the amounts that have been paid in all previous advance's certificates.

14-4 Payments schedule:

Payments are made according to the schedules and measurements and with regards to the work progress schedule and according to what is specified in the special conditions .

14-5 Mechanical Supplies and Materials to be Used in the Works (Preparations):

The terms of provisions of this "paragraph" are available; progress advances shall be included, pursuant to paragraph (14-3-e) as follows:

- 1. An amount for preparation of mechanical supplies and materials that are supplied to the site for the purpose of being used in the permanent works.
- 2. The reduction in the values of items when contractual value of such mechanical supplies and materials are entered as part of permanent works under the provisions of paragraph (14-3-a).

If the lists referred to in clauses (b-1) and (c-1) not included in the tables below then the provisions of this paragraph shall not apply. The engineer shall estimate and approve every increase in the value of advances if the following conditions are available:

- a) The contractor has:
 - 1. Maintained adequate entries (records) ready for inspection (including purchase orders, receipts, costs, and the use of mechanical supplies and materials); and
 - 2. Submitted a statement of cost of purchase and delivery of mechanical supplies and materials to site, supported by sufficient probative evidence, and that any of the following:
- b) That the relevant mechanical supplies and materials prior to arrival to the site:
 - 1. Are those mentioned in the payment tables corresponding to them;
 - 2. Are shipped to the country, i.e. to the site, pursuant to the provisions of the contract.
 - 3. Are described within a true shipping document or any other shipping evidence, and has been delivered to the engineer with an evidence that proofs the payment of shipping and insurance fees and other documentation of evidence reasonably required, and a bank guarantee issued by a financial institution acceptable to the employer in the amounts and currencies specified under the

provisions of this "paragraph". And this guarantee may be in a similar form for the form of advance payment referred to in paragraph (14-2), provided that it remains in force until the mechanical supplies and materials are delivered and stored properly at the site, and their protection against loss or damage or deterioration.

- c) That the relevant mechanical supplies and materials upon arrival at the site:
1. Those listed in the tables to be paid for upon supplied to the site.
 2. That they are delivered and stored at site properly and been protected against lost or damage or deterioration, and demonstrates that they meet the contract requirement.
 3. And then the additional amount that has been approved shall be equal to the percentages stipulated in the bid offer attachment of engineer estimates for the cost of mechanical supplies and materials (including the cost of delivery to the site), taking into account the documents mentioned in this paragraph and the contractual value of the mechanical supplies and material.

14-6 Issuance of interim Advances:

The engineer shall, within (30) days from the date of receipt of statement of work performed and supporting documents, send to employer a progress advance certificate indicating the amount of which the engineer estimates that it is due to the contractor in an equitable manner, and accompanied by the supporting details for any deductions or amounts withheld by engineer on statement of installment (if any).

But engineer shall not be considered obligated before the issuance of the "initial acceptance certificate of the works" – to issue any progress advances certificate, if its value (after discounting cash deductions and other discounts) less than the minimum (if any) of the progress advance payment referred to in the contract data. In such a case the engineer shall give notice to the contractor in respect thereof.

The advances shall not be withheld except in the following events:

- a) If anything, that has been supplied or any works has been performed by the contractor inconsistent with the contract, then the cost of repair or replacement may be withheld till the completion of such repair or replacement and / or
- b) If the contractor has failed (or is failed) in the performance of any work or obligation under the contract, and has been so notified by the engineer, the value of this work or obligation may be withheld until the work or the obligation has been implemented.

The engineer may, on any advance payment certificate, carry out any corrective work or amendment that should be done properly on the value of any previous advance payment certificate, and any advance payment shall not be considered an indication to the engineer's satisfaction or consent or conviction.

14-7 Payment to the Contractor:

Unless otherwise provided in the special conditions, employer shall pay the contractor:

- a) First installment of the advance payment within (42) days from the date of issuance of Award Letter, or within 21 days from the date of receipt of performance guarantee by the employer, pursuant to paragraph (4-2) and for the guarantee of the advance payment pursuant to paragraph (14-2), whichever is later;
- b) The certified amount for each progress advance payment certified, within (56) days from the date of receipt of the engineer of the installment statement and supporting documents;
- c) The amount certified in the final advance payment within (56) day from the date of receipt of this advance by the employer.

Payment to the contractor shall be made for each amount owed, and the money shall be deposited into the bank account designated by the contractor.

14-8 Late Advance Payment:

If contractor did not received any advance payment due to him under paragraph (14-7), he is entitled to be paid for any late payment, in a mixed accounts per month for the period of delay, this period shall be calculated from the date of payment mentioned in paragraph (14-7) regardless of date of issuance of progress advance (in case of item 14-6-b).

And unless otherwise provided in the special conditions, the financing expenses are accounted for on the basis of annual discount rate set by Central Bank in the currency of payment, plus an annual percentage.(%3)

Contractor shall be entitled to receive this payment without formal notice or certification, and without prejudice to any right or other compensation, (provided that percent of financing expenses shall not exceed the percentage in accordance with the laws in, unless otherwise provided in the special conditions).

14-9 Payment of Cash Deductions:

When the initial acceptance certificate of the works will be issued, the engineer shall release half the cash balance of deductions to the contractor. And if the initial acceptance certificate of the works is issued for part or a section of the of the works, then a percentage of the cash deductions shall be returned by calculating the relative value of that section and part, and this percentage shall be (50%) of the percentage resulted from dividing the estimated amount of the contract for that section or part on the amount of the final contract, as being estimated.

The Contractor shall be entitled, once the last period of maintenance periods is expired, to recover the balance of the remaining cash deductions by a certificate certified from the engineer. As for the expiration of the last period of notice of repair for a part of the works, It will be refunded the proportion from cash deductions equivalent to 50% from the value that is calculated by dividing the estimated amount of the contract for this section to the amount of the final contract has been estimated, immediately upon the expiration of the maintenance period related thereto.

If repair works appeared under the provisions of Article Eleven, the engineer shall have the right to withhold the estimated cost for such repair from the remaining value of cash deductions till their implementation is completed.

When calculating these percentages, it shall not take into account any amendments in prices due to changes in legislation pursuant to the provisions of paragraph (13-8) or due to the costs change pursuant to the provisions of paragraph.(9-13)

Unless otherwise provided in the special conditions, the contractor shall be entitled, after the issuance of the initial acceptance certificate of the works and obtain the Engineer's approval to release the first half of the cash deductions, to provide a bank letter of guarantee from an accredited bank (in the form as referred to in the special conditions attachment) in exchange for the release of the second half of the cash deductions and that the letter of guarantee shall be in the same amounts and currencies for the second half of the cash deductions binding and valid until the completion of contractor of the works and his conducting repair of any defects, similar to the letter of guarantee for good performance referred to in paragraph (4-2). Once the employer receives the letter of guarantee in exchange for the release of cash deductions, the engineer shall recommend the payment and give notice to the employer to release the cash deductions.

This form to release the second half of the cash deductions in contrary to what is as stated in the second sentence of this paragraph is an alternative proposal and the employer shall release the letter of guarantee in return for the second half of cash deductions within 21 days from the date of his receipt of the final acceptance certificate of the final works.

If the amount of the performance guarantee referred to in paragraph (4-2) is more than half the cash deductions at the issuance of initial acceptance certificate, then the first half of the second cash deductions shall be released without the need for a new letter of guarantee in exchange for

its amount. But if the amount of the performance guarantee is less than the half cash deductions, then the remaining half-cash deductions in exchange for a letter of guarantee shall be releases by the difference between the amounts of the performance guarantee and the half cash deductions remaining.

14-10 Final Payment (on works receipt):

The Contractor shall provide the engineer, during a period not to exceed (45) days from the date of receipt of the initial acceptance certificate of the works, a statement of the final advance - in (6) copies - with the supporting documents, according to the requirements of paragraph (14-3), stating in it:

- a) The value of all works that have been implemented under the contract till the specified date in the initial acceptance certificate of the works;
- b) Any other amounts the contractor considers it will be due to him;
- c) Estimates of any other amounts which the contractor considers it will be due to him under the contract, provided that it is to provide independent details of each of these amounts estimated in the final advance payments.

And then the engineer shall approve the installment payable within a period not exceeding (15) days under the provisions of paragraph (14-6). The final advance payment shall not be paid only after the contractor provides a confirmation of receipt by the subcontractors and suppliers for their dues till the advance payment that precedes the final advance payment.

14-11 Request of the final account certificate:

The contractor shall provide the engineer, during the period of (56) days from the date of receipt of the final acceptance certificate of the work, a draft of final statement of account -in six copies - with the supporting documents, in the form approved by the engineer, and showing the details of the following:

- a) The value of all the works that have been implemented under the contract; and
- b) Any other amounts the contractor considers he is entitled to under the contract, or otherwise.

If the engineer did not agree on the draft of the final statement of account, or not been able to verify some part of it, the contractor shall provide the necessary additional information requested by the engineer reasonably, and within 28 days of receipt of the draft of the final statement of account and the contractor shall amend it in the manner agreed between the parties, with a note that this statement (detection) in the manner agreed upon, called in these conditions the (final statement of account).

Nonetheless, if it showed as a result of the subsequent discussions between the engineer and the contractor and any amendments to the draft of the final statement of account to be agreed upon, a disagreement, the engineer shall prepare and submit to the employer a progress advance payment for those agreed parts of the draft of the final statement of account (with a copy sent to the contractor).

After that, if the disagreement is solved finally under the provisions of paragraph (20), the contractor at that time shall prepare and submit "final statement of account" to the employer, with sending a copy thereof to the engineer enhanced by the documents listed later on and according to what is stated in the special conditions of the contract:

1. Clearance from the competent authorities that prove his payment of all dues of employees registered in the contract.
2. Clearance issued by General Authority of Customs and the General Authority of taxes.
3. Confirmation the receipt of subcontractors and suppliers of material accredited of all their dues.

14-12 Letter of Release of Final payment Certificate:

The contractor shall, when providing the statement of final account, deliver to the employer a written acknowledgment stating in it that the "statement of final account" forms the full and complete settlement of all amounts due to the contractor under the contract or related thereto.

It can be stated in this acknowledgment that it shall not be valid only after returning the performance guarantee to the contractor and his receipt of the remaining balance of the amounts due to him, and in this case the settlement of the final account shall be deemed valid as if this date.

14-13 Issuance of Final payment Certificate:

The engineer shall, within (28) days from the date of his receipt of the "final statement of account" under paragraph (14-11) and the letter of release of the final account under paragraph (14-12), send to the employer and a copy to the contractor the certificate of final account, showing in it:

- a) The amount due to the contractor finally; and
- b) The balance due (if any) from the employer to the contractor or from the contractor to the employer (as the case may be), after calculating all payments paid by the employer, and the deduction balance due to the employer under the contract.

And if the contractor did not provide the "certificate of final account" pursuant to the provisions of paragraph (14-11) and the letter of release of the final account pursuant to the provisions of paragraph (14-12), the engineer shall request him to do so. And if the contractor failed in providing the certificate of final account within a period of (15) day, then the engineer may issue the certificate of final account in the value he estimates equitably that it is payable.

14-14 End of employer's responsibility:

The employer shall not be responsible to the contractor for any matter or something resulting from this contract (or in connection thereto), or the implementation of the works, only if the contractor files a claim for an amount explicitly:

- a) Within the "statement of final account"; and
- b) Within the "statement of final advance payment" described in paragraph (14-10), except the matters or issues that have emerged after the issuance of the "initial acceptance certificate of the works."

In any case, what is contained in this "paragraph" shall not limit the employer's responsibility under his obligations to compensation, or the responsibility of the employer in any of the cases of fraud or willful default, or indifferent behavior from his side.

14-15 Payment Currencies:

The "contract amount" shall be paid in the currency or currencies according to what is specified in the table of currencies and as stated in the special conditions.

Article Fifteen: Withdrawal of work and Terminating the contact by the employer

15-1 Notification of Correction (warning):

If the contractor failed in performing any obligation under the contract, the employer, after giving written notice requesting to him to correct this failure and remedy it within a period of (15) days.

15-2 Withdrawal of work by the employer

First: The employer is entitled to withdraw the work in the following cases without referring to the court:

- a) If the (contractor) goes bankrupt or announce his Insolvency .
- b) If the (contractor) submits a request for bankruptcy or insolvency .
- c) If a decision is issued by the competent court to place the (contractor's) funds under the control of bankruptcy trustee (sindiak.(
- d) If the contractor makes a reconciliation that preserves him from bankruptcy or waives his rights to his creditors.
- e) If the contractor agrees to implement the contract under the supervision of the control board of his creditors
- f) If the contractor is a company that has announced liquidation, excluding the optional liquidation for the purpose of merger or reformation.
- g) if the contractor waives the contract.
- h) If the contractor awards parts of the works to subcontractor without obtaining the approval of the employer.
- i) If the funds of the contractor are seized by a court of competency and this seizure may lead the contractor unable to fulfill his obligations .
- j) If the contractor offered or presented to any person (directly or indirectly) a bribe, gift or bonus or commission or a financial donation as an induction or a reward for:
 - 1- Act or omission (performance or non-performance) of work related to the contract; an
 - 2- Show favoritism or lack thereof in favor of or against the interests of any person related to the contract, or if he promised any of contractor's personnel or his agents or sub-contractors or promised to give any bribe (directly or indirectly) to any person or bonus as described in paragraph (j), but offer any legal incentives and rewards to contractor's personnel shall not require the termination of the contract.
- k) If the contractor failed in implementing his contractual obligations and the percentage of deviation exceeds (40%) according to work progress schedule unless the work is in its final stages or the contracting party (employer) is unable to form speedup committees or the contractor refuses representation in these committees.
- l) If the engineer approved in writing to the employer that the following cases are realized:
 - That the contractor has waived the contract refrained from signing the contract text in spite of his commencement of work.
 - That the contractor has failed, without an acceptable excuse, to continue the works or the work progress is stopped for a period of (30) thirty days after receiving a written notice from the engineer that he must continue the works.
 - That the contractor fails in removing the materials from the site or works demolition or replacing them within thirty days after receiving a

written notice from the engineer that it has been decided to refuse the mentioned materials and works according to the provisions of contract.

- That the contractor has not implemented the works in accordance with the contract or is intentionally negligent and careless in fulfilling his obligations according to the contract.
 - That the contractor has contracted with a subcontractor concerning any part of the contract in form that harm the quality of work or violate the instructions of the engineer.
- m) If it is clear to the employer that the contractor has practiced an administrative corruption, fraudulent, collusion, oppression or obstruction, etc. shown in the Paragraph (15/6) below.

In any of these cases or circumstances, the employer may, after informing the Contractor in writing (warning him) for a period of 15 days, withdraw the work and keep the contractor out of the site .

The choice of the employer to withdraw the work should not affect any other rights of the employer realized to him under the contract, or otherwise.

The Contractor shall, in such a case, leave the site and delivers the engineer the required implementation supplies and all "contractor's documents" and any design documents prepared by the contractor or have been prepared in his favor.

However, the contractor shall do his utmost to implement immediately any reasonable instructions included in the notice which is sent by the employer, in relation to:

- a) Waiver any subcontracting
- b) Save the lives or properties or for works safety.

After work withdrawal, the employer is entitled to complete the works and / or use any other institutions to complete it. Then the employer and these institutions may use any of contractor's supplies, contractor's documents, and other designs documents prepared by the contractor, or those that have been prepared for his account .

Employer shall then, give notice to that contractor's equipment or temporary works will be released to the contractor at the site or adjacent to it, and the contractor shall immediately remove them on his responsibility and expense. only if it is found that the contractor has not to date paid any dues to the employer owed by him, the employer may sell the implementation supplies to collect his entitlements, and if a balance remained from the sale proceeds after the recovery of dues, then such balance shall be paid to the contractor.

Second: The employer, when the contractor violates the execution of contract works and the work reaches the final stages and the contracting party (employer) has the ability to execute the other works, then the contracting party (employer) has the right to form a speedup committee that undertakes the completion of works according to the conditions and procedures stated in the contracts guide in this regard.

15-3 Evaluation on the date of work withdrawal:

The engineer - and as soon as practicable - after the notice of withdrawal of the work has become effective under the provisions of paragraph (15-2), shall agree pursuant to the provisions of paragraph (3-5) on the value of the works and implementation requirements and contractor's documents and any other amounts accruing to the contractor in exchange for works performed under the contract, or make estimates about them.

15-4 Payment after the withdrawal of work:

The employer may, after the notice of withdrawal of the contract has become effective under paragraph (15-2), carry out the following:

- a) Proceed with the procedures related to his claims according to the provisions of paragraph (2-4).
- b) Stop the payment of any amounts to the contractor until the verification of the costs of works implementation, their completion and repair any defects therein, and determine the delay penalties accruing on the contractor (if any), and any other costs incurred by the employer.
- c) Deduct any losses and damages incurred by the employer and any additional costs paid up to the completion of the works of from Contractor's account, after calculating any amounts accruing to the contractor for termination of the contract under paragraph (15-3), and after the recovery of such losses, damages, additional costs, the employer shall pay any remaining balance to the contractor.

15-5 Termination of contract by the employer

First: the employer has the right to terminate the contract in the following cases:

- a) The employer has the right to terminate the contract in any time for the public interest, whereby he issues a warning concerning that to the contractor, and the termination shall be considered valid after the pass of (28) days after the contractor receives the mentioned warning or from the date of returning the good performance guarantee to him by the employer, whichever is later to the public interest in accordance with the order of the provisional coalition authority (disbanded) No. 87 for the year 2004 or any law that replaces it.
- b) If the contractor fails in completing a large part of the contract for a period more than (90) ninety days for reasons beyond his will, in accordance with the conditions and procedures stated in the contracts guide in the regard.
- c) If the execution of the contracting obligation becomes impossible and both parties agreed to termination.

Second: the employer has no right to terminate the contract in accordance with this paragraph, in order to execute the works by himself or to arrange to be executed by another contractor, or to avoid the termination of contract by the contractor in accordance with the paragraph (2/16)

Third: after this termination, the contractor shall stop the work and remove its equipment in accordance with provisions of paragraph (16/3) and then accounts will be settled by applying the provisions of paragraph(4/16)

15-6 Fraud and Corruption Practices:

If it became clear to the employer that the contractor exercises any of the administrative corruption, fraud or collusion or coercion practices or hindrance during the competition for the contract or its implementation, then the employer shall be entitled, and during the 14 days after the notice to the contractor thereby, to terminate the contract and to remove him out of the site and the apply the provisions of Article Fifteen as if the removal has been done under paragraph .(2-15)

And if it became clear that any of the contractor's personnel is involved in the administrative corruption, fraud or collusion or coercion, or hindrance practices through the implementation of works, then this employee shall be removed from the site in accordance with the provisions of paragraph 6-9

The employer shall adopt the following definitions for this purpose:

1. "Corrupt practices" shall mean provide or give or receive or solicitation of, directly or indirectly, anything of value to influence the work of an official in a position of public responsibility during the supply process or contract implementation;
2. "Fraudulent practices" shall mean any misrepresentation or deletion of any facts in order to influence the supply process or contract implementation;
3. "Collusion practices" shall mean any planning or coordination between two or more bidders, with or without the knowledge of the employer in order to set fake and uncompetitive prices;
4. "Coercive practices" shall mean harm or threat to harm, directly or indirectly, the persons or their properties to influence their participation on the supply process or to influence the contract implementation;

"Hindrance practices" and shall mean: the deliberate destruction or forgery or change in documents or withholding evidence necessary for investigation or give false testimony to investigators to hinder the investigation by the employer concerning administrative corruption practices or fraud or collusion or coercive practices or threat or harassment or obstruction of any party and prevent him from providing any information relating to the investigation or to prevent him from pursuing the investigation.

Article sixteen: Suspension of work and termination of contract by the contractor

16-1 Right of contractor to suspend the work

If the engineer did not approve any interim payment certificate under the provisions of paragraph (14-6), or if the employer did not comply with the dates of payments due to the contractor pursuant to paragraph (14-7), then the contractor may, upon notice in a period no less than (21) days to the employer, suspend the work (or to slow down the implementation process) until the contractor receives the advances, or a payment is made to him, as the case may be and according to what is contained in the notice.

This procedure by the contractor, will not affect his right to collect the expenses that might be realized to him under the provisions of paragraph (14-8), nor to his right to terminate the contract pursuant to paragraph.(2-16)

If contractor subsequently received notice of advances or installment due to him before he directs the notice of termination, he shall resume normal work as soon as practicable.

But if the contractor incurred a delay in the completion period and / or cost as a result of suspension of work (or slowing down the implementation process) under the provisions of this "paragraph", he shall send a notice to the engineer in this regard, to assess his requirements thereto, concerning

- a) The extension of completion period due to this delay, if the completion is delayed or will be delayed under the provisions of paragraph (8-4);(
- b) Any such cost to be added to the contract amount.

And after the engineer receives such notification, he shall proceed with the procedures under the provisions of paragraph (3-5) to agree on, or conduct estimates on these matters.

16-2 Contract Termination by Contractor:

Contractor is entitled to terminate the contract in the following cases:

- a) If the engineer failed to issue an interim payment certificate within (56) days after the date of his receipt statement of such payment with the supported data;
- b) If the contractor did not receive any amount due to be paid to him by the interim payment certificate within (42) days of the expiry of the deadline under which the employer shall make payment under the provisions of paragraph (14-7) (excluding deductions realized regarding the employer claims under paragraph (2-4);(
- c) If the employer breached substantially in the performance of his obligations under the contract in a manner that may cause adverse material impact on the economic balance of the contract and / or the ability of the contractor to perform the contract;
- d) If the employer breached the obligation of the provisions of paragraph (1-6) related wavering;
- e) If a prolonged suspension of work occurred affecting the implementation of the entire works as stipulated in paragraph (8-7);(
- f) The employer has become bankrupt or insolvent or placed under liquidation, or lost cash flow, or issued a court order to transfer his assets to a receiver or that he had held a financial settlement with his creditors or continued in the performance of the work under the supervision of a receiver or trustee or manager for the benefit of his creditors, or any incident or activity that has the same effect of these actions or incidents occurred (under the laws applicable.(
- g) Or in the case of non-receipt of the contractor of engineer's notice on the agreement of the parties in achieving the conditions of proceeding with the works under paragraph (8-1) (proceed with the works.(

In any of these incidents or circumstances, the contractor may, after notice to the employer in writing in a period of (14) day, terminate the contract, but the contractor may, by notice, terminate the contract immediately if any of the cases (f) or (g) above occurred.

The choice of the contractor to terminate the contract shall not prejudice any other rights realized to him under the contract or for other reasons.

16-3 Stoppage of Work and Removal of Contractor's Equipment:

After any of the notices concerning the termination of the contract by the employer in order to serve his interests under the provisions of paragraph (15-5), or the termination of the contract by the contractor under the provisions of paragraph (16-2, the contractor shall proceed immediately with the following:

- a) Stop the implementation of any work, unless instructions have been issued for the implementation of such work by the engineer for the purpose of protecting persons or property or for the safety of the works.
- b) Delivery of contractor's documents (documents pertaining to the contract) and mechanical supplies, materials and other works that has been paid for him.
- c) Remove all other implementation requirements from the site, except as required for safety matters and to leave the site.

16-4 Payment Upon Contract Termination:

Employer shall, after the notice to terminate the contract) has become effective, carry out the following:

- a) Return the good performance guarantee to the contractor.
- b) Pay the amount arising from any damage or another loss incurred by the contractor as a result of such termination.

Article Seventeen: Risks and Responsibility

17-1 Penalties:

Contractor shall indemnify and protect both the employer and his personnel and their agents against all claims, damages, burdens and expenses (including litigation's fees and expenses) in connection with the following:

- a) Bodily injury or sickness or illness or death caused to any person whatsoever if it was arising out of or during or due to contractor's designs (if any), or for the implementation of works, their completion and repair any defects therein, unless they were attributed to the negligence or willful act or rescind the contract by the employer or his personnel or any of their agents; and
- b) Damage or loss to real estate or personal property (with the exception of works) to the extent to which this damage or loss:
 1. Resulted from or during or due to contractor's designs (if any) or the implementation and completion of works and repair any defects therein.

2. Unless and to the extent that is attributable to any negligence or willful act or rescind of the contract by the employer or his personnel and any of their agents or any person employed by any of them directly or indirectly.

Contractor shall indemnify and protect both the employer and his personnel and their agents against all claims or damages or loss or expenses (including litigation's fees and expenses) in connection with the following:

- 1- Bodily injury or sickness or illness or death attributed to any negligence or willful act or rescind of the contract by the employer or his personnel and any of their agents; and
- 2- Any other matters where the responsibility for them excluded from insurance coverage, mentioned it in items (d -1.2, 3) of paragraph.(3-18)

17-2 Contractor's Care of Works :

The contractor shall be fully responsible for care of the works and implementation supplies starting from the date of commencement and until the issuance of the " initial acceptance certificate of the works " (or shall be deemed to have been issued) under paragraph (10-1), where this responsibility is passed on to the employer, and this concept applies to any section or part of the works where the "initial acceptance certificate of the works" has been issued, " (or shall be deemed to have been issued) in respect thereof.

After the passing of the responsibility to the employer accordingly, the contractor shall still remain responsible for the care of any remaining work at the date specified in the "initial acceptance certificate of the works" till the completion of the remaining works.

If any damage or loss incurred to the works or implementation supplies or contractor's documents during the contractor's responsibility of care, for any reason whatsoever (except the risks stated in paragraph 17-3 later), the contractor shall repair (correct) such loss or damage on his own account and responsibility, till the works, implementation supplies and contractor's documents shall be in conformity to the contract.

The contractor shall remain responsible for any damage or loss that may result from the actions of the contractor after the issuance of the initial acceptance certificate of the works, as well as any damages or losses that might occur after issuing the initial acceptance certificate of the works, but it is a result of a previous incident the contractor was responsible for it.

17-3 Employer's Risks (excluded risks):

The risks listed below are those that have a direct impact on the implementation of works:

- a) War or hostilities (whether war was declared or not), or invasion or the acts of foreign aggression;
- b) Insurgency or acts of terrorism or sabotage from people who are not contractor's personnel and the revolution or rebellion or seize power by force, or the civil war in the country;

- c) Strikes or riots or disorderly movements within the country of people who are not contractor's personnel;
- d) Ordnance, explosive substances or ion radiation or nuclear radiation pollution within the country, with the exception of what results from the use of the contractor for such ammunition or explosive substances or radiation;
- e) Pressure waves caused by aircraft and air means of transport surging speed of sound or at supersonic speed.
- f) The contractor uses or occupancy of any part of the permanent works, except what is stipulated in the contract;
- g) Designing any part of the works that has been prepared by employer's personnel or by others who is under the contractor's responsibility; and
- h) Any operation of the forces of nature, which is considered unforeseen, or which cannot be expected to take appropriate preventive measures against it from an experienced contractor.

17-4 Consequences of Employer's Risks:

If and to the extent that results from any of the risks listed in paragraph (17-3) above any loss or damage to the works or implementation supplies or contractor's documents, the contractor shall give notice to the engineer immediately, and repair the damage or loss to the extent required by the engineer.

If the contractor incurred delays in the implementation and / or a cost due to the repair of such damages or losses, he shall send another notice to the engineer to assess his requirements in this regard, concerning:

- a) Extension of the completion period due to this delay, if the completion is delayed or will be delayed, under the provisions of paragraph (8-4); and
- b) Any such cost, to be added to the contract amount. With calculating a profit margin for the cases (f, g) mentioned in paragraph (17-3) above shall be added to the cost.

The engineer shall, after receiving the subsequent notice, act according to the paragraph (3-5) in agreement thereon or to make estimates in respect thereto.

17-5 Intellectual and Industrial Property Rights:

The term "infringement" in this paragraph shall mean: any infringement (or claimed infringement) on any rights such as patented invention or registered designs, copyrights or trademarks or trade names or trade secrets or other intellectual or industrial property right relating to work, as the term "claim" shall mean any claim (or proceedings of claim) by claiming the occurrence of infringement.

If a party did not send any notice to the other party about any claim within (28) days from the date of receipt of the claim, the first party (in this paragraph) shall be considered that he has waived his right to compensation under the provisions of this "paragraph."

Employer shall compensate the contractor and protect him from any claim of infringement, if the claim:

- a) Has happened as a result of the contractor's compliance with the provisions of the contract, which he cannot avoid; or
- b) Resulted from the use of the employer for any works:
 1. For a purpose other than intended or which can be deduced from the contract, reasonably; or
 2. Connected to anything the contractor did not supply, unless such use is known to the contractor before the "Basic Date," or stipulated in the contract.

The Contractor shall indemnify and protect the employer against any other claims that may arise out of or in connection to:

- a) The design or manufacture or sell or import any of the implementation supplies;
- b) Any design for which the contractor is responsible for.

If any party entitled compensation under the provisions of this "paragraph," the indemnifying party shall negotiate on his account to settle the claim through judicial or arbitral proceedings that may ensue. And the other party shall assist in challenging the dispute at the request and account of the indemnifying party. And the other party and his personnel shall refrain from providing any acknowledgment that might be unfair against the indemnifying party, only if the indemnifying party has failed to hold negotiation or litigation or arbitration at the request of the other party.

17-6 Limitation of Responsibility:

No party shall be responsible to the other party for the loss of use of any works, or the loss of profit of any contract, or loss of opportunity to win other contracts, or for any indirect or consequential loss or damage that may cause the other party due to the contract, with the exception of what has been stipulated in the delay penalties under paragraph (8-6) and the cost of repairing defects under paragraph (11-2), and payment after contract termination under paragraph (15-5), and payment upon completed under paragraph (16-4) and penalties (fines) under paragraph (17-1) and consequences of employer's risks under clause (17-4-b) and intellectual and industrial property rights under paragraph.(5-17)

The overall responsibility borne by the contractor to the employer under the contract or in what is connected to it, shall not exceed the amount resulting from the proceeds of multiplying the coefficient (factor) that is more or less that the amount acceptable to the contract as specified in the special conditions, or the amount acceptable for the contract in the absence of reference to such coefficient (factor) in the contract data except the following:

- Supply with electricity and water in accordance with paragraph.(17-4)
- Employer's equipment and materials provided by him for free under paragraph .(18-4)
- Penalties (fines), under paragraph.(1-17)
- Intellectual and industrial property rights, under paragraph.(5-17)

The provisions of this "clause shall not limit" the responsibility of the party in breach of any cases of fraud or willful default or misconduct, carelessness of his part.

17-7 Use of employer's service headquarters and residences main offices:

The contractor shall take full responsibility for the care of department headquarters and residence of employer's representatives at the sites (if any) and as defined in the specification, starting from the date of handover the site to the contractor until the date of the evacuation due to the evacuation of works (if the evacuation is at a later date to the date specified in the initial acceptance certificate of the works).

If any loss or damage occurred at the above-mentioned headquarters during the validity of the contractor's liability for them that results from any reason whatsoever, but it is not due to the employer, the contractor shall at its own expense repair the damage and replacing missing parts, according to the engineer's requirements

Article Eighteen: Insurance

18-1 General Requirements for Insurance:

The term "insurer party" in "this paragraph" - for each type of insurance, shall mean that party responsible for obtaining and maintaining the insurance provided for in any of the "items" of this article.

Where the contractor shall be the "insurer party" he shall procure insurance with the insurance entities and in insurance conditions acceptable to the employer, so that the conditions are compatible with any conditions the parties agreed before the date of "Award Letter", because these conditions agreed upon have the precedence over the provisions of this "article."

Where the employer shall be the "insurer party" he shall procure insurance with the insurance entities and in insurance conditions acceptable to the contractor, so that the conditions are compatible with any conditions the parties agreed before the date of Award Letter, and these conditions agreed upon shall have the precedence over the conditions mentioned in this article.

And if it is required in the insurance policy to provide compensation for joint insurance (i.e., for both parties combined), then insurance cover shall apply for each insured party independently as though a single document has been issued to him. If the insurance policy stated to provide compensation "for additional participants" meaning any other people other than the non-insured parties under the provisions of this "article" then:

1. The contractor shall act on behalf of these additional subscribers with the exception the employer's personnel, where the employer shall be deemed on their representative;
2. Those additional subscribers shall not be authorized to receive payments directly from the insurance body or to have any direct contact with that insurance body; and
3. Party insurer to ask all these additional subscribers to comply with the conditions contained in the insurance policy.

And it is required in each insurance policy against loss or damage, that its compensation to be paid in currencies necessary to compensate for the loss and damage, and that the payments offered by the insurance bodies to be used for the purpose of compensation for the loss or damage.

The "insurer party" concerned shall provide the other party, during the periods specified in contract data (or which their start shall be calculated from commencement date), the following;

- a) A proof that the required insurance documents have been obtained under this article; and
- b) Copies of insurance documents related to insurance on works and contractor's equipment under paragraph (18-2) and insurance against bodily injury and damage to properties under paragraph (18-3).

And the "insurer party" shall, on each premium payment, provide copies of payment receipts to the other party, and when submitting documents or payments receipts to the other party, he shall notify the engineer of this.

Each party shall adhere to the conditions listed in any of the insurance documents. And the "insurer party" shall notify the insurance authority of any changes occur in the works and to ensure the sustainability of the validity of the insurance documents under the provisions of this article.

No party shall have the right to make any fundamental amendment on the conditions of any insurance documents without obtaining the prior approval of the other party. And if the insurance authority made (or tries to make) any amendment on the insurance conditions, the party first notified by the insurance authority of change order shall notify the other party of this matter immediately.

If the "insurer party" delayed in obtaining and maintain any insurances required of him according to the contract terms, or failed in providing proof acceptable and copies of documents according to the requirement of this "paragraph", the other party may: (by his choice and without prejudice any of his rights or procedures) obtain insurance documents with the required coverage, and to pay its premiums, and the insured party shall pay the value of these premiums to the other party, and the contract value shall be amended in the amount of the sums paid.

Any provision of this article shall not form a limitation of any of the duties or obligations or responsibilities of the contractor or the employer under any other provisions in the contract or other reasons. Both the contractor and / or the employer shall bear any amounts not covered

by insurance or not been collected from the insurance authorities each according to what is required of him under such duties or obligations or responsibilities. Except the case where the "insurer party" fails to obtain and maintain insurance policy that can be issued, and be required under the provisions of the contract, and the other party did not approve its cancellation and he in return did not conclude insurances to cover such infringement, then any amounts that could have been recovered from insurance against obtaining such document (policy), shall be borne by the "insurer party."

The payments any party pays to the other, shall be subject to the provisions of paragraph (2-4) related to employer's requirements or paragraph (20-1) related to contractor's requirements, as applicable.

The contractor shall have the right to carry out insurance related to the contract (including but not limited to the insurance referred to in article eighteen with insurance companies in any eligible country).

18-2 Insurance on Works and Contractor's Equipment:

The "insurer party" shall procure insurance on the works, mechanical supplies, materials and contractor's documents in an amount no less than its replacement value in full, plus the cost of demolition and transportation of debris and fees of professional wages and profit. This insurance shall enter into force as of the date in which a proof is required to be presented under item (18-1-a) and till the date of issuance of the "initial acceptance certificate of the works."

And the "insurer party" shall maintain the sustainability of the insurance cover till the date of issuance of the "initial acceptance certificate of the works", against any loss or damage that the contractor is responsible for any causes precede the issuance of the "initial acceptance certificate of the works" and against any loss or damage might be caused by the contractor during his conduct of the defects repair process pursuant to the provisions of article eleven. The 'insurer party' shall insure the contractor's equipment in an amount no less than its full replacement value including the cost of delivery to the site, taking into account that this insurance shall be valid for all piece of equipment during its transportation to the site and till no longer needed as contractor's equipment.

Unless provided otherwise in the special conditions, the insurance under this paragraph shall consider the following:

- a) The insurance to be effective and sustainable by the contractor as an insurer party;
- b) The insurance to be in the name of the two parties jointly, and who is entitled jointly to obtain insurance amounts from insurance bodies, and then they are saved or allocated to the party who will bear the cost of repairing the damage or loss;
- c) To cover all damage or loss resulting from any case not mentioned in the employer's risks stated in paragraph (17-3. (
- d) Also to cover any damage or loss that might be incurred by any part of the works attributed to the employer use or his occupation of other part of the works, and all damage or loss related to the risks listed in items (17-3 c, g, h) of the employer's risks, with the exception of the risk cases that cannot be insured in commercial conditions, with a discount amount for each incident that shall not exceed the amount specified in the special conditions, (and if an amount is not specified in the special data, this paragraph (d) shall not apply ; (
- e) However, insure for damage and loss or replacement may be excepted for the following reasons:
 1. Any part of the works that is in defective condition due to a defect in design, materials or manufacturing (but he shall maintain the insurance cover for any other parts damaged as a result of this situation directly, but not for the reasons set forth in item (2) later);
 2. Any part of the works suffered a damage or loss due to re-construction other parts of the works, if this other part is in a defective condition due to a defect in design, materials or manufacturing;
 3. Any part of the works had been delivered to the employer, except to the extent that the contractor shall be responsible for coverage of damage or loss; and
 4. Implementation supplies when they are not available in the country, taking into account the provisions of paragraph (14-5) with respect to the mechanical supplies and materials intended to be used in the works.

If it is found out - after one year of the "Basic Date" - that the insurance cover described in paragraph (d) above is not available on reasonable commercial basis, the contractor shall "as an insurer party" to give notice to the employer on the subject, accompanied by supporting details. And the employer:

1. Entitled – taking into account the provisions of paragraph (2-4) – to obtain an amount from the contractor equal to this commercial insurance cover that the contractor expected to be paid for such cover; and
2. The employer is considered, unless he obtains insurance coverage at a commercial basis, has approved the cancellation of the insurance under the provisions of paragraph.(1-18)

18-3 Insurance Against Personal Injury and Damage to Property:

The "insurer party" shall insure against the liability of either party for any death or bodily injury or any loss or damage can be caused to any material possessions (except for works and contractor's equipment insured under the provisions of paragraph 18-2), or by any persons insured under the provisions of paragraph (18-4), for what can result from the implementation operations carried out by the contractor before the issuance of the "final acceptance certificate of the works."

The value of this insurance for each accident shall not be less than the amount specified in the special conditions, without a limit to the number of occurrences, (and if such any amount is not mentioned in this regard in the bid annex, the provisions of this paragraph shall not apply).

Unless otherwise provided in the special conditions, the following shall be considered for Insurance contained in this "paragraph:"

- a) To be obtained and maintained by the contractor as an "insurer party;"
- b) The insurance shall be in the name of both parties jointly;
- c) Its range to be expanded to include liability against loss and damage incurred on the employer's property, which may result from contractor's implementation of the contract works, (except for the things that is insured under paragraph: 18-2) and that arising from the contractor's implementation of the contract.
- d) In spite of that, liability may be excluding to the extent that might arise with it:
 1. Employer's right to implement permanent works above or over or under or through any land, and he occupy this land for permanent works;
 2. The damage that is considered an unavoidable result of contractor's obligations to implement works and repair any defects therein;
 3. Any case included in the employer's risk in paragraph (17-3) unless the insurance cover was available to it under commercial terms.

18-4 Insurance on Contractor's employees:

The Contractor shall hold and maintain in force liability insurance against claims, damages, losses and expenses (including litigation's fees and expenses) that may result from disease or illness or death of any person is used by the contractor or any of his employees.

The insurance shall include the employer and engineer for any claims for penalties (fines), loss, damage and any amounts due to injury, illness or disease or death of any of contractor's employees, except that this insurance may not include the loss and penalties (fines) resulting from any act or negligence of the employer or his representatives.

This insurance shall be sustained effectively and continuously for the time period in which these people are involved in the implementation of works, as for any subcontractor's personnel, the subcontractor may procure insurance for them, but the contractor remains responsible for compliance with the provisions of this Article.

Article Nineteen: Force Majeure

19-1 Definition of Force Majeure:

The term "force majeure" shall mean in this "article" any occurrence or exceptional circumstance characterized by:

- a) It is beyond the control of any party;
- b) That party was not able to take guard against it reasonably before the conclusion of the contract;
- c) That party was not able to avoid or avert it reasonably when it occurs ;
- d) It does not substantially attributable to the other party.

The force majeure may include, but not limited to any of the following incident types or exceptional circumstances, as long as all of the conditions (a, b, c, d) listed above have been all achieved:

1. War or hostilities (whether war was declared or not), or invasion or acts of foreign enemies;
2. Insurgency or acts of terrorism or sabotage from people who are not contractor's personnel and the revolution or rebellion or seize power by force, or civil war;
3. Strikes or riots or disorderly movements within the country of people who are not contractor's personnel;
4. Ordnance, explosive substances or ion radiation or nuclear radiation pollution within the country, with the exception of what results from the use of the contractor for such ammunition or explosive substances or radiation ;
5. Natural disasters such as earthquakes and hurricanes and heavy storms or volcanic activity.

19-2 Notification of Force Majeure:

If the force majeure was a cause that prevents (or will prevent) party's performance of any of his contractual obligations, he shall notify the other party of the event or circumstance which constitutes a force majeure specifying in this notice the obligations which are (or will be) impossible for him to perform. Notice shall be given within (14) day after the date in which the party become aware (or supposed to be aware) of such event or circumstance which constitutes a force majeure.

Thus, the party after issuance the notice shall be excused from performing his obligations mentioned as long as the force majeure event prevents this.

In spite of any provision in this article, the force majeure event shall not apply on any of the parties' obligations to pay the installments to the other party under the contract.

19-3 The duty to reduce delay:

Each Party shall make every reasonable effort, at all times, to reduce delay in performing his obligations under the contract, as a result of force majeure .

And each party shall also know when the other party ceased to be affected by the force majeure event.

19-4 Consequences of Force Majeure:

If contractor have been prevented from performing any of his fundamental obligations under the contract as a result of force majeure and a notice has been sent in this regard pursuant to paragraph (19-2) and he incurred as result thereon delays in the implementation period and / or the cost, the contractor shall be entitled to claim the following:

- a) Extension of completion period due to this delay, if the completion is delayed or will be delayed, under the provisions of paragraph (8-4);(
- b) Recover any such cost inclusive the of cost repair or re-implementation of works and / or replace the goods affected or damaged due to any force majeure to the extent that cannot be compensated through insurance policy referred to in paragraph (18-1), if the incident or circumstance of a kind described in any of items (2, 3, 4) of paragraph (19-1) of this article.

The engineer shall, after receiving this notice, proceed under paragraph (3-5), to agree or prepare his estimates of the cost mentioned.

19-5 Force Majeure Affecting Subcontractor:

If any subcontractor is entitled under any contract or agreement of works to any exemption as a result of force majeure under additional conditions or broader conditions than those specified in this article, those events or additional conditions or broader conditions of force majeure shall not exempt the contractor in case of non-performance and shall not conferred any exempt under the provisions of this Article.

Article Twenty: Claims, Disputes and Arbitration

Contractor's Claims:

- 1- Disputes shall be settled after signing the contract as follows:
 - a) "Amicable" settlement and shall be through the formation of a joint committee between the dispute parties represented by the contracting party (employer) and the contractor in accordance with the provisions of the law, the provisions in force and contract items and minutes of such agreement between the parties is prepared and approved from the head of the contracting party (employer).(
 - b) When no amicable agreement is reaches, recourse shall be made to one of the methods that should be stated in the contract and are as following :

First: Arbitration shall be according to the following:

- 1 -National arbitration: shall be according to the procedures specified in the tender conditions or the Civil Procedure Law no. (83) of 1969 and as indicated in the special conditions.
- 2 -International arbitration: the contracting party (employer) may choose international arbitration for settlement of disputes in cases of necessity and for major or important strategic projects and where one of the contract parties is a foreigner with taking the following into account :
 - a) The selection of an international arbitral tribunal.
 - b) Determining the site and language of arbitration.
 - c) Adoption of Iraqi law as applicable law.
 - d) The employees of the contracting party (employer) having the necessary qualifications for the settlement of disputes in this manner.

Second: Referring the dispute to the competent court in order to resolve it.

- 2- The contract's parties commit to choosing the best method for settling the dispute resulting from implementing the contract in accordance with one of the methods stated in this article in accordance with the agreed terms of contracting, which should be mentioned in the tender documents.

Part Seven

Special Conditions of the Contract for Contracts of Executing General Works

The special conditions described later on are complementary to the general conditions of the contract, whenever and wherever there is a dispute, its provisions prevail over those stipulated in the general conditions of the contract.

Special Conditions of the Contract

Insert the name of the project	(Insert Bid Number)	
Data	Item Number of the General Conditions of Contract	Limitations
Name and Address of Employer	1/1/2/2 and 1/3	(insert employer's name) (insert his address including Phone, Email, Website, Fax)
The engineer: His Address:	1/1/2/4 and 1/3	(insert name of engineer) (insert his Address, Phone, Email)
Works Completion Period	1/1/3/2	() days If the works were in several parts, refer to a summary schedule of completion of each part
Maintenance Period (defects repairs period)	1/1/3/5	() calendar days
Work Parts	1/1/5/6	If the works were in several parts, refer to the work parts schedule
Communications	1/3	Means of communications allowed
Governing Law of the Contract	1/4	(insert the Governing Law of the Contract)
Adopted Language in the Contract	1/4	(insert the adopted language (languages))
Communication Language	1/4	(insert the adopted language (languages))
Date of the Contract Conclusion	1/5	(insert date)
Delay in Issuing Drawings or Instructions	1/8 (b)	Not applicable
The right to access the site	1/2	Estimation of the contractor's entitlement due to the failure of the employer to enable him to enter the site (not applicable)
Date of the Site Delivery	1/2	The Date of site receipt shall be before the commencement date, excluding the parts Site forth later (if its applicable with detailed description for these parts) ----- days after the commencement date
		Insert parts of the works Insert date

			of the take over
Authorities and duties of the engineer	1/3 (b) (second)	Changes that will result in increasing the accepted value of the contract, with a percentage (%) requires to be subjected to the employer's approval	
Good Performance Guarantee	4/2	Good Performance Guarantee is a form of Bank Guarantee (insert the percentage that it represents from the accepted price value with the same currency (currencies) of accepted contract value	
Setting up the dimensions	4/6 (b)	Not applicable	
Unforeseen material condition	4/11 (b)	Not applicable	
Transportation of execution requirement	4/14	Enter any other provisions or conditions	
Security at site	4/20	Enter any other provisions or conditions	
Antiquities	4/22 (b)	Not applicable	
Daily Working Hours	6/5	(insert daily working hours)	
Test	7/4-(b)	Not applicable	
Commencement of work	8/1	(insert commencement date)	
Work Progress Schedule	8/3	In case the contractor fails to submit a valid work progress program, he will subject to a penalty of (insert proposed penalty)	
Delay Compensation (Delay Penalty)	6/8	(insert delay penalty amount per day and the equation of its calculation) if the contract included delivering project parts by stages, to notice the schedule at the end of data	
Maximum Delay Penalty	6/8	-----% of final contract amount	
Stoppage of work	7/8	If the stoppage of work continues under this paragraph for a period of more than () days, the engineer may authorize the Contractor to resume work	
Interference in the Conducting of Tests upon Completion:	10/3 (b)	Not applicable	
Extension of Maintenance Period	11/3	Insert period of extension of maintenance	
Contractor's Duty to Look for Reasons	11/8	No profit margin applicable	

Reserve Amounts	13/6	(in case there is an amount of the general reserve, insert its percentage of the contract amount)
Adjustments because of changes in legislations	13/7	If the work suspension continued, in accordance with Para 8/8, for a period exceeding () days the engineer is permitted to notify the contractor to resume the work.
Adjustments because of changes in the Cost	13/9	The time period for the review prices (insert the proper time period to review the prices) (applicable – not applicable)
Contract Value	14/1	Insert contract value
Taxes	14/1 (b)	Contract value free of tax and customs duties (insert yes or no)
Maximum limit for Advance Payment	14/2	-----% of the contract value (the contracting party (employer) has to consider the proportions specified in the instructions of implementing the prevailing investment budget and the procedures of the collecting these advances)
Advance Payment Refunding	14/2	(Insert the refunding date of the installments) (Insert the refunding percentage for each installment) (the contracting party (employer) has to consider the limits of these proportions according to the instructions of the investment budget prevailing at that time and the procedures of the collecting these advances)
Cash Deductions Percentage	14/3	-----%
Cash Deduction Limits	14/3	-----% of the accepted amount of the contract
Payments Schedule	14/4	Insert payment conditions
Equipment's and Goods included in Works	14-5-b-(1)	In the event of adopting 14-5, insert list of Equipment's and Goods to pay their amounts upon shipping (FOB) or the other methods adopted in commercial sales (to be determined clearly by the contracting party (employer)) in accordance Incoterm
	14-5-c-(1)	Insert list of equipment and Goods to pay their amounts upon arrival at Site (CIP)
Minimum of interim payments	14/6	(Insert ...% of the accepted amount of the Contract)
Payment to contractor	14/7	Insert payments table

Late Advances	14/8	If the contractor received any advance payment due to him according to Para (14/7), he has the right to receive the financing expenses for any delayed amounts to be paid to him (insert applicable, not applicable)
Name of party who issued the annual deduction percentage in order to specify the amount of financing expenses for delaying in paying interim payments.	14/8	If applicable (Insert the name of the financial organization) , not applicable)
Final Advance (upon receiving the works	14/10	The contractor has to submit to the engineer within a period not exceeding () days from the date he receives the preliminary acceptance certificate of the work, the statement of the final account
Payment currencies	14/15	The employer pays the contractor with the currency or currencies as following: ()
Payment after work withdrawal	15/4	(to consider the prevailing legislations in the payment of contractor's dues)
The right of the contractor in terminating the contract	16/2	Insert (Applicable – not Applicable)
Consequences of Employer's Risks	17/4 (b)	No profit margin applicable
Maximum Responsibility borne by the contractor toward the employer	17/6	(Insert one of the two alternatives set forth later on) multiplied by (factor less or more than one) in the accepted value of the contract, or (insert a higher value for the commitment of the contractor)
Insurance Documents Submission A- Insurance Confirmation B- Insurance Policies	18/1	(Insert the period specified to submit the Document of insurance and insurance policy. The period is between 14-28 days ----- day ----- day
Maximum insurance deductions amount of damages arising from the works of the employer to any part of the works	18/2 (D)	(insert applicable "insert the maximum amount of deductions", not applicable)
Minimum Insurance	18/3	(insert the insurance amount of the third

amount for the risks of third party		party)
Settlement of disputes method	20	(insert the method adopted for settlement of disputes)

Schedule: Summary of Parts Constituting the Works

Name of Part / Description	Date of Completing the Part according to Para (1/1/3/3)	Delay Penalty according to Para (8/7)

Part Eight

Unified Forms

Notification of Award

Shall be written on employer's letterhead)

[Insert the number]

[Insert the date]

To: (contractor's name and address)

Subject/ Award of Works {insert contract's number, identification and title}

We would like to inform you that approval has been obtained on your bid dated {Insert the date} for the implementation of works {contract name and number as specified in the special conditions} and with the accepted value of the contract value of {Insert the amount in numbers and words} {Insert the currency} as being corrected and amended according to the instructions to bidders and has been accepted.

For your kind information and provide us with a good performance guarantee within 28 days of the date of the issuance of the notification of award above and be acknowledged thereby and under the special and general conditions of the contract, and we enclose herewith a copy of the contract agreement with its general and special conditions..

With appreciation

Attachments:

Contract agreement

General conditions

Special conditions of the contract

Authorized signature:

Signatory's name and title:

Employer's name:

Contract

This agreement is made on {insert the day, month, year} between first party {insert the contracting party (employer) and its address} (hereinafter called the "employer") and the second party

{insert the name and address of the contractor} and whereas the employer wishes the contractor to implement the works specified in the contract {insert contract's name and number} and the employer approved the contractor's bid to implement and complete these works and to repair any defect therein.

Both parties have agreed on the following:

- 1- The words and paragraphs mentioned in this agreement shall have the same meaning assigned to them in contract documents.
- 2- Each of the documents listed below shall be deemed to constitute, read and interpreted, as an integral part of this Contract Agreement, and this contract agreement shall prevail over all the remaining contract documents.

- (1) Contract Agreement ;
- (2) Special conditions of the Contract;
- (3) General conditions of the contract;
- (4) Letter of Award;
- (5) Specifications;
- (6) Drawings;
- (7) Complete Tables;
- (8) Amendments to Bid submission form.... (if any)
- (9) Bid Submission Form

3. Contractor undertakes to implement and complete the works and repair any defect therein in all respects under the requirements and conditions of the contract for the amounts to be paid to him by the employer and as specified in the Contract Agreement.
4. The employer undertakes to pay the contractor, in exchange for his implementation and completion of the works, and repair any defect therein, the value of the contract or any other amount due under the provisions of the contract at the times and in the manner stipulated in the contract.
5. It can be noted that the contract is subject to instructions for implementing government contracts in force.

In witness whereof, the parties hereto caused this agreement to be implemented under the Iraqi law and the Iraqi legislations organized to perform the government contracts.

Signature {Insert the name, position and address of employer representative}

Signature {Insert the name, position and address of contractor representative}