## Asel El Housan

Founder, Head of Contracts and Commercial

**AEH Consultancy L.L.C.** 

*Engineering and Claim Consultancy*  In Collaboration with



International Federation Of Consulting Engineers

# PRESENT Accredited FIDIC Contract Courses on:

"The Practical Use of the 1999 FIDIC Conditions of Contract for Construction & Design-Build" (Module 1)

5<sup>th</sup> & 6<sup>th</sup>August 2019

"The Management of Contract Claims and the Resolution of Disputes under the 1999 FIDIC Contracts" (Module 2)

7<sup>th</sup> & 8<sup>th</sup>August 2019

At Hotel Wood Land, Durbarmarg, Kathmandu

**Course Fees: NPR 80,000.00** 

For Further information and registration please contact

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#### <u>Module1:</u> "The Practical Use of the 1999 FIDIC Conditions of Contract for Construction & Design-Build" <u>Module 2:</u> "The Management of Claims & Resolution of Disputes under 1999 FIDIC Contracts"

#### **OVERVIEW:**

The 1999 FIDIC Conditions of Contract are being increasingly used by the international Construction Industry throughout the World. The Multi-Lateral Development Banks, including the World Bank, Inter -American Development Bank & Caribbean Development Bank have adopted the 1999 FIDIC Conditions of Contract for Construction with modifications known as Harmonised Construction Contract.

**Module 1** gives the delegates a sound understanding on the practical use of the FIDIC Construction (Red Book) & Design-Build (Yellow Book) Contracts. The procedures and application of the Contract clauses are explored and made realistic through extensive work exercises. Delegates will be much more confident in using these complex Contracts after completing the course.

**Module 2** is designed to provide practical assistance to those working with the FIDIC 1999 Contract Conditions in the management of variations claims whether time and/or cost related. The objective is to avoid claims becoming disputes but should this occur the FIDIC Dispute Adjudication process is fully explained. As with Module 1 work exercises bring the Contract clauses to "life" with the participation of all delegates in their solution.

Both courses are applicable to all the Parties involved within a 1999 FIDIC Contract including representatives of the Employer, the Contractor, the Engineer, and associated professionals. By having a professional understanding of the responsibilities and rights of the Parties under 1999 FIDIC Contracts, the prospects for successful projects are greatly increased and the resolution of claims will be achieved more successfully.

#### **SEMINAR TUTOR:**

Ms. Asel El Housan, Founder, Head of Contracts and Commercial, AEH Consultancy L.L.C., Engineering and Claim Consultancy, FIDIC is an accredited FIDIC trainer

#### **COURSE MATERIALS:**

Delegates will be provided the following materials, in English:

- FIDIC Conditions of Contract for Construction 1999 Edition (Red Book)
- FIDIC Conditions of Contract for Plant & Design-Build, 1999 Edition (Yellow Book)
- FIDIC Conditions of Contract for EPC/Turnkey Projects (Silver Book)
- ➢ Work Exercises

#### WHO SHOULD ATTEND?

The training course provides the necessary knowledge for professionals from Government Ministries and Agencies, Private Sector Employers, Consulting Engineers, Contractors, Quantity Surveyors, Architects, Planning team, Legal Advisers and all involved with the implementation and management of large Works Contracts. It is particularly important to those involved in preparing or managing infrastructure projects financed under MDBs' Funds, the EU Cohesion and Structural Funds, as all their Works Contracts use the FIDIC Conditions of Contract.

#### **REGISTRATION FEE:**

Delegate fee for Module 1 & 2 is NPR 80,000 for both courses

#### **Features and Introduction**

Introduction to FIDC

Background to FIDIC Contracts Harmonization based on the Type of Project Features of the 1999 Editions

Structure of the Documents Forms

Overview of the 1999 Contracts

Main Differences between the 1999 Rainbow

Main Differences between the 1999 Construction Contract and the 1987 Red Book

Main Differences between the 2017 and the 1987Construction Contract

User Friendliness

Preparation of Conditions of Contract

Relationship between FIDIC Conditions of Contract and Legal Systems

Relationship between FIDIC Conditions and Public Procurement Law Risk Analysis

**Construction Contract** 

Features of the Contract

Preparation of Conditions of Contract

**Risk allocation** 

Which form to use?

#### 1. Responsibilities of the Main Parties

- Clause 1 General Provisions
- Clause 2 The Employer
- Clause 3 The Contractor
- Clause 4 The Engineer
- Clause 5 Construction Contract: Nominated Subcontractors

#### 2. Management of Projects

Clause 6 - Staff and Labor

- Clause 7 Plant Material and Workmanship
- Clause 8 Commencement Delays and Suspension

#### 3. Financial Clauses and Procedures

- Clause 12 Construction Contract: Measurement and Evaluation
- Clause 13 Variations and Adjustments
- Clause 14 Contract Price and Payment

#### 4. Project Closure

#### 5. Tests on Completion

Clause 9 - Tests on Completion

Clause 11 - Plant Contract: Tests after Completion

#### 6. Taking Over

Clause 10 - Employer's Taking Over;

Clause 11 - Defects Liability

#### 7. Suspension and Termination

- Clause 15 Termination by Employer
- Clause 16 Suspension and Termination by Contractor

#### 8. Risk, Liability and Force Majeure

Clause 17 - Risk and Responsibility,

Clause 18 - Liability and Insurance

Clause 19 - Force Majeure

### 9. Claims, Disputes and Arbitration

Clause 20 - Claims, Disputes and Arbitration Contractor's Claims and Employer's Claims; Claims procedures Dispute Adjudication Board Amicable Settlement Arbitration

## PROGRAMME OUTLINE FOR MODULE 2 "Management of Variations and Claims (Cost and Time)"

#### FIDIC Contract Module 2:

Ensuring that staff using FIDIC contracts can manage claims and disputes. Explaining the notification procedure for the different types of Claims, how to prepare and submit the claims and the Variations, discussing the employer's Claims and the Contractor's Claims, and the evaluation of the Claims and variations.

#### **Introduction**

- Definition and differences
- Proper documentation in place
- Differences between FIDIC 1987 and 1999
- Differences between 1999 and 2017.

#### What is the Variation

- Definition
- Variation sources
- Variation after the issuance of the Taking over Certificate.
- Value Engineering

#### Scope of work between Lump Sum and re-measured Contract

#### **BOQ** rates between Lump Sum and Re-measured Contract

#### Variation Procedure

- BOQ rates and prices
- Fixing the rates based on the BOQ
- Introducing new rates
- Omission
- Substantiation
- Breakdown of Lump Sum item

#### Variation Determination

- Engineer's Authority to fix the rate
- Applicable rates
- Due Consultation
- Variations exceeding 20%
- Adjustment of rates
- Adjustment for change in cost
- Adjustment for change in legislation

#### <u>Daywork</u>

#### Provisional Sum

- Definition of Provisional Sum
- Use of Provisional Sum

#### Nominated Subcontractors

- Definition of "nominated Subcontractor"
- Objection to Nomination

- Payments to nominated Subcontractors
- Evidence of Payments

#### **Claim Management**

- What is the Claim
- Risk allocation and management

#### Contractor's Claim

- Claim Procedure
- Claim Time Bar
- Notification of Claims
- Submission of Particulars
- Failure to submit
- Engineer's assessment and principles of claim
- Engineers valuation
- Engineer's determination, Clause 3.5
- Payment of Claim

## Employer's Claim

- Claim Procedure
- Claim Time Bar
- Notification of Claims
- Submission of Particulars
- Failure to submit
- Engineer's assessment and principles of claim
- Engineers valuation
- Engineer's determination, Clause 3.5

#### \*Interim submission

#### <u>Program</u>

- Base Line
- Program
- Recovery Program
- Program update

#### **Time Extension**

- When the time can be extended

#### Procedure of submission

- When the time can be extended
- Loading the events to the Base Line Program
- Cause and Effect Analysis
- Claim Substantiation
- The impact of absence of the approved Program

#### Prolongation cost

- What is Prolongation Cost
- Prolongation Cost calculation

#### Penalties or Liquidated Damages

## Force Majeure

- Claim Procedure
- Claim Effect
- Claim Quantum

### Disruption Claim

- Documentation and submission
- Claim Principle
- Claim Quantum

## Loss of Productivity Claim

- Documentation and submission
- Claim Principle
- Claim Quantum

## Acceleration Claim

- Documentation and submission
- Claim Principle
- Claim Quantum

## <u>Damages Claim</u>

- Documentation and submission
- Claim Principle
- Claim Quantum

## Abortive Work Claim

- Documentation and submission
- Claim Principle
- Claim Quantum

## Disputes and Arbitration

- Disputes
- Amicable Settlement
- Dispute Adjudication Board
- Arbitration