

**PREAMBLE
TO
CONDITIONS OF CONTRACT**



PREAMBLE TO CONDITIONS OF CONTRACT

- Commencement Date** Sub-Clause 1.1.1.(i)
The date for commencement of the Works is the date of Notice to Commence.
- Defect Liability Period** Sub-Clause 1.1.11
The Defect Liability Period is 365 days.
- Percentage of Retention Money** *05% of the amount of payment certificate(s), not exceeding 5 % of Contract Price stated in the Letter of Acceptance. Retention monies shall be released 28 days after Issuance of Defect Liability Certificate, at the time of final payment.*
- The Employer** Sub-Clause 1.1.12.
The Employer is CEO EOBI House, 2nd Floor, Plot No. 32, 33, 34, Mauve Area, G-10/4, Islamabad. Tel: 051-9108254/55 Fax:051-9108274
- The Engineer** Sub-Clause 1.1.15.
The Engineer, Lt. Col. Muhammad Saeed (Retd).
- Time for Completion** Sub-Clause 1.1.35.
The Time for Completion is 300 calendar days from the Commencement Date.
- Warranty Period** Sub-Clause 1.1.40.
The Warranty Period is One years for (goods/equipment) from date of issuance of Taking over certificate
- Engineer's Duties & Authorities** Sub-Clause 2.1
Amount of Variation Order in emergency is 1% of the contract value.
- Confirmation in Writing** Sub-Clause 2.6
(i) If the Contractor shall require the confirmation, it shall be notified to the Engineer within 07 days.
(ii) The Engineer shall confirm the decision/instruction within 03 days.
- Ruling Language** Sub-Clause 5.1.
The version in *English* language (ruling language) shall prevail.
- Day to Day Communications** Sub-Clause 5.2.
The language for day-to-day communications is *English*.
- As-Built Drawings** Sub-Clause 6.10
As-Built drawings shall be provided to the Engineer within 21 working days from the date of issue of Taking Over Certificate by the contractor.



General Obligations	Sub-Clause 8.1 Detail of Erection and Testing Equipment and Maintenance Tools is given herein below: <i>All activities, where required, related to erection and testing equipment and maintenance Tools are responsibility of Contractor.</i>
Performance Security	Sub-Clause 10.1 <i>A Performance Security, irrevocable and unconditional (as per the Standard Form attached) equal to 7.5 percent of the Contract Price in shape of Bank Guarantees or Pay Order shall be submitted within 28 calendar days after the acceptance of Letter of Acceptance.</i>
Programme to be Furnished	Sub-Clause 12.1. The Programme must be submitted in the form of Resource loaded Primavera construction Programme.
Electricity Water, Gas and Other Services	Sub-Clause 14.3. Supplies on the Site are: a. Electricity: <i>To be arranged by Contractor at his own cost.</i> b. Water: <i>To be arranged by Contractor at his own cost.</i> c. Gas: <i>To be arranged by Contractor at his own cost.</i> d. Other Services: <i>The Contractor can arrange camping facilities for labor on project site at his own cost. All such administrative tasks and related charges, where required, of CDA, Municipality, WAPDA etc. will be liabilities of the contractor.</i>
Employer's Equipment	Sub-Clause 14.4. <i>Not Applica</i>
Working Hours	Sub-Clause 18.3. <i>The normal working hours are as per Contractor HR Policy in compliance to prevailing Government Rules and Regulations. Working during day/night shift at site is allowed.</i>
Time for Completion	Sub-Clause 25.1 (i) Place of the Project: CCC Building No.2 I-8 Markaz Islamabad (ii) Period: 300 calendar days.
Earlier Completion	Sub-Clause 26.3 (i) Amount of Bonus per day: Nil (ii) Max. Amount of Bonus: Nil
Delay in Completion	Sub-Clause 27.1. Failure to meet the Time for Completion entitles the Employer to reduction in Contract Price as follows: Percentage per day: 0.1 % of contract price Maximum: 10% of contract price
Prolonged Delay	Sub-Clause 27.2. <i>Maximum amount recoverable from the Contractor by the Employer 10% of contract price</i>
Terms of Payment	Sub-Clause 33.1.



	<i>Please refer to Sub-Clause 33.1 of Particular Conditions of Contract</i>
Payment in Foreign Currencies	Sub-Clause 35.1. Payment in foreign currencies is not applicable under this contract. Sub-Clause 35.3 (Rate of Exchange) Prices and rates shall not vary from the prices, rates and amounts quoted by the Contractor in BOQ. All payments to be made in Pak Rupees only. However, increase / decrease in dollar rate will be paid / deducted to and from the Contractor as per guidelines / SBDs of PEC i.e., Standard procedure and formula for price adjustment. The Contractor shall be liable for submission of additional performance security in shape of Bank Guarantee or Call Deposit, if adjustable amount based on exchange rate increase/exceed by 5% of Contract price as mentioned in Letter of Acceptance
Insurance of Works	Sub-Clause 43.1. The deductible limits in the insurance cover of the Works shall not exceed <i>PKR 400, 000 per occurrence with unlimited number of occurrences.</i> Sub-Clause 43.1.(a) The additional risks to be insured are: <i>Workman Compensation Policy</i>
Third Party Liability	Sub-Clause 43.3. The amount of insurance against third party liability taken out by the Contractor shall not be less than: <i>PKR 400, 000 per occurrence with unlimited number of occurrences.</i>
Payment on Termination for Employer's Default	Sub-Clause 46.3. The additional amount payable by the Employer on termination shall not exceed: <i>the value of work done.</i>
Labour, Materials and Transport Notices to Employer and Engineer	Sub-Clause 47.1. <i>Not Applicable</i> Sub-Clause 49.2. The address of the Employer for notices is: <u><i>EOBI House, 2nd Floor, Plot No. 32, 33, 34, Mauve Area, G-10/4, Islamabad. Tel: 051-9108254/55 Fax:051-9108274</i></u>
	<hr/> The address of the Engineer for notices is: <i>Project Site Office I-8 Markaz Islamabad</i>
Disputes & Arbitration	Sub-Clause 50.4 Venue of Arbitration: <i>Islamabad, Pakistan.</i>
Applicable Law	Sub-Clause 51.1. The applicable law is <u>Arbitration Act 1940.</u>
Procedural Law for Arbitration	Sub-Clause 51.2. The procedural law for arbitration is <u>Arbitration Act 1940</u>
Language and Place of Arbitration	Sub-Clause 51.3. The language of arbitration is English language. The place of arbitration is Islamabad Pakistan



GENERAL CONDITIONS OF CONTRACT

Notes on the Conditions of Contract

The Conditions of Contract comprise two parts:

- (a) **General Conditions of Contract**
- (b) **Particular Conditions of Contract**

Over the years, a number of “model” General Conditions of Contract have evolved. The one used in these Standard Bidding Documents was prepared by the International Federation of Consulting Engineers (Federation Internationale des Ingenieurs-Conseils, or FIDIC), and is commonly known as the FIDIC Conditions of Contract. (The used version is the 1987 edition, reprinted in 1988 with editorial amendments.)

The FIDIC Conditions of Contract have been prepared for an ad measurement (unit price or unit rate) type of contract, and cannot be used without major modifications for other types of contracts, such as lump sum, turnkey, or target cost contracts.

The standard text of the General Conditions of Contract chosen must be retained intact to facilitate its reading and interpretation by bidders and its review by the Employer. Any amendments and additions to the General Conditions, specific to the contract in hand, should be introduced in the Particular Conditions of Contract.

The use of standard conditions of contract for all electrical/mechanical Works will ensure comprehensiveness of coverage, better balance of rights or obligations between Employer and Contractor, general acceptability of its provisions, and savings in time and cost for bid preparation and review, leading to more economic prices.

The FIDIC Conditions of Contract are copyrighted and may not be copied, faxed, or reproduced. Without taking any responsibility of its being accurate, Pakistan Engineering Council with prior consent of FIDIC Secretariat, has reproduced herein the FIDIC General Conditions of Contract for reference purpose only which cannot be used by the users for preparing their bidding documents. The bidding document may include a purchased copy, the cost of which can be retrieved as part of the selling price of the bidding document. Alternatively, the FIDIC Conditions of Contract can be referred to in the bidding documents, and the bidders are advised to obtain copies directly from FIDIC.*

* Add the following text if the bidding documents, as issued, do not include a copy:

“Copies of the FIDIC Conditions of Contract can be obtained from:

FIDIC Secretariat
P.O. Box 86
1000 Lausanne 12
Switzerland

fidic.pub@fidic.org – FIDIC.org/bookshop]



Part 1 General Conditions of Contract shall remain the same as stated in Pakistan Engineering Council (PEC) **Standard bidding document for Procurement of Works (E & M)**, **which shall be purchased (only by successful bidder at his/her own cost), signed and stamped by Successful Bidder to purchase and submitted along with contract agreement.**

which shall be accessed as per below link;

<https://pec.org.pk/wp-content/uploads/2021/05/Standard-Form-of-Bidding-Docs-for-Procurement-of-Works-E-M.pdf>

The “**CONDITIONS OF CONTRACT FOR ELECTRICAL AND MECHANICAL WORKS**” section from page 71-141 has been removed as FIDIC doesn't allow it to be copied. Download the PDF version of this document from PICC website to view it completely OR Copies of the FIDIC Conditions of Contract can be obtained from:

FIDIC Secretariat
P.O. Box 86
1000 Lausanne 12
Switzerland

e-mail: fidic.pub@fidic.org – FIDIC.org/bookshop]



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PART-II: PARTICULAR CONDITIONS OF CONTRACT

1.1 Definitions

The text of Sub-Clause 1.1.1 is deleted and substituted by the following:

“Commencement Date” means the date specified in the Preamble to Conditions of Contract.

The text of Sub-Clause 1.1.2 is deleted and substituted by the following:

“Conditions” means the Preamble to Conditions of Contract, General Conditions of Contract and Particular Conditions of Contract.

Sub-Clause 1.1.3

At the end of Sub-Clause, the following is added:

“Any subsequent document mutually agreed and signed by the Employer and the Contractor, shall be the part of the Contract.”

The text of Sub-Clause 1.1.5 is deleted and substituted by the following:

“Contract Price” means the sum stated in the Letter of Acceptance as payable to the Contractor for the execution and completion of the Works subject to such additions thereto or deductions therefrom as may be made under the provisions hereinafter contained and remedying of any defects therein in accordance with the provisions of the Contract.”

Sub-Clause 1.1.11

The Defects Liability Period is the period mentioned in the Preamble to Conditions of Contract.

Sub-Clause 1.1.15

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

“Or any other competent person appointed by the Employer as his replacement.”

Sub-Clause 1.1.23

The following paragraph is added:

The word “Goods” is synonymous with “Plant.”

The text of Sub-Clause 1.1.27 is deleted and substituted by the following:

“Schedule of Prices” means the completed and priced Schedule of Prices, or any part or individual schedule thereof, submitted by the Contractor with his Bid or revised and mutually agreed and forming a part of the Contract documents.



Sub-Clause 1.1.33

The word “Tender” is synonymous with the word “Bid” and the word “Tender Documents” with the word “Bidding Documents”.

The following Sub-Clauses are added:

“1.1.38 “Month” means calendar month according to Gregorian calendar.

1.1.39 “Operation and Maintenance Manuals” has the meaning described in Sub-Clause 6.6.

1.1.40 “Warranty Certificate” means the certificate against specified goods/equipment, for the period mentioned in the Preamble to Conditions of Contract, to be issued by the Contractor that the goods/equipment supplied under the Contract are new, unused and incorporate all recent improvements in design and materials unless provided otherwise in the Contract and that the Contractor will be responsible for making good or replacing any defective goods/equipment during the Warranty Period specified in the Preamble to Conditions of Contract which should commence after expiry of Defect Liability Period.

Sub-Clause 1.1.41

The word “Part II” stated in FIDIC Conditions of Contract is synonymous with the word “Particular Conditions of Contract”.

Sub-Clause 1.6 Cost, Overhead Charges and Profit

The last sentence “Any profit _____ stated in the Preamble” is deleted and substituted by the following:

“Any profit entitlement shall be added to cost at the percentage stated in the Bid and agreed in the Contract Agreement.”

Sub-Clause 2.1 Engineer’s Duties

The text of Sub-Clause 2.1 is deleted and substituted by the following:

“The Engineer shall carry out the duties specified in the Contract.

The Engineer may exercise the authority attributable to the Engineer as specified in or necessarily to be implied from the Contract. The Engineer is required to obtain the specific approval of the Employer before carrying out his duties in accordance with the following Clauses of General Conditions of Contract:

- (a) approval of Subcontractor under Sub-Clause 4.1,
- (b) certifying additional sums under Sub-Clause 5.4,
- (c) certifying additional costs under Sub-Clauses 11.3 & 12.3,
- (d) certifying any cost under Sub-Clause 14.6,
- (e) approval of extension of time under Clause 26,
- (f) issuing a Taking-Over Certificate under Sub-Clause 29,
- (g) issuing a Defects Liability Certificate under Sub-Clause 30.11,
- (h) issuing a Variation Order under Clause 31,
- (i) fixing rates or prices under Clauses 31 and 34,
- (j) certifying additional costs under Sub-Clause 44.5 and
- (k) certifying additional costs under Sub-Clause 47.2;



Except for such variations pursuant to Sub-Clause 31.1 of the GCC which may be necessary in an emergency affecting safety of life, the works or of adjoining property.”

Except as expressly stated in the Contract the Engineer shall have no authority to relieve the Contractor of any of his obligations under this Contract.”

Sub-Clause 2.6 Confirmation in Writing

- (i) In line 3 after the words “undue delay” the following is added:
“but not after the number of days mentioned in the Preamble to Conditions of Contract from the instruction or decision.”
- (ii) At the end of Sub-Clause 2.6, the following is added:
“The Engineer shall confirm or otherwise within the period mentioned in the Preamble to Conditions of Contract from the receipt of requirement(s) from the Contractor.”

Sub-Clause 2.7 Disputing Engineer’s Decisions and Instructions

The following text is deleted:

“If either party in accordance with the Contract.”

Sub-Clause 2.8 Replacement of Engineer

The text of Sub-Clause 2.8 is deleted and substituted by the following:

“If the Employer intends to replace the Engineer, the Employer shall, not less than 14 days before the intended date of replacement, give notice to the Contractor, of the name, address and relevant experience of the intended replacement Engineer. The Employer shall not replace the Engineer with a person against whom the Contractor raises reasonable objection by notice to the Employer, with supporting particulars.”

Sub-Clause 2.9 Engineer Not Liable

Sub-Clause 2.9 is added as follows:

“Approval, reviews and inspection by the Engineer of any part of the Works does not relieve the Contractor from his sole responsibility and liability for the supply of remaining materials and equipment for the Works and parts thereof and complete the remaining erection works and testing and commissioning in accordance with the Contract and neither the Engineer's authority to act nor any decision made by him in good faith as provided for under this Contract whether to exercise or not to exercise such authority shall give rise to any duty or responsibility of the Engineer to the Contractor, any Subcontractor, any of their representatives or employees or any other person performing any of the works. However, the Contractor shall be compensated if any loss/damage is occurred due to the decision of the Engineer.”

Sub-Clause 4.2 No Contractual Relation between Subcontractor and the Employer

Sub-Clause 4.2 is added as follows:



Nothing contained in the Contract Documents shall create any contractual relation between any Subcontractor and the Employer.

Sub-Clause 5.3 Priority of Contract Documents

Sub-Clause 5.3 is deleted and substituted by the following:

“Unless otherwise provided in the Contract the priority of the Contract Documents shall be as follows:

1. The Contract Agreement (if completed)
2. The Letter of Acceptance
3. The completed Form of Bid
4. Preamble to Conditions of Contract
5. The Particular Conditions of Contract
6. The General Conditions of Contract
7. The priced Schedule of Prices
8. The completed Schedules to Bid
9. The Specifications
10. The Drawings
11. Annexure – I of Declaration of Beneficial Ownership' information of Public Procurement Contract Awarded Regulation 2022
- 12.....(Any other document)

In case of discrepancies between drawings, those of larger scale shall govern unless they are superseded by drawing(s) of a later date regardless of scale. All drawings and specifications shall be interpreted in conformity with the Contract Agreement and these conditions.”

Sub-Clause 5.4 Documents Mutually Explanatory

The text appearing in the last line after the words “the Contract Price” is deleted.

Sub-Clause 6.2 Consequences of Disapproval of Contractor's Drawings

Full stop is deleted and the following words are added at the end of Sub-Clause:
“For the approval of the Engineer. However, the Contractor shall not be entitled for time extension on this account.”

Sub-Clause 6.6. Operation and Maintenance Manuals

Paras 2&3 are deleted and the following text is added at the end of Para 1 of Sub-Clause:

“The Operation and Maintenance Manuals shall include full instructions for the operation, servicing and maintenance of the Plant, not only during the period of the Contractor's liability but more particularly during its operating life.

The directions shall be set out simply, clearly and systematically. This may be divided into two volumes if desirable, one for operation and the second for servicing and maintenance (in sub-volumes for major items of Plant).



The operational data shall include a complete physical and functional description of the Plant (in sub-volumes for major items of Plant) and step-by-step procedures for inspection, checking and adjustments for proper operation of the Plant.

The maintenance data shall include complete instructions for routine checks, servicing, maintenance and repair of all parts and for dismantling, handling and re-assembly of all equipment, sub-assemblies and all separate components. The maintenance data shall also include where possible parts catalogues. The lists shall provide all necessary information for identifying the parts and for re-ordering the parts including name of part, part number and catalogue references where applicable, name of manufacturer, size, capacity and other characteristics .

General arrangements, single line diagrams and detailed drawings shall be provided for ready reference in the operation and maintenance instructions.

The manuals shall be printed on ISO paper size A4 (210x297 mm) with offset or equivalent printing strongly bound in a durable stiff cover bearing the title in approved legend. Drawings shall be folded or reduced to 297 mm height. All volumes shall bear on the spine an approved shortened version of the title.

The Contractor shall submit three draft copies for approval of the Engineer prior to producing finished volumes.

The Contractor shall provide five (5) copies of the approved Operation and Maintenance Manuals prior to Taking Over by the Employer. Supplementary Operation and Maintenance Manual shall be provided by the Contractor, if required, to incorporate changes resulting from experience during the operation and maintenance period. The work shall not be considered to be completed for the purpose of taking over until such manual and drawings have been supplied to the Employer.”

Sub-Clause 6.9 Manufacturing Drawings

The words “Unless otherwise specified in Part-II” are deleted and the following is added at the end of Sub-Clause:

“However, the Contractor is required to disclose to the Engineer or the Employer any confidential information necessary to justify the reliability, the efficiency and the operation and maintenance of the Plant supplied by him.”

Sub-Clause 6.10 “As-Built” Drawings

The following new Sub-Clause is added:

The Contractor shall furnish to the Engineer six (6) copies and one (1) reproducible of approved quality of all “As-Built” drawings within the period mentioned in the Preamble to Conditions of Contract.



Sub-Clause 8.1 General Obligations

The text of Sub-Clause 8.1 is deleted and substituted by the following:

- “(a) The Contractor shall commence the work on the date specified in the Preamble to Conditions of Contract and shall proceed with the same with due expedition and without delay.
- (b) The Contractor shall, in accordance with the Contract, with due care and diligence, complete the Works and test and commission the Plant and carry out the Works within the Time for Completion. The Contractor shall also provide all necessary Contractor's Equipment, superintendence, labour and except as stated hereinbelow, all necessary facilities therefor.

The Employer will permit use of the Erection, Testing Equipment and Maintenance Tools as stated in the Preamble to Conditions of Contract.

The above facilities shall be provided at no cost to the Contractor but he shall procure at his cost all required consumable materials and any other items necessary for the proper execution of the Works. These shall be properly used and maintained by the Contractor and returned to the Employer upon handing over of the Works in good condition, fair wear and tear excepted. In case of any damage, loss or theft, the items shall be replaced by the Contractor at his own cost.”

Sub-Clause 10.1 Performance Security

Sub-Clause 10.1 is deleted and substituted by the following:

The Contractor shall provide a Performance Security in the prescribed Form annexed to these Documents. The said Security shall be furnished by the Contractor within 28 days after the acceptance of Letter of Acceptance. The Performance Security shall be of an amount equal to 7.5 percent of the Contract Price in the currency (ies) of the Contract at the option of the bidder, in the form of Bank Guarantee from any Scheduled Bank in Pakistan or from a bank located outside Pakistan duly counter-guaranteed by a Scheduled Bank in Pakistan.” (Amount and shape stipulated in bidding data and preamble to conditions of contract will prevail)

The cost of complying with the requirements of this Sub-Clause shall be borne by the Contractor.”

Sub-Clause 10.3 Claims under Performance Security

Sub-Clause 10.3 is deleted in its entirety.

The following Sub Clause is added:

Sub-Clause 10.4 Performance Security Binding on Variations and Changes

“The Performance Security shall be binding irrespective of variations and changes in the quantities of the Works or extensions in completion time of the Works, which are granted or agreed upon under the provisions of the Contract.”

Sub-Clause 12.1 Programme to be Furnished



Sub-Clause 12.1(a) is deleted and substituted by the following:

“(a) the order in which the Contractor proposes to carry out the Works (including preliminaries, required material ordering, delivery to Site, erection and rectifications work, testing, commissioning and taking-over by the Employer). The programme shall also include the following:

- (i) Employment of local and expatriate labour of various categories,
- (ii) Local material procurement,
- (iii) Material imports, if any.”

In Sub-Clause 12.1(c)(iv) the words “any import licenses” are deleted.

Sub-Clause 12.4 Monthly Progress Report

The following Sub-Clause 12.4 is added:

“During the period of the Contract, the Contractor shall submit six sets of report to the Engineer not later than the 8th day of each month, including:

- (i) a construction schedule indicating the progress achieved during the preceding month;
- (ii) description of all work carried out since the last report;
- (iii) description of the work planned for the next forty-two days sufficiently detailed to enable the Engineer to determine his programme of inspection and testing;
- (iv) summary of daily job record for the preceding month; and
- (v) colour photographs to illustrate progress.

Sub-Clause 12.5 Daily Job Record

The following Sub Clause 12.5 is added:

“During the period of the Contract, the Contractor shall keep a daily record of the work progress, which shall be made available to the Engineer as and when requested.

The daily record shall include particulars of weather conditions, number of men working, in different categories, deliveries of materials, quantity, location and assignment of equipment.”

Sub-Clause 13.1 Contractor's Representative

At the end of the Sub-Clause the following is added:

“The Contractor's Representative shall be a competent and skilled person approved by the Engineer (which approval may at any time be withdrawn) and who shall be present on the Site during all working hours. He shall be fluent in the English



language. He shall not be transferred from the Site without the consent of the Engineer. The Contractor's Representative shall be a Registered/Professional engineer as defined in the Pakistan Engineering Council Act 1975 (V of 1976).”

Sub-Clause 13.3 Language Ability of Superintending Staff of Contractor

The following Sub-Clause 13.3 is added:

“A reasonable proportion of the Contractor's superintending staff shall have a working knowledge of the English language.”

Sub-Clause 13.4 Employment of Local Personnel

The following Sub-Clause 13.4 is added:

“The Contractor shall, to the extent practicable and reasonable, employ staff and labour from sources within Pakistan.”

Sub-Clause 14.1 Contractor's Equipment

Replace the word “or” at the end of Sub-paragraph (a) by the word “and” and insert the following at the end of Sub-paragraph(b):
“which shall not be unreasonably withheld.”

Sub-Clause 14.2 Safety Precautions

At the end of the Sub-Clause the following is added:

“In order to provide for the safety, health and welfare of persons, and for prevention of damage of any kind, all operations for the purposes of or in connection with the Contract shall be carried out in compliance with the safety requirements of the Government of Pakistan with such modifications thereto as the Engineer may authorize or direct and the Contractor shall take or cause to be taken such further measures and comply with such further requirements as the Engineer may determine to be reasonably necessary for such purpose.

The Contractor shall make, maintain, and submit reports to the Engineer concerning safety, health and welfare of persons and damage to property as the Engineer may from time to time prescribe.”

Sub-Clause 14.3 Electricity Water and Gas

The text of Sub-Clause 14.3 is deleted and substituted by the following:

“The Contractor shall be responsible for making his own arrangements for the adequate supply of electricity, water and gas required for the effective performance of his obligations under the Contract. Subject to the aforesaid, the Contractor shall be entitled to use for the purposes of the Works such supplies and services as may be available on the Site. The Contractor shall, before the commencement of the work at Site, seek the approval of the Engineer as to his detailed requirements of



electricity, water and gas for the entire Contract period. The Contractor shall pay the Employer at the rates/cost incurred by the Employer. The Contractor shall at his own cost provide any apparatus necessary for such use.”

Sub-Clause 14.4 Employer’s Equipment

The text of Sub-Clause 14.4 is deleted and substituted by the following:

“The Employer shall, if the Contractor so requests for the execution of the works, operate any available equipment of which details are given in the Preamble to Conditions of Contract. The Contractor shall pay the Employer a mutually agreed price for such use.

The Employer shall during such operation retain control of and be responsible for the safe working of the equipment.

Sub-Clause 14.8 Information for Import Permits & Licenses

The text of Sub-Clause 14.8 is deleted and substituted by the following:

“The Contractor shall submit to the Employer in good time such details of all Plant and Contractor's Equipment as is to be imported into Pakistan and identify as to what assistance of the Employer is required for obtaining by the Contractor of all necessary import permits or licenses.”

Sub-Clause 15.2 Compliance with Laws

The Sub-Clause 15.2 is deleted and substituted by the following:

“The Contractor shall comply with the Laws of country of manufacture and the Laws of Pakistan where the Plant is to be erected.”

Sub-Clause 16.4 Photographs of Works and Advertisement Prohibited

Sub-Clause 16.4 is added:

“Except with the prior written authorization of the Employer the Contractor shall not exhibit or permit to be exhibited any photographs or advertisement on the Works. Any authorized exhibition shall be immediately removed if the Employer so requires.”

Sub-Clause 16.5 Training of Employer's Staff

Sub-Clause 16.5 is added:

“The Contractor shall provide such facilities for the training of such numbers of Pakistani engineers, engineering students, apprentices and trade apprentices on such sections of the Works at the Site or on the Contractor’s premises or Contractor selected plant manufacturer's premises and factories, or wherever else work is in hand, as specified or directed by the Engineer. The Employer shall direct what sums by way of wages and allowances are to be paid by the Contractor to such persons and shall reimburse the Contractor for such sums as are so directed



to be paid and are paid. The Contractor shall also provide medical expenses or medical insurance and travelling expenses for trainees if required by the Employer which shall be reimbursed by the Employer.

The language of training at the above stated premises shall be English and Urdu.”

Sub-Clause 17.4 Consents and Way Leaves

The Sub-Clause 17.4 is deleted and substituted by the following:

The Employer shall issue permissions, letters, certificates and provide such other assistance to the Contractor for his obtaining permits-to-work, way leaves and approvals from any other department/authority and right of way from private owners, if required. The Contractor will bear the cost of logistics, fees, etc. for such activities. The Employer, will reimburse the Contractor only the payments made by him in respect of any land compensation for obtaining such way leaves, required for the Works.

Sub-Clause 17.5 – Import Permits and Licenses

The word “Employer” is deleted and substituted by the word “Contractor” and the following is added at the end of Sub-Clause 17.5:
“the Employer will provide assistance for this purpose.”

Sub-Clause 18.1 – Engagement of Labour

At the end of the Clause the following is added:
“in accordance with the regulations, orders and requirements of the Govt. of Pakistan.”

Sub-Clauses 18.5 to 18.12 are added:

“Sub-Clause 18.5 Employment of Persons in the Service of Others

The Contractor shall not recruit or attempt to recruit staff and labour from amongst the persons in the service of the Employer or the Engineer and vice-versa, unless mutually agreed between the Employer/Engineer and the Contractor

Sub-Clause 18.6 Alcoholic Liquor or Drugs

The Contractor shall not, otherwise than in accordance with the Statutes, Ordinances and Government Regulations or Orders for the time being in force, import, sell, give, barter or otherwise dispose of any alcoholic liquor or drugs, or permit or suffer any such importation, sale, gift, barter or disposal by his Subcontractors, agents, employees or labour.



Sub-Clause 18.7 Arms and Ammunition

The Contractor shall not give, barter or otherwise dispose of to any person or persons, any arms or ammunition of any kind or permit or suffer the same as aforesaid.

Sub-Clause 18.8 Festivals and Religious Customs

The Contractor shall in all dealings with his staff and labour have due regard to all recognized festivals, days of rest and religious or other customs.

Sub-Clause 18.9 Disorderly Conduct

The Contractor shall at all times take all reasonable precautions to prevent any unlawful riotous or disorderly conduct by or amongst his staff and labour and for the preservation of peace and protection of persons and property in the neighborhood of the Works.

Sub-Clause 18.10 Records of Safety and Health

The Contractor shall maintain such records and make such reports concerning safety, health and welfare of persons and damage to property as the Engineer may from time to time prescribe.

Sub-Clause 18.11 Reporting of Accidents

The Contractor shall report to the Engineer details of any accident as soon as possible after its occurrence. In the case of any fatality or serious accident, the Contractor shall, in addition to appropriate action required under the law, notify the Engineer immediately by the quickest available means.

Sub-Clause 18.12 Compliance by Subcontractors

The Contractor shall be responsible for compliance by his Subcontractors of the foregoing provisions.”

Sub-Clause 19.1 Manner of Execution

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

“The Contractor shall submit for approval of the Engineer, his detailed method statement(s) for the execution of such items of work as may be desired by the Engineer. Approval of such method statement(s) shall neither relieve the Contractor of his responsibilities under the Contract nor form any basis for claiming additional costs.”

Sub-Clause 19.3 Uncovering Work

The following is added at the end of second paragraph of Sub-Clause 19.3:



“In any other case, all costs shall be borne by the Contractor.”

Sub-Clause 19.4 Use of Pakistani Materials

The following Sub-Clause 19.4 is added:

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

Sub-Clause 24.1 Cost of Suspension

At the end of the second paragraph after the word “Contractor” the following is added:

“or for the proper execution or for the safety of the Works or Plant unless such necessity results from any act or default of the Engineer or the Employer or in consequence of any of the Employer's Risks under Sub-Clause 37.2.”

Sub-Clause 24.4 Resumption of Work

First paragraph of Sub-Clause 24.4 is deleted and substituted by the following:

“If the Contractor chooses not to treat prolonged suspension as an omission or termination under Sub-Clause 24.3, the Employer shall, upon the request of the Contractor, take over the responsibility for protection, storage, security and insurance of the suspended Works and of the Plant which has been delivered to the Site and which is affected by suspension and the risk of loss or damage thereto shall thereupon pass to the Employer.”

Sub-Clause 25.1 Time for Completion

The text of Sub-Clause 25.1 is deleted and substituted by the following:

“The Works at the place of the project mentioned in the Preamble to Conditions of Contract shall be completed tested and commissioned within the period mentioned in the Preamble to Conditions of Contract.”

Sub-Clause 26.1 Extension of Time for Completion

Sub-Clause 26.1(h) is deleted.

Sub-Clause 26.3 Earlier Completion

- (i) At the end of Sub-Clause 26.3(a) the following text is added and Clause is re-designated as 26.3.

“The extra sum to be paid to the Contractor for Completion of Works prior to the date of Completion established under Sub-Clause 25.1 shall be



computed on the basis of the sums mentioned in the Preamble to Conditions of Contract.”

- (ii) Sub-Clause 26.3 (b) is deleted.

“Sub-Clause 26.4 Rate of Progress

Sub-Clause 26.4 is added:

“If for any reason, which does not entitle the Contractor to an extension of time, the rate of progress of the Works or any Section is at any time, in the opinion of the Engineer, too slow to comply with the Time for Completion, the Engineer shall so notify the Contractor who shall thereupon take such steps as are necessary, subject to the consent of the Engineer, to expedite progress so as to comply with the Time for Completion. The Contractor shall not be entitled to any additional payment for taking such steps. If, as a result of any notice given by the Engineer under this Clause, the Contractor considers that it is necessary to do any work at night or on locally recognized days of rest, he shall be entitled to seek the consent of the Engineer so to do. Provided that if any steps, taken by the Contractor in meeting his obligations under this Sub-Clause, involve the Employer in additional supervision costs, such costs shall, after due consultation with the Employer and the Contractor, be determined by the Engineer and shall be recoverable from the Contractor by the Employer, and may be deducted by the Employer from any moneys due or to become due to the Contractor and the Engineer shall notify the Contractor accordingly, with a copy to the Employer.”

Sub-Clause 27.1 Delay in Completion

Sub-Clause 27.1 is deleted and substituted by the following:

“If the Contractor fails to deliver the Works, or any part thereof, within the time stated in Sub-Clause 25.1, or fails to complete the whole of the Work, or, if applicable, any Section within the relevant time prescribed by Sub-Clause 25.1, then the Contractor shall pay to the Employer the relevant sum stated herein below as liquidated damages for such default (which sum shall be the only moneys due from the Contractor for such default) for every day or part of a day which shall elapse between the relevant time for Delivery or Time for Completion and the actual date of delivery at site or the date stated in a Taking-Over Certificate of the whole of the Works or the relevant Section, as the case may be, subject to the applicable limit stated herein below.

The Employer may deduct the amount of such damages from any monies due or to become due to the Contractor. The payment or deduction of such damages shall not relieve the Contractor from his obligation to complete the Works, or from any other of his obligations & liabilities under the Contract.”

The liquidated damages for each day of delay and the maximum amount of liquidated damages shall be the amounts mentioned in the Preamble to Conditions of Contract.



Sub-Clause 28.7 Consequences of Failure to Pass Tests on Completion

The words "by arbitration" appearing at the end of the Sub-Clause 28.7(c) are deleted and substituted by the words "by the Engineer".

Sub-Clause 30.4 Extension of Defects Liability Period

At the end of 4th paragraph of Sub-Clause, the following is added:
"or a mutually agreed period."

Sub-Clause 30.5 Failure to Remedy Defects

In first line after the words "reasonable time" the following is added:
"fixed by the Engineer".

Sub-Clause 30.13 Unfulfilled Obligations

New Sub-Clause 30.13 is added as herein below:

"After the Defects Liability Certificate has been issued, the Contractor and the Employer shall remain liable for the fulfillment of any obligation which remains unperformed at that time. For the purposes of determining the nature and extent of any such obligation, the Contract shall be deemed to remain in force."

Sub-Clause 31.1 Engineer's Right to Vary

The following is added at the end of second paragraph:

"No such variation shall in any way vitiate or invalidate the Contract, but the effect, if any, of all such variations shall be valued in accordance with Clause 31. Provided that where the issue of an instruction to vary the Works is necessitated by some default of or breach of Contract by the Contractor or for which he is responsible, any additional cost attributable to such default shall be borne by the Contractor."

Sub-Clause 31.5 Record of Costs

The word "Engineer" in 4th line of Sub-Clause is deleted and substituted by "Engineer/Employer".

Sub-Clause 31.6 Day work under Variation Order

New Sub-Clause 31.6 is added as given below:

"A Variation Order may provide that work done pursuant thereto shall be executed as Day work. In such case the Contractor shall be paid for such work under the conditions and the rates and prices set out in the Day Work Schedule."

Sub-Clause 31.7 Value Engineering

New Sub-Clause 31.7 is added as given below:

The Contractor may, at any time, submit to the Engineer a written proposal which



in the Contractor's opinion will reduce the cost of constructing, maintaining or operating the works, or improve the efficiency or value to the Employer of the completed Works or otherwise be of benefit to the Employer. Any such proposal shall be prepared at the cost of the Contractor. However, Employer is not bound to accept such proposal.

Sub-Clause 33.1 Terms of Payment

The Total Contract Price shall be paid as follows:

- a. Forty Percent (40%) of the contract value of Imported Items/equipment shall be made on opening and presentation of Letter of Credits (LC) documents and submission of an irrevocable and unconditional bank guarantee (original) of the same amount to Employer on the standard format provided herewith, from a schedule Bank of Pakistan as approved by the Employer / contract registration. The Guarantee shall be released upon receipt of equipment at site.
- b. Twenty Percent (20%) of the contract value of Imported Items/equipment on submission and presentation of original invoice along with original Bill of Lading & packing list, original FAT and third-party validation (as instructed by The Engineer) or a pre-shipment inspection by 2 x individual i.e., Consultant and Employer at expense of the Contractor for 07 Calendar Days at equipment manufacturing facility.
- c. Twenty percent (20%) of the contract value of Imported Items/equipment upon arrival of said imported item/equipment at site with submission of Receiving/Damage Report and Warranty Certificate by the OEM after duly verification/inspection by the Engineer and Employer.
- d. Remaining amount of the contract value of shall be paid after installation and successful testing and commissioning duly certified by the Engineer and Employer or as instructed by the Engineer.
- e. Minimum amount of IPC should be equal to 10% of contract value.
- f. 5% (Five Percent) of each bill will be deducted as Retention Money, with maximum upper limit of 5% of total work done.
- g. Partial Shipment and Partial Payment is allowed.

The following Sub-Clauses are added:

Sub-Clause 33.1.1 Retention of Payment

The deductible cost of retention money is the 05% from each interim payment certificate and maximum deductible limit is 05% of the contract value.

1. Half of the Retention Money would be released to the contractor upon issuance of substantial completion certificate, which would amount the total measured and verified work done up to 95% of the total value of works.
2. Half of the Retention Money would be released to the contractor upon successful completion of the defect liability period.
3. If at any time any payment would fall due for Works or part of Works and,



if there shall be any defect in part of such Works in respect of which such payment is proposed, the Employer may retain the whole or any part of such payment. Any sum retained by the Employer pursuant to the provisions of this Clause shall be paid to the Contractor after the said defect is removed.

Sub-Clause 33.1.2 Payment Where Taking-Over Certificate Issued for Section or part of Works

If any section or part of the Works shall be taken-over separately under Clause 29 (Taking-Over) hereof, the payments herein provided for on or after Taking-Over shall be made in respect of the section or part taken-over and reference to the price shall mean such part of the price as shall, in the absence of agreement, be apportioned thereto by the Engineer.

Sub-Clause 33.2 Method of Application

Sub-Clause 33.5 Payment

Sub-Clause 33.5 is deleted and substituted by the following:

The amount due to the Contractor under any Interim Payment Certificate issued by the Engineer pursuant to this Clause, or to any other term of the Contract, shall, subject to Clause 27, be paid by the Employer to the Contractor within 30 days after such Interim Payment Certificate has been jointly verified by Employer and Contractor, or, in the case of the Final Certificate referred to in Sub-Clause 33.10 within 60 days after such Final Payment Certificate has been jointly verified by Employer and Contractor; Provided that the Interim Payment shall be caused in 42 days and Final Payment in 60 days in case of foreign funded project.

Deduction shall be made from the net amounts payable to the Contractor of any sum(s) in accordance with the prevalent Federal and/or Provincial laws, provided that no such deduction shall be made from those payments in respect of which the Contractor has obtained exemption under the Law.”

Sub-Clause 33.6 Delayed Payment

The text of Sub-Clause 33.6 is deleted and substituted by the following:

“In the event of the failure of the Employer to make payment within the times stated in Sub-Clause 33.5, the Employer shall pay to the Contractor compensation at the rate of KIBOR+2% for local currency and LIBOR+1% for foreign currency per annum, upon all local currency sums unpaid from the date by which the same should have been paid. The provisions of this Sub-Clause are without prejudice to Contractor's entitlement under Sub-Clause 46.1.”

Sub-Clause 33.8 Payment by Measurement

The work shall be measured for the units mentioned in the Schedule of Prices according to the Contract as determined by the Engineer from approved drawings, Specifications and Contract Documents.

Sub-Clause 33.12 Withholding of Payment

New Sub-Clause 33.12 is added as given below:

If the Works or any part thereof are not being carried out to the Engineer's satisfaction and in order to protect the Employer from loss on account of:

- (a) defective work not rectified
- (b) guarantees not met



- (c) claims filed against the Contractor
- (d) failure of the Contractor to make payments due for Plant procured or labour employed by him.
- (e) damage to any other contractor employed by the Employer.
- (f) Contractor's non-compliance with the Contract
- (g) any Government dues recoverable from the Contractor if notified by the Government

The Engineer may notify withholding of such payments or part thereof as may, in his opinion, be related to the aforesaid reasons/grounds. When the reasons/grounds for withholding the payment are removed by the Contractor, the Engineer shall upon being satisfied to that effect issue Certificate of Payment in respect of withheld amounts.

Sub-Clause 35.1 Payment in Foreign Currencies: *Not Applicable / Deleted*

Sub-Clause 35.2 Currency Restrictions

The text of Sub-Clause 35.2 is deleted and substituted by the following:

“Any required foreign currency transactions shall be met by the Employer/Contractor at his cost from his own resources.”

Sub-Clause 35.3 Rates of Exchange

The words “as stated in the Preamble” appearing in 3rd line of Sub-Clause are deleted and substituted by the words “as published or authorized by State Bank of Pakistan”.

Sub-Clause 36.4 Payment against Provisional Sums

Sub-Clause 36.4 is deleted and substituted by the following:

“Provisional Sum if any will be expended on the direction of the Engineer through Variation Orders which would be valued in accordance with the provisions of Clause 31 Conditions of Contract.”

Sub-Clause 37.2 Employer's Risks

The text of Sub-Clause 37.2 is deleted and substituted by the following:

“The Employer's Risks are:

- (a) (Insofar as they relate to Pakistan) war and hostilities (whether war be declared or not), invasion, act of foreign enemies
- (b) (Insofar as they relate to Pakistan) rebellion, revolution, insurrection, military or usurped power or civil war
- (c) ionizing radiation or contamination by radioactivity from any nuclear fuel, radio-active toxic explosives or other hazardous properties of any explosive nuclear assembly or nuclear components thereof
- (d) pressure waves caused by aircraft travelling at sonic or supersonic speed
- (e) (Insofar as they relate to Pakistan) riot, commotion or disorder, unless solely restricted to the employees of the Contractor or of his Subcontractors
- (f) use or occupation of the Work or any part thereof by the Employer
- (g) fault, error, defect or omission in the design of any part of the



Works by the Engineer, Employer or those for whom the Employer is responsible for which the Contractor has disclaimed responsibility in writing within a reasonable time after the receipt of such design

- (h) the use or occupation of the Site by the Works or any part thereof, or for the purposes of the Contract: or interference, whether temporary or permanent with any right of way, light, air or water or with any easement, way leaves or right of a similar nature which is the inevitable result of the construction of the Works in accordance with the Contract
- (i) the right of the Employer to construct the Works or any part thereof on, over, under, in or through any land
- (j) damage (other than that resulting from the Contractor's method of construction) which is the inevitable result of the construction of the Works in accordance with the Contract
- (k) the act, neglect or omission or breach of contract or of statutory duty of the Engineer, the Employer or other contractors engaged by the Employer or of their respective employees or agents.”

Sub-Clause 39.2 Loss or Damage before Risk Transfer Date

The words “by arbitration under Clause 50” are deleted and substituted by the words “by the Engineer”

Sub-Clause 39.4 Duty to Minimize Delay

New Sub-Clause 39.4 is added as given below:

Each Party shall at all times use all reasonable endeavors to minimize any delay in the Performance of the Contract as a result of Risks.

The Contractor shall give notice to the Employer and vice versa the Employer shall give notice to the Contractor in case of foreseeable delay by the Risks.

Sub-Clause 40.2 Employer's Liability

The text of Sub-Clause 40.2 from the words “or of death or personal injury” to the end of the Sub-Clause, is deleted and substituted by the following:

“..... (other than the Works) or of death or personal injury to the extent caused by any of the Employer's Risks listed in paragraphs (f), (g), (h), (i), (j), and (k) of Sub-Clause 37.2 but not otherwise.”

Sub-Clause 42.2 Maximum Liability

the words “the sum stated in the Preamble to Conditions of Contract or if no such sum is stated” appearing in 2nd line of Sub-Clause are deleted.

Sub-Clause 42.6 Foreseen Damage

Sub-Clause 42.6 is deleted in its entirety.

Sub-Clause 43.1 The Works (Insurance)

As stated in Preamble of Conditions of Contract.

Sub-Clause 43.2 Contractor's Equipment



Sub-Clause 43.2 is deleted and substituted by the following:

“The Contractor shall insure the Contractor's Equipment for its full replacement value while on the Site against all loss or damage caused by any of the Contractor's Risks.”

Sub-Clause 43.3 Third Party Liability (Insurance)

As stated in Preamble of Conditions of Contract.

Sub-Clause 43.7 Remedies on the Contractor's Failure to Insure

In 3rd line after the word, “purpose”, the expressions- “and reasonable costs including the man-hours costs of Employer's Personnel” are added.

Sub-Clause 43.9 Currency of Insurance

New Sub-Clause 43.9 is added as given below:

“All policies of Insurance of the Plant shall provide for payment of indemnity to be made in such amounts as will allow making good of loss of or damage to the whole or any part of the Works.”

Sub-Clause 43.10 Contractor to Notify

New Sub-Clause 43.10 is added as given below:

“It shall be the responsibility of the Contractor to notify the insurance company of any changes in nature and extent of the Works and to ensure the adequacy of the insurance coverage at all times in accordance with the provisions of the Contract.”

Sub-Clause 43.11 Procurement of Insurance Policies

New Sub-Clause 43.11 is added as given below:

“The Contractor shall procure and submit the insurance cover under this Clause within a period of 28 days from the date of receipt of Letter of Acceptance from the Employer.”

Sub-Clause 44.6 Damage Caused by Force Majeure

At the end of the Sub-Clause 44.6 the following is added:

“However, the Contractor shall put up his claim to the Employer / Engineer with full details and justification.”

Sub-Clause 44.8 Payment on Termination for Force Majeure

Text in sub-para (c) is deleted and para (d) and (e) are re-numbered as (c) and (d).

Sub-Clause 44.10 Force Majeure Affecting Engineer's Duties

Sub-Clause 44.10 is deleted in its entirety.



Sub-Clause 45.2 Contractor's Default

The following paragraph is added at the end of Sub-Clause 45.2.

“The Employer or such other contractor may use for such completion any Contractor's Equipment which is upon the Site as he or they may think proper, and the Employer shall pay the Contractor a reasonable compensation for such use”.

Sub-Clause 45.6 is added as follows:

Sub-Clause 45.6 Integrity Pact

If the Contractor or any of his Subcontractors, agents or servants is found to have violated or involved in violation of the Integrity Pact signed by the Contractor as Schedule-H to his Bid, then the Employer shall be entitled to:

- (a) recover from the Contractor an amount equivalent to ten times the sum of any commission, gratification, bribe, finder's fee or kickback given by the Contractor or any of his Subcontractors, agents or servants;
- (b) terminate the Contract; and
- (c) recover from the Contractor any loss or damage to the Employer as a result of such termination or of any other corrupt business practices of the Contractor or any of his Subcontractors, agents or servants.

The termination under Sub-Para (b) of this Sub-Clause shall proceed in the manner prescribed under Sub-Clauses 45.2 to 45.5 and the payment under Sub-Clause 45.4 shall be made after having deducted the amounts due to the Employer under Sub-Para (a) and (c) of this Sub-Clause.

Sub-Clause 46.1 Employer's Default

The comma and the word “or” at the end of paragraph (d) of Sub-Clause 46.1 are deleted and substituted by period (.) Paragraph (e) of Sub-Clause 46.1 is deleted.

Sub-Clause 46.3 Payment on Termination for Employer's Default

The words “including loss of profit” in the second paragraph of Sub-Clause 46.3 are deleted.

Sub-Clause 47.1 Labour, Materials and Transport

(Employer to modify this Sub-Clause as provided under Clause 70.1 of PCC of PEC Civil Documents and following PEC Procedure and Formula for Price Adjustment)

Sub-Clause 48.1 Customs and Import Duties

To be borne by Contractor.

The Sub-Clause 48.3 is added:

Sub-Clause 48.3 Port Charges and Port Congestion



The Contractor shall be deemed to have obtained all the information regarding facilities and charges, in respect of port clearance, loading and unloading, storage, transportation, congestion and confirmed the requirements thereof at his own responsibility and all such costs and charges are deemed to be included in the rates and prices of the Schedule of Prices.

Sub-Clause 49.1 Notice to Contractor

The following is added at the end of Sub-Clause 49.1:

“For the purposes of Sub-Clause 49.1 the Contractor shall, immediately after receipt of Letter of Acceptance, intimate in writing to the Employer and the Engineer by registered post, the address of his principal place of business or any change in such address during the period of the Contract.”

Sub-Clause 50 Disputes & Arbitration

Clause 50 is deleted and in its place the following Sub-Clauses 50.1 to 50.5 are inserted:

“50.1 If a dispute of any kind whatsoever arises between the Employer and the Contractor in connection with, or arising out of, the Contract or the execution of the Works, whether during the execution of the Works or after their completion and whether before or after repudiation or other termination of the Contract, including any dispute as to any opinion, instruction, determination, certificate or valuation of the Engineer, the matter in dispute shall, in the first place, be referred in writing to the Engineer, with a copy to the other party. Such reference shall state that it is made pursuant to this Clause. No later than the fifty sixth (56) day after the day on which he received such reference, the Engineer shall give notice of his decision to the Employer and the Contractor. Such decision shall state that it is made pursuant to this Clause.

Unless the Contract has already been repudiated or terminated, the Contractor shall, in every case, continue to proceed with the Work with all due diligence, and the Contractor and the Employer shall give effect forthwith to every such decision of the Engineer unless and until the same shall be revised, as hereinafter provided in an amicable settlement or in an arbitral award.

In any case where the Conditions of Contract provide that the decision of the Engineer is to be final and conclusive, such decision shall not be referable to arbitration under this Clause nor shall the same be questioned in any other form of proceedings whatsoever.

50.2 If either the Employer or the Contractor be dissatisfied with a decision of the Engineer or if the Engineer fails to give notice of his decision on or before the fifty sixth (56) day after the day on which he received the reference, then either the Employer or the Contractor may, on or before the twenty eighth (28) day after the day on which the said period of fifty six



(56) days expired, as the case may be, give notice to the other party to commence arbitration, as hereinafter provided, as to the matter in dispute. Such notice shall establish the entitlement of the party giving the same to commence arbitration, as hereinafter provided, as to such dispute and, subject to Sub-Clause 50.5, no arbitration in respect thereof may be commenced unless such notice is given.

If the Engineer has given notice of his decision as to a matter in dispute to the Employer and the Contractor and no notification of intention to commence arbitration as to such dispute has been given by either the Employer or the Contractor on or before the twenty eighth (28) day after the day on which the parties received notice as to such decision from the Engineer the said decision shall become final and binding upon the Employer and the Contractor.

50.3 Where notice of intention to commence arbitration as to a dispute has been given in accordance with Sub-Clause 50.2, arbitration of such dispute shall not be commenced unless an attempt has first been made by the parties to settle such dispute amicably through mutual negotiation within ninety (90) days from the date of notification of Engineer's decision.

50.4 Any dispute in respect of which:

(a) the decision, if any, of the Engineer has not become final and binding pursuant to Sub-Clause 50.1 and

(b) amicable settlement has not been started/reached within the period stated in Sub-Clause 50.3

shall be finally settled, unless otherwise specified in the Contract, under the Pakistan Arbitration Act, 1940 (Act No. X of 1940) and Rules made thereunder as amended, by one or more arbitrators appointed under such Rules.

The said arbitrator(s) shall have full power to open up, review and revise any decision, opinion, instruction, determination, certificate or valuation of the Engineer for the purpose of obtaining said decision pursuant to Sub-Clause 50.1. No such decision shall disqualify the Engineer from being called as a witness and giving evidence before the arbitrator(s) on any matter whatsoever relevant to the dispute.

The venue of arbitration proceedings shall be the place in Pakistan as mentioned in the Preamble to Conditions of Contract.

50.5 Where neither the Employer nor the Contractor has given notice of intention to commence arbitration of a dispute within the period stated in Sub-Clause 50.1 or 50.2 and the related decision has become final and binding, either party may, if the other party fails to comply with such decision, and without prejudice to any other rights it may have, refer the failure to arbitration in accordance with Sub-Clause 50.4. The provisions of Sub-Clauses 50.1 to 50.2 shall not apply to any such reference."



FORMS

**BID SECURITY
CONTRACT AGREEMENT
PERFORMANCE SECURITY
FORM OF BANK GUARANTEE FOR ADVANCE
PAYMENT
FORM OF DECLARATION OF NO BLACKLISTING
AND LITIGATION**



FORM OF BID SECURITY
(Bank Guarantee)

Guarantee No. _____
Executed on _____
Expiry date _____

[Letter by the Guarantor to the Employer]

Name of Guarantor (Bank) with address: _____
Name of Principal (Bidder) with address: _____

Penal Sum of Security (express in words and figures): _____

Bid Reference No. _____ Date of Bid _____

KNOW ALL MEN BY THESE PRESENTS, that in pursuance of the terms of the Bid and at the request of the said Principal, we the Guarantor above-named are held and firmly bound unto the _____, (hereinafter called The "Employer") in the sum stated above, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the Principal has submitted the accompanying Bid numbered and dated as above for _____ (Particulars of Bid) to the said Employer; and

WHEREAS, the Employer has required as a condition for considering the said Bid that the Principal furnishes a Bid Security in the above said sum to the Employer, conditioned as under:

- (1) that the Bid Security shall remain valid for a period 28 days beyond the period of validity of the Bid;
- (2) that in the event of;
 - (a) the Principal withdraws his Bid during the period of validity of Bid, or
 - (b) the Principal does not accept the correction of his Bid Price, pursuant to Sub-Clause 24.2 of Instructions to Bidders, or
 - (c) failure of the successful bidder to
 - (i) furnish the required Performance Security, in accordance with Clause 34 of Instructions to Bidders, or
 - (ii) sign the proposed Contract Agreement, in accordance with Clause 35 of Instructions to Bidders,

then the entire sum be paid immediately to the said Employer as liquidated damages and not as penalty for the successful bidder's failure to perform.



NOW THEREFORE, if the successful bidder shall, within the period specified therefor, on the prescribed form presented to him for signature enter into a formal Contract with the said Employer in accordance with his Bid as accepted and furnish within twenty eight (28) days of his being requested to do so, a Performance Security with good and sufficient surety, as may be required, upon the form prescribed by the said Employer for the faithful performance and proper fulfilment of the said Contract or in the event of non-withdrawal of the said Bid within the time specified for its validity then this obligation shall be void and of no effect, but otherwise to remain in full force and effect.

PROVIDED THAT the Guarantor shall forthwith pay to the Employer the said sum stated above upon first written demand of the Employer without cavil or argument and without requiring the Employer to prove or to show grounds or reasons for such demand notice of which shall be sent by the Employer by registered post duly addressed to the Guarantor at its address given above.

PROVIDED ALSO THAT the Employer shall be the sole and final judge for deciding whether the Principal has duly performed his obligations to sign the Contract Agreement and to furnish the requisite Performance Security within the time stated above, or has defaulted in fulfilling said requirements and the Guarantor shall pay without objection the sum stated above upon first written demand from the Employer forthwith and without any reference to the Principal or any other person.

IN WITNESS WHEREOF, the above bounden Guarantor has executed the instrument under its seal on the date indicated above, the name and seal of the Guarantor being hereto affixed and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

 Guarantor (Bank)

Witness:

Signature _____

1. _____

Name _____

 Corporate Secretary (Seal)

Title _____

2. _____

 (Name, Title & Address)

 Corporate Guarantor (Seal)



FORM OF CONTRACT AGREEMENT

THIS CONTRACT AGREEMENT (hereinafter called the "Agreement") made on the _____ day of _____ (month) 2023 between

_____ (hereafter called the "Employer") of the one part and _____ (hereafter called the "Contractor") of the other part.

WHEREAS the Employer is desirous that certain Works, viz _____ should be executed by the Contractor and has accepted a Bid by the Contractor for the execution and completion of such Works and the remedying of any defects therein.

NOW this Agreement witnesseth as follows:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract hereinafter referred to.
2. The following documents after incorporating addenda, if any except those parts relating to Instructions to Bidders shall be deemed to form and be read and construed as part of this Agreement, viz:
 - a. The Contract Agreement
 - b. The Letter of Acceptance
 - c. The completed Form of Bid
 - d. The Preamble to Conditions of Contract
 - e. The Particular Conditions of Contract
 - f. The General Conditions of Contract
 - g. The priced Schedule of Prices
 - h. The completed Schedules to Bid
 - i. The Specifications
 - j. The Drawings
 - k. Annexure – I of Declaration of Beneficial Ownership' information of Public Procurement Contract Awarded Regulation 2022
3. In consideration of the payments to be made by the Employer to the Contractor as hereinafter mentioned, the Contractor hereby covenants with the Employer to execute and complete the Works and remedy defects therein in conformity and in all respects with the provisions of the Contract.
4. The Employer hereby covenants to pay the Contractor, in consideration of the execution and completion of the Works as per provisions of the Contract, the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.

IN WITNESS WHEREOF the parties hereto have caused this Contract Agreement to be executed on the day, month and year first before written in accordance with their respective laws.

Signature of the Contactor

Signature of the Employer

(Seal)

(Seal)

Signed, Sealed and Delivered in the presence of:

Witness:

Witness:

(Name, Title and Address)

(Name, Title and Address)



**FORM OF PERFORMANCE SECURITY
(Bank Guarantee)**

Guarantee No. _____
Executed on _____
Expiry date _____

[Letter by the Guarantor to the Employer]

Name of Guarantor (Bank) with
address: _____

Name of Principal (Contractor) with
address: _____

Penal Sum of Security (express in words and
figures) _____

Letter of Acceptance No. _____ Dated _____

KNOW ALL MEN BY THESE PRESENTS, that in pursuance of the terms of the Bidding Documents and above said Letter of Acceptance (hereinafter called the Documents) and at the request of the said Principal we, the Guarantor above named, are held and firmly bound unto the _____ (hereinafter called the Employer) in the penal sum of the amount stated above for the payment of which sum well and truly to be made to the said Employer, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the Principal has accepted the Employer's above said Letter of Acceptance for _____ (Name of Contract) for the _____ (Name of Project).

NOW THEREFORE, if the Principal (Contractor) shall well and truly perform and fulfill all the undertakings, covenants, terms and conditions of the said Documents during the original terms of the said Documents and any extensions thereof that may be granted by the Employer, with or without notice to the Guarantor, which notice is, hereby, waived and shall also well and truly perform and fulfill all the undertakings, covenants terms and conditions of the Contract and of any and all modifications of said Documents that may hereafter be made, notice of which modifications to the Guarantor being hereby waived, then, this obligation to be void; otherwise to remain in full force and virtue till all requirements of Clause 30, Defects after Taking Over, of Conditions of Contract are fulfilled.

Our total liability under this Guarantee is limited to the sum stated above and it is a condition of any liability attaching to us under this Guarantee that the claim for payment in writing shall be received by us within the validity period of this Guarantee, failing which we shall be discharged of our liability, if any, under this Guarantee.

We, _____ (the Guarantor), waiving all objections and defences under the Contract, do hereby irrevocably and independently guarantee to pay to the Employer without delay upon the Employer's first written demand without cavil or arguments and without requiring the Employer to prove or to show grounds or reasons for such demand any sum or sums up to the amount stated above, against the Employer's written declaration that the Principal has refused or failed to perform the obligations under the Contract which payment will be effected by the Guarantor to Employer's designated Bank & Account Number.



PROVIDED ALSO THAT the Employer shall be the sole and final judge for deciding whether the Principal (Contractor) has duly performed his obligations under the Contract or has defaulted in fulfilling said obligations and the Guarantor shall pay without objection any sum or sums up to the amount stated above upon first written demand from the Employer forthwith and without any reference to the Principal or any other person.

IN WITNESS WHEREOF, the above-bounden Guarantor has executed this Instrument under its seal on the date indicated above, the name and corporate seal of the Guarantor being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

Witness:

1. _____

Corporate Secretary (Seal)

2. _____

Name, Title & Address

Guarantor (Bank)

Signature _____

Name _____

Title _____

Corporate Guarantor (Seal)

