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www.fidic.org



New Official Guidance on Modifying FIDIC Conditions of Contracts FIDIC Golden Principles

Implementation in the Region

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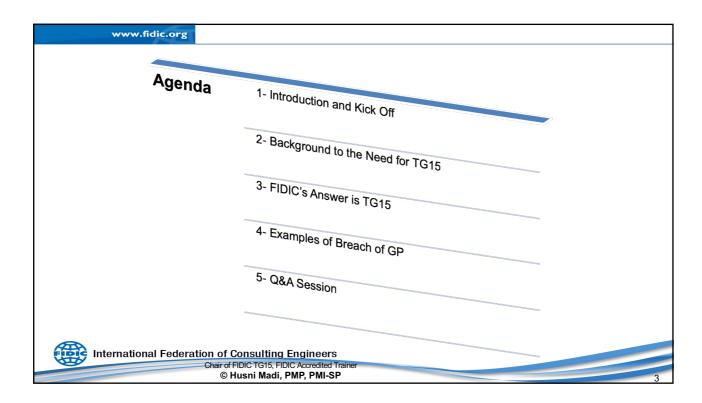
Chairman of FIDIC Task Group 15
FIDIC International Accredited Trainer
FIDIC Affiliate Member
Friendly Reviewer of FIDIC Updates
Adjudicator and Arbitrator

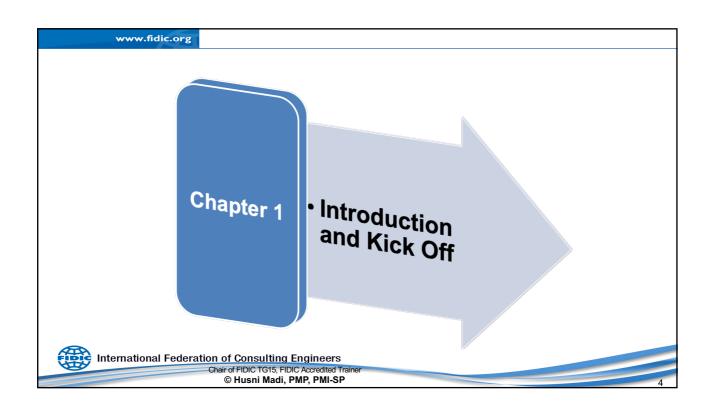
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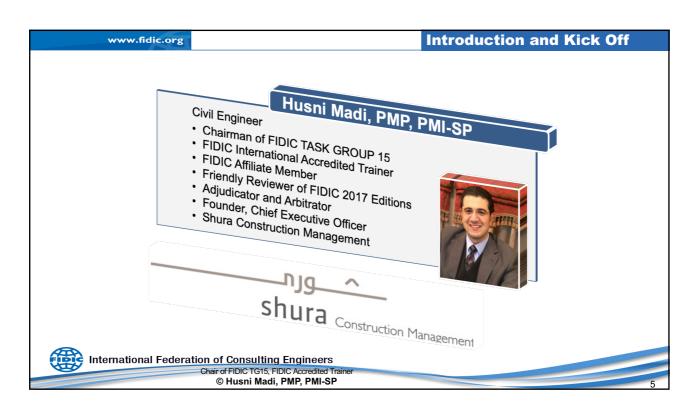


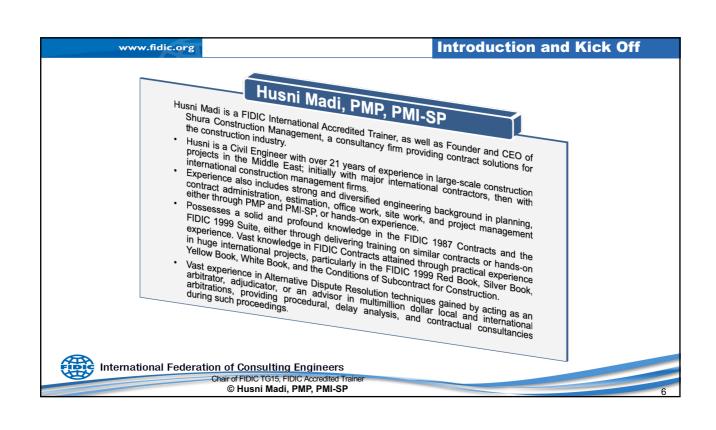






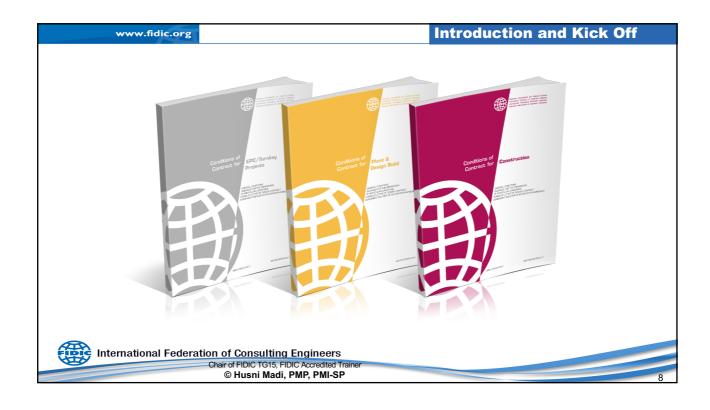
















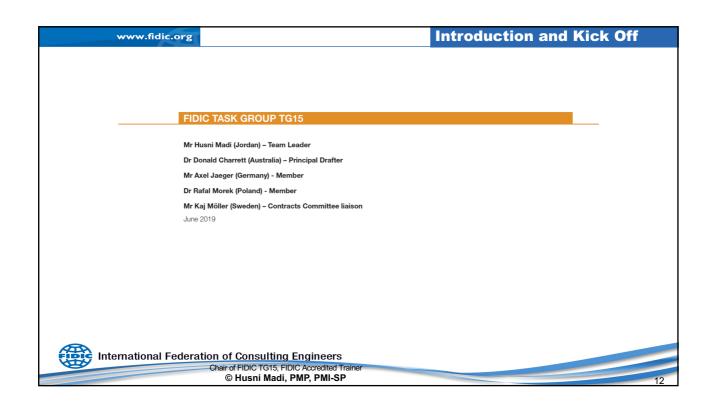


www.fidic.org **Introduction and Kick Off ACKNOWLEDGEMENTS** Ulrick Bang-Olsen, Bang-Olsen & Partners Law Firm P/S, Denmark; Rusli Bin Idrus, RBI Consultants, Malaysia; Hartmut Bruehl, Engineer, Germany; Gerlando Butera, Solicitor/ lawyer, Singapore; Donald Charrett, MTECC, Australia; Edward Corbett, Corbett & Co International Construction Lawyers Ltd, UK; Jorge Diaz-Padilla, Systec, Mexico; Mark Etheridge, UWP Consulting Pty (Ltd), UK; European International Contractors, Berlin, Germany; Nicholas Gardner, UNOPS, Denmark; Jeremy Glover, Fenwick Elliott LLP, UK; Nicholas Gould, Fenwick Elliott LLP, UK; Sarwono Hardjomuljadi, Special Adviser to the Minister of Public Works, Indonesia; David Heslett, ECV Consultancy LTD, UK; Sebastian Hoek, Kanzlei Dr. Hök Stieglmeier & Kollegen Berlin, Germany; Reza Ikani, Tehran Berkeley Group of Companies, Iran; Levent Irmak, MC2 Modern, Turkey; Gordon Jaynes, Lawyer, UK; Nabeel Khokar, Driver Trett, UK; Patrick Lane, The Maisels Group, South Africa; Pablo Laorden, Lambal Formacion, Spain; Husni Madi, Shura Construction Management, Jordan; Benjamin Mellors, Holman Fenwick Willan LLP, UK; Christopher Miers, Probyn Miers, UK; Smore Mushtaq Ahmad, Pakistan; Henry Musonda, Kiran & Musonda Associates, Zambia; Kjeld B Nielsen, Sweco, Denmark; Orgalime, Belgium; Patrizia Palmitessa-Savric, Ginder Palmitessa **International Federation of Consulting Engineers** © Husni Madi, PMP, PMI-SP



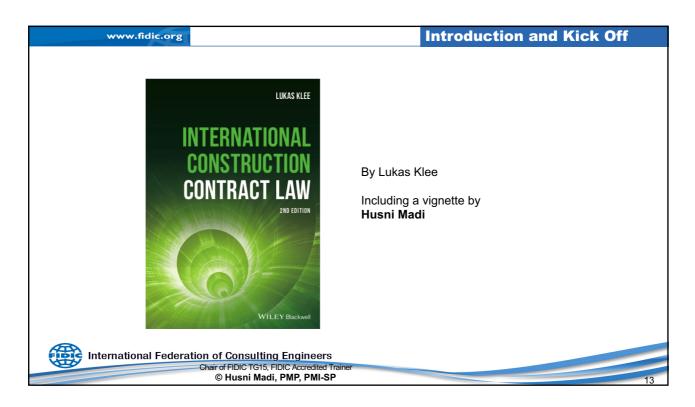


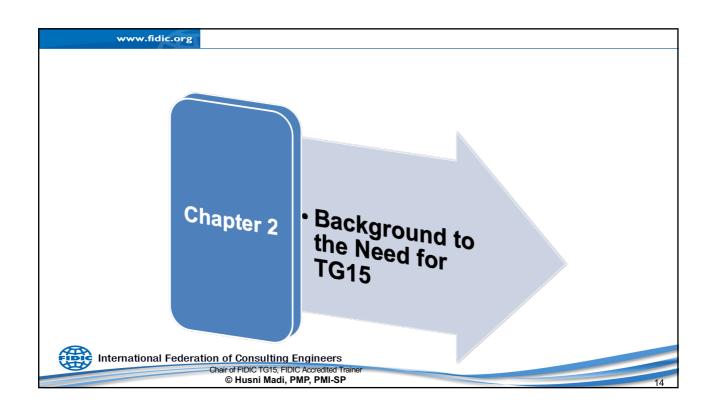
International Federation of Consulting Engineers Chair of FIDIC Tots, FIDIC According Trainer © Husni Madi, PMP, PMI-SP





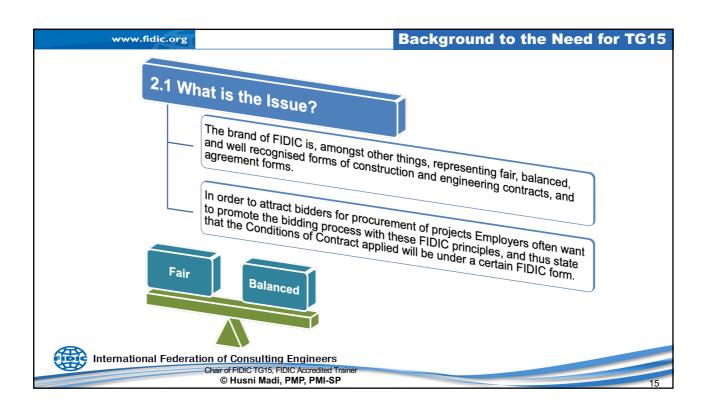


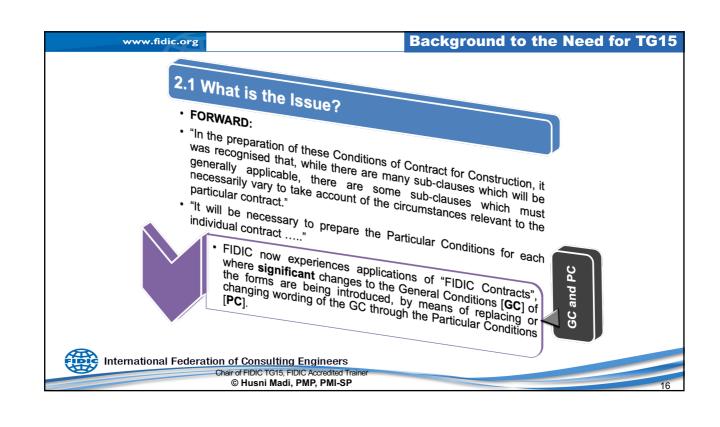








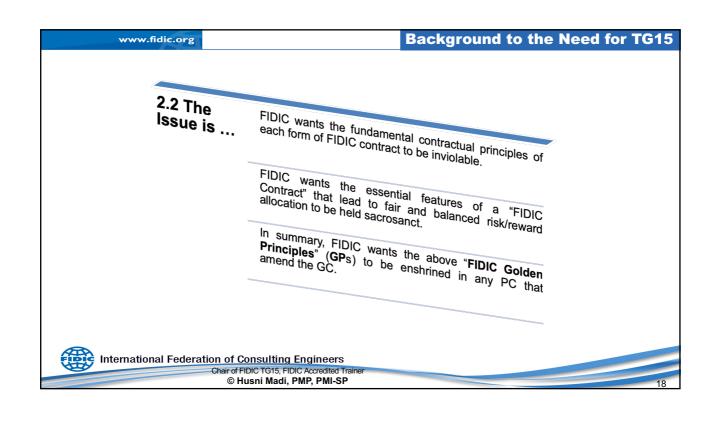






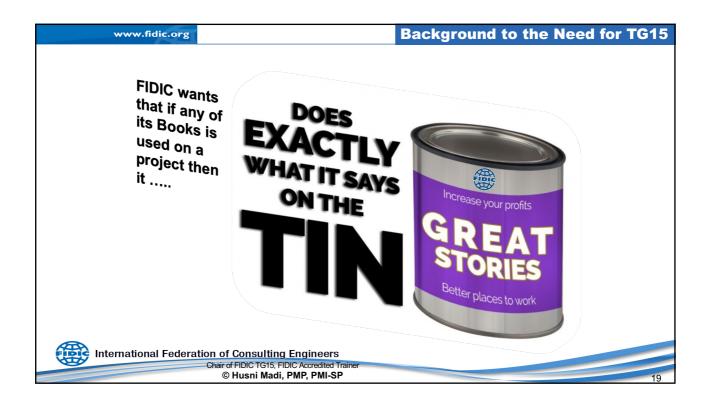


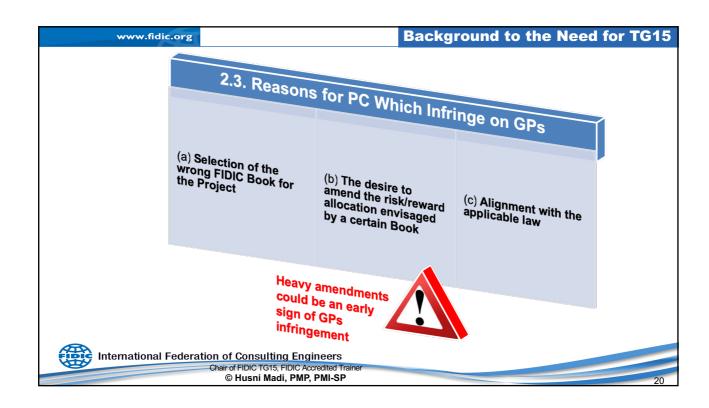
Background to the Need for TG15 www.fidic.org 2.2 The The replacements and changes introduced have lately Issue is ... been found to be substantial and of such extent, that the final contract or agreement no longer represents the FIDIC principles, and thus are jeopardising the "FIDIC FIDIC is concerned that such modified contracts which purport to be "FIDIC Contracts" are damaging FIDIC's reputation for fair and balanced contracts, and misleading tenderers and the public. THIS IS NOT ACCEPTABLE BY FIDIC International Federation of Consulting Engineers © Husni Madi, PMP, PMI-SP





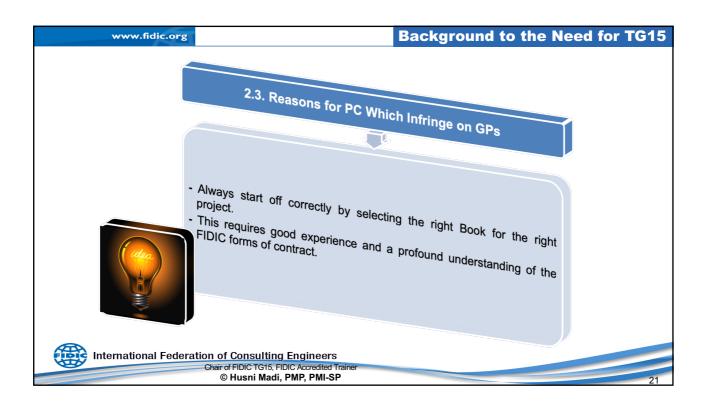


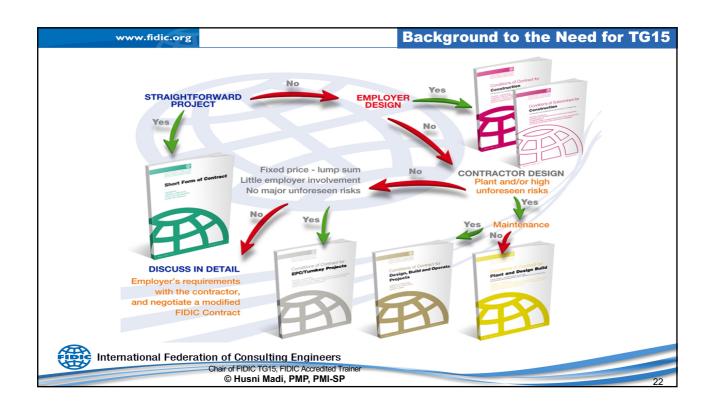






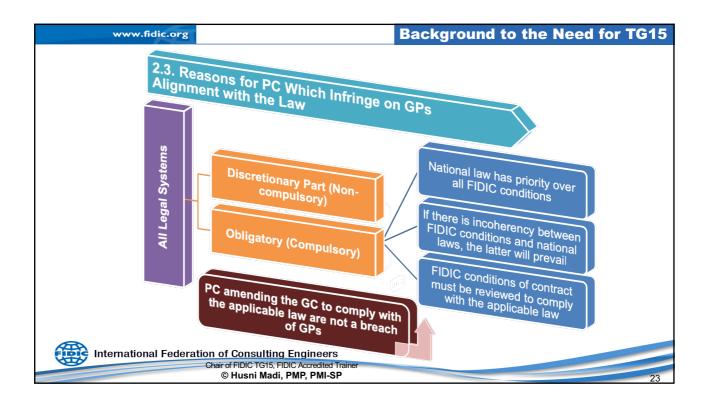


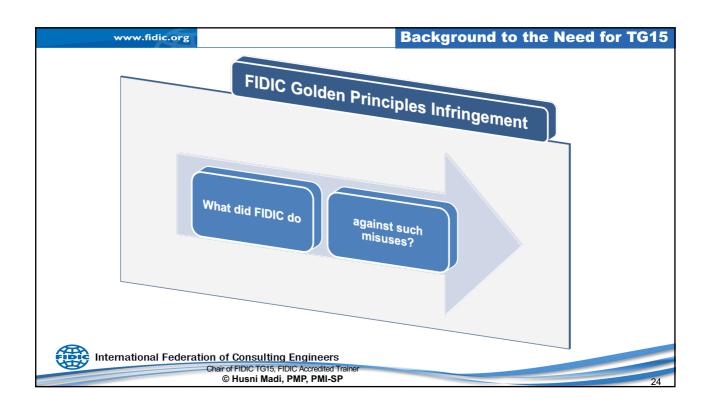














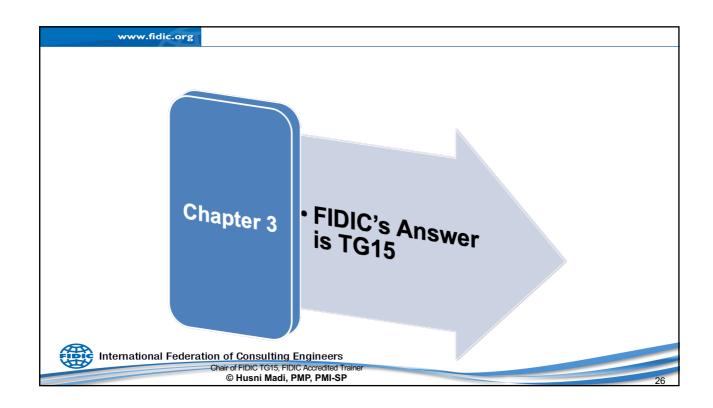


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Audience Question No. 1

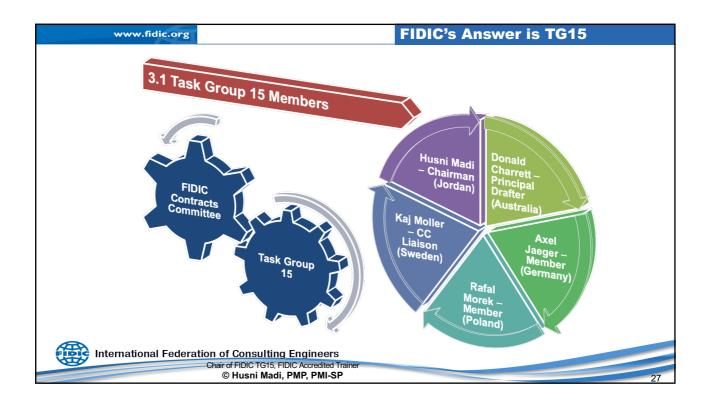
- In your opinion, the reason(s) behind the GP infringement is:
 - Answer 1) Lack of knowledge and experience
 - Answer 2) Bad faith and ill ulterior motives
 - Answer 3) The risk allocation in the FIDIC contracts is not suitable for certain types of projects

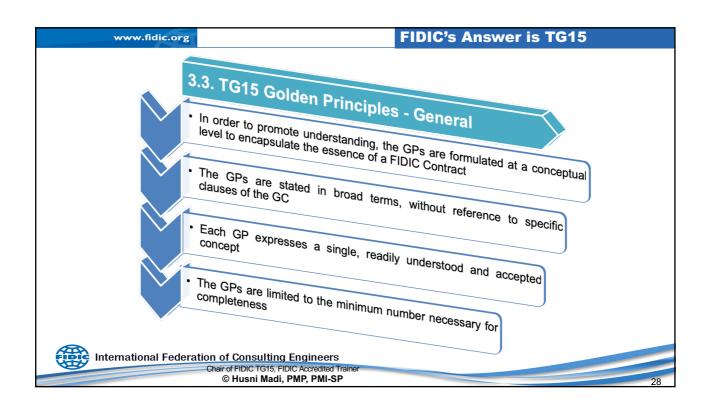








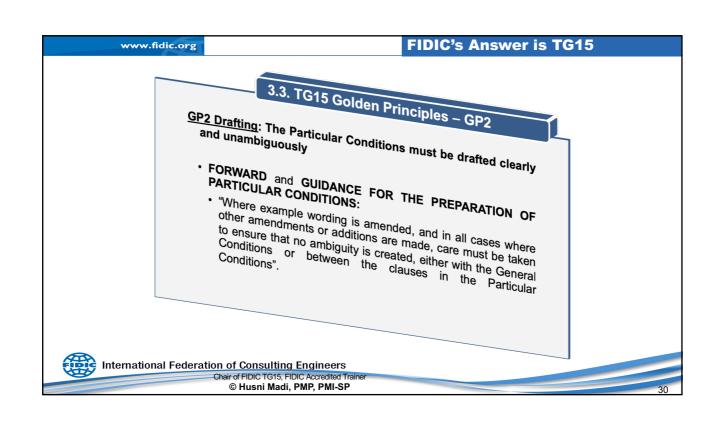








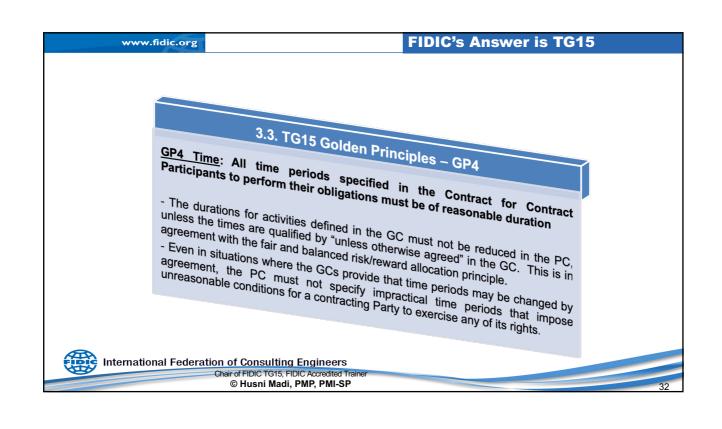
3.3. TG15 Golden Principles – GP1 GP1 Division of Roles: The duties, rights, obligations, roles and in the General Conditions, and appropriate to the requirements of the Contractor, Engineer, Employer's Representative, Dispute Adjudication Board, Contractors, etc., Perferred to in the Contract are not significantly changed from M, and Y), and an Employer's Representative or the Employer (S). Duties, rights, obligations, and responsibilities of the Employer and the Contractor are not radically changed from the way they are defined in the GC.







3.3. TG15 Golden Principles – GP3 GP3 Risk/Reward: The PC must not change the balance of risk/reward allocation provided for in the GC Fair and balanced risk/reward allocation can also be expressed as: in compliance with the Abrahamson Principles, as refined by Dr. Which party can best foresee the risk? Which party can best control the risk? Which party can best bear the risk? Which party most benefits or suffers if the risk eventuates?

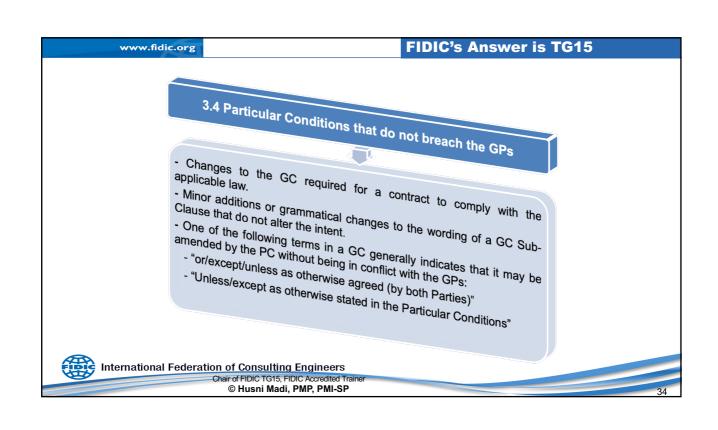






FIDIC's Answer is TG15 www.fidic.org 3.3. TG15 Golden Principles – GP5 GP5 Disputes: Unless there is a conflict with the governing law of the Contract, all formal disputes must be referred to a Dispute Avoidance/Adjudication Board (or a Dispute Adjudication Board, if applicable) for a provisionally binding decision as a condition precedent to arbitration. • The DAB/DAAB resolves the conflicts of interest that can occur, where the Engineer not only certifies the Contractor's entitlements under the Contract, but also has the authority to The DAB/DAAB procedure provides an independent third party that promotes dispute avoidance, and early resolution of disputes to enable the project to proceed without unnecessary disruption, and assists in maintaining appropriate communication International Federation of Consulting Engineers

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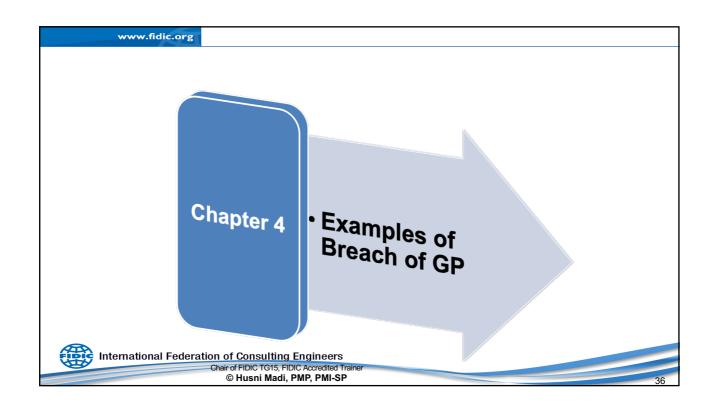


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Audience Question No. 2

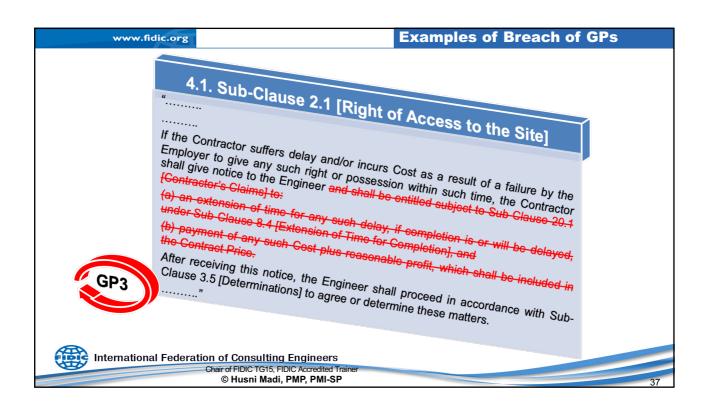
- Do you think that the Golden Principles are an essential feature of a "FIDIC Contract"?
 - Answer 1) YES
 - Answer 2) NO

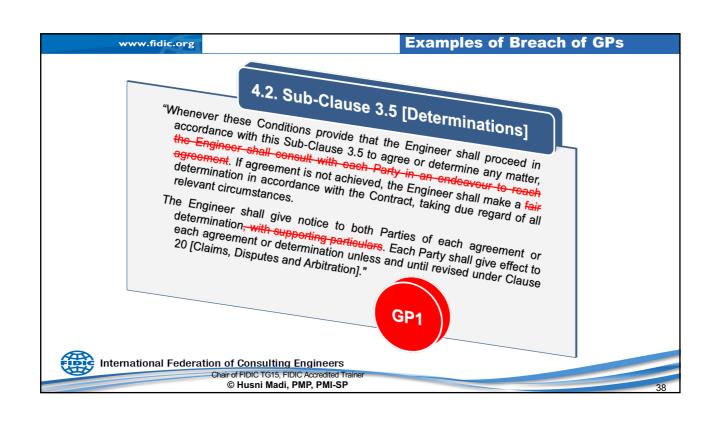








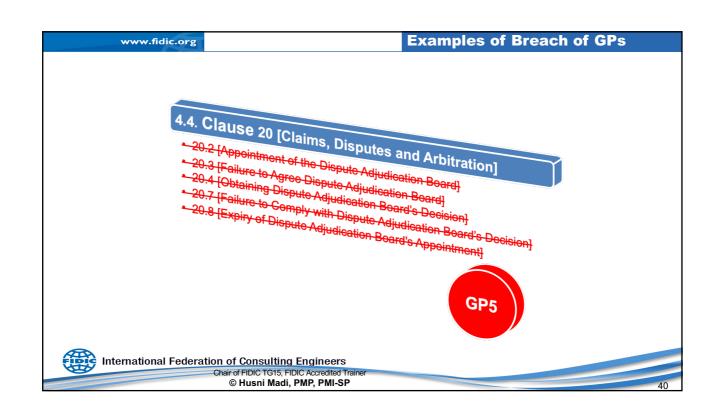








Examples of Breach of GPs www.fidic.org 4.3. Sub-Clause 20.1 [Contractor's Claims] "If the Contractor considers himself to be entitled to any extension of the Time for Completion and/or any additional payment, under any Clause of these Conditions or otherwise in connection with the Contract, the Contractor shall give notice to the Engineer, describing the event or circumstance giving rise to the claim. The notice shall be given as soon as practicable, and not later than 28 7 days after the Contractor became aware, or should have become aware, of the If the Contractor fails to give notice of a claim within such period of 28 7 days, the Time for Completion shall not be extended, the Contractor shall not be entitled to additional payment, and the Employer shall be discharged from all liability in connection with the claim. Otherwise, the following provisions of this Sub-Clause shall apply." International Federation of Consulting Engineers © Husni Madi, PMP, PMI-SP







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Audience Question No. 3

- Would you, or your Client assuming they are the Employer of the project, value being able to receive a "FIDIC Compliant Contract" status, if the contract is fulfilling these FIDIC Golden Principles?:
 - Answer 1) YES
 - Answer 2) NO



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Audience Question No. 4

- If you were the Contractor bidding on a project, would your tender price be less if the contract was a "FIDIC Compliant Contract", complying with the FIDIC Golden Principles?:
 - Answer 1) YES
 - Answer 2) NO









