

REPUBLIC OF GHANA

TENDER DOCUMENTS

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# **Procurement of Works**

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**Small Contracts**  
**(Small Value, Short Duration and Low Risk)**

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**Public Procurement Board**

**Accra, Ghana**

**October 2003**



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## INTRODUCTION

These Tender Documents have been developed for the procurement of works of a simple nature and complexity that are contracted under National Competitive Tendering procedures. The documents should be adapted as necessary to the requirements of the specific works to be procured.

These documents are intended to be used where the proposed works are of simple nature, small value (say up to GHC 500 million)<sup>1</sup>, short contract duration (less than 4 months), and where the magnitude of the potential risks involved is small for both the Employer and the Contractor.

The General Conditions of Contract contained herein are based on the first edition, 1999 of the International Federation of Consulting Engineers' (FIDIC) "Short Form of Contract", and the balance of the document on the World Bank's documentation.

A particular feature of the Tender Document for Procurement of Works – Small Contracts (TDW-SC) is the single form of Agreement containing Offer and Acceptance, which, together with the documents listed in the accompanying Appendix, constitute the Contract.

Details to be entered by the Employer prior to the release of the Tender Documents for a particular project are limited to the Tender Data Sheet (TDS), the proposed Agreement, and the Particular Conditions. Details not entered by the Employer are the responsibility of the Tenderer. In addition, the Employer provides the Specification, Drawings, and Bill of Quantities or Schedule of Activities (when necessary).

Whoever prepares the Tender documents should be thoroughly familiar with the Instructions to Tenderers and Conditions of Contract included in the TDW-SC, as well as with the law applicable to the contract and any specific requirements of the specific contract. Where the user has little experience in writing Tender Documents or where complicated circumstances apply, expert advice should be sought.

Since the intention is that these documents should only be used for contracts of short duration and of low risk, there is no reference to an impartial "Engineer" or "Project Manager" but the Employer must appoint an authorized person to act for him, and if he wishes to engage a consultant to administer the contract, he may appoint a representative with specific delegated duties and authority.

The use of Tender and Performance Securities should be part of the overall approach to risk management and should take into account available measures to reduce the risk of contractor's default.

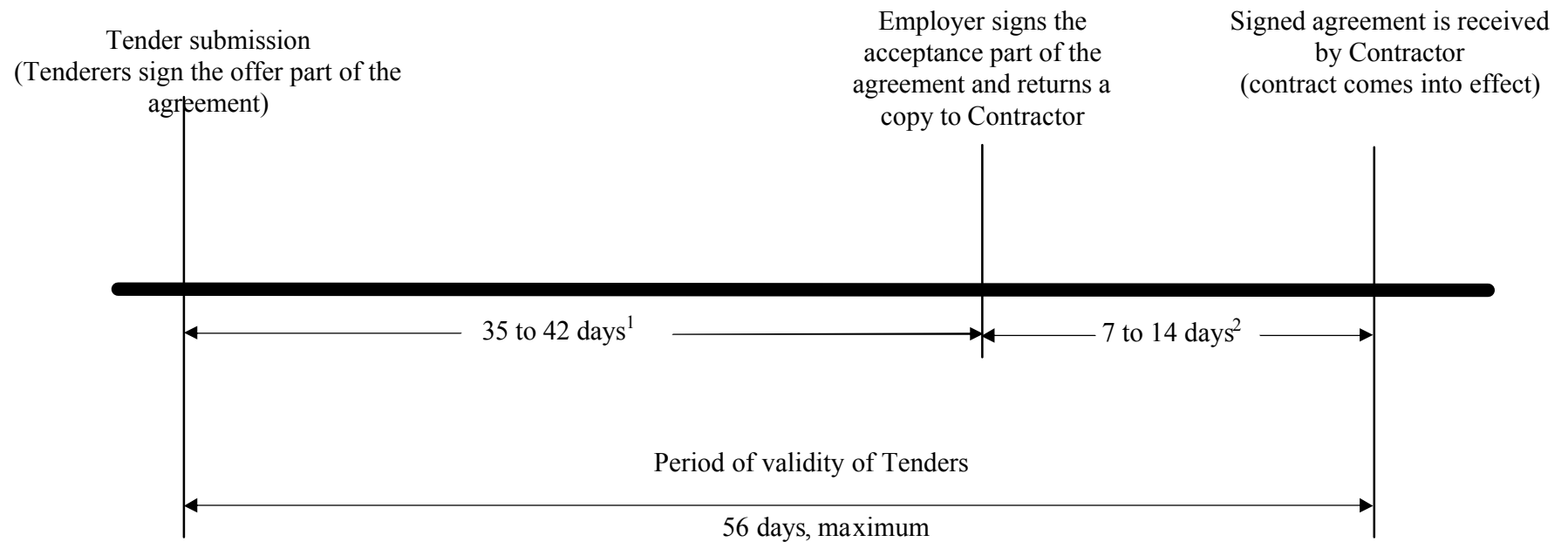
The charts on the next two pages illustrate the sequence of events during contract award and execution.

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<sup>1</sup> Or the equivalent threshold level as revised in accordance with the Public Procurement Act, 2003.

## Simple Works

### Sequence of Events During Contract Award

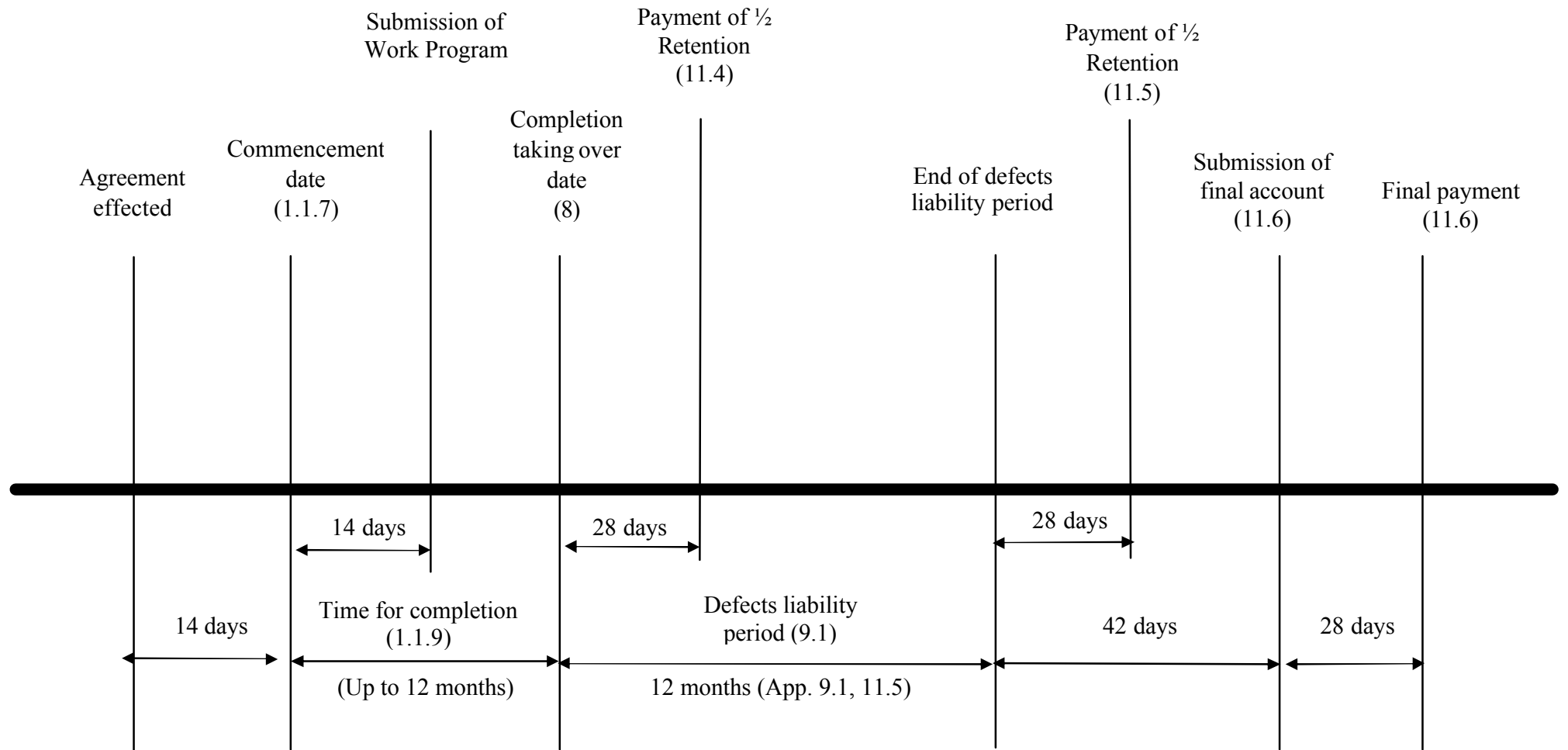


<sup>1</sup> To allow for Tender evaluation and award of contract.

<sup>2</sup> To allow for clarifications and appropriate changes to documentation.

## Simple Works

### Principal Events During Execution of the Contract



## FORMAT FOR INVITATION FOR TENDERS

Date: *[of issue of invitation]*  
 Project Name: \_\_\_\_\_  
 Contract Name: \_\_\_\_\_  
 Contract Number: \_\_\_\_\_

1. The \_\_\_\_\_ *[name of/Procurement EntityEmployer]* intends to apply part of its budgetary allocation to fund the procurement \_\_\_\_\_ *[name of Project]* to support its programme of work..
  
2. The \_\_\_\_\_ *[name of Employer]* hereby invites sealed Tenders from Contractors for the construction of \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_ *[brief description of the Works<sup>2</sup>]*. The time for completion is \_\_\_\_\_ *[No. of weeks or dates]*.
  
3. Tender documents (and additional copies) may be purchased at \_\_\_\_\_ *[name and address of office]* for a nonrefundable fee of GHC \_\_\_\_\_, for each set. Interested Tenderers may obtain further information at the same address.<sup>3</sup>
  
4. Tenders shall be delivered to \_\_\_\_\_ *[name and full address of receiving office]* on or before \_\_\_\_\_ *[time and date of Tender closing]* and shall be valid for a period of \_\_\_\_\_ *[days]* after Tender submission. Late Tenders will be rejected. Tenders will be opened in the presence of the Tenderer's representatives who choose to attend at *[time and date of Tender opening<sup>4</sup>]* at *[full address of office for Tender opening]<sup>5</sup>*.

<sup>2</sup> A brief description of the works should be provided, including quantities, location of project, and other information necessary to enable potential Tenderers to decide whether or not to respond to the invitation. Tender documents may require Tenderers to have specialized experience or capabilities; such requirements should also be included in this paragraph.

<sup>3</sup> If a Tender security is required, this paragraph should so state. The paragraph should also state the amount of the Tender security in local currency and that the Tender security shall accompany the Tender.

<sup>4</sup> The time of Tender opening shall be soon after time of tender closing

<sup>5</sup> The office for Tender opening may not necessarily be the same as that for inspection or issuance of documents or for Tender submission. If they differ, each address must appear at the Invitation for Tenders. Only one office and its address shall be specified for submission, and it should be near the place where Tenders will be opened.

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## Section I. Instructions to Tenderers

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### A. GENERAL

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- (a) Scope of Tender**
- 1.1 The **Employer**,<sup>6</sup> as named in the Agreement form, invites Tenders for the construction of **Works** as summarized in the Tender Data Sheet (TDS). The name and identification number of the **Contract** is provided in the TDS.
- 1.2 The successful Tenderer will be expected to complete the **Works** within the **Time for Completion** stated in the Appendix section of the Agreement, hereinafter referred to as the Appendix. The **Time for Completion** shall be calculated from the **Commencement Date**.
- 1.3 Throughout these Tender Documents, the term “writing” means any hand-written, type-written, or printed communication, including telex, cable and facsimile transmission, and “day” means calendar day. Singular also means plural. The word “Tenders” is synonymous to “tender” and the words “Tender documents” synonymous to “tender documents”.
- 2. Source of Funds**
- 2.1 The **Employer** intends to apply a part of its Budgetary allocation to fund payments under the **Contract** for which these Tender Documents are issued.
- 3. Fraud and Corruption**
- 3.1 The attention of the Tenderers is drawn to the **Country** regulations on the prevention of fraud and corruption, and to Sub-Clause 12.2 of the General Conditions of Contract (Section IV) which shall apply also to any Tenderer.
- 4. Eligibility**
- 4.1 Tenderers shall be legally incorporated in Ghana and shall quote only in Ghanaian Cedis (GHC). State-owned enterprises may participate only if they are independent and operate under commercial law.

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<sup>6</sup> Words appearing in bold in the text of these ITT sub-clauses are defined in clause 1 of the General Conditions

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**5. Qualification of the Tenderer**

5.1 Tenderers shall include the following information and documents with their Tenders unless otherwise stated in the TDS:

- (a) General Information: copies of documents defining the constitution or legal status, place of registration, and principal place of business; written power of attorney of the signatory of the Tender to commit the Tenderer;
- (b) General Construction Experience Record: total annual turnover in the civil works construction business expressed as total of payment certificates for work performed in each of the last three years;
- (c) Particular Construction Experience Record: experience on works of a similar nature and complexity over the last five years, and details of work under way or contractually committed; clients who may be contacted for further information on those contracts;
- (d) Equipment Capabilities: major items of construction equipment proposed to carry out the Contract;
- (e) Personnel Capabilities: qualifications and experience of key site management and technical personnel proposed for the Contract;
- (f) Financial Capabilities: reports on the financial standing of the Tenderer, such as profit and loss statements and auditor's reports for the past three years;
- (g) Evidence of adequacy of cash flow for this Contract (access to line(s) of credit and/or availability of other financial resources);
- (h) Authority to seek references from the Tenderer's bankers;
- (i) Business Record: information regarding any litigation, current or during the last five years, in which the Tenderer is involved, the parties concerned, and disputed amount;

5.2 After evaluation of all responsive Tenders, and prior to award of the **Contract**, the successful Tenderer shall meet the following qualifying criteria:

- (a) average annual turnover of construction work in the last three years greater than the amount specified in the TDS;
- (b) experience in the construction of works of a nature and complexity similar to the **Works** of no less than the number of projects specified in the TDS, in the last five years;
- (c) availability of the essential equipment listed in the TDS or alternative equipment proposed by the Tenderer and proposals for its timely acquisition (own, lease, hire, rental, loan, etc.);
- (d) suitably key site management and technical personnel to fill the positions, qualifications and experience requirements specified in the TDS;
- (e) a sound financial position for the past three years as confirmed by audited balance sheets or other financial statements acceptable to the **Employer**;
- (f) liquid assets and/or credit facilities (net of other contractual commitments and exclusive of any advance payments which may be made under the **Contract**), for not less than the amount specified in the TDS.

A consistent history of litigation or arbitration awards against the Tenderer or any partner of a joint venture may result in disqualification.

- 6. One Tender per Tenderer**    6.1 A firm shall submit only one Tender either individually or as a partner of a joint venture. A firm which submits or participates as a Tenderer in more than one Tender will cause all the proposals with the firm's participation to be disqualified. A firm may participate in more than one Tender only as a subcontractor.
- 7. Cost of Tender**    7.1 The Tenderer shall bear all costs associated with the preparation and submission of its Tender, and the **Employer** will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the Tender process.

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- 8. Site Visit**            8.1    The Tenderer, at the Tenderer’s own responsibility and risk, is encouraged to visit and examine the **Site**, and its surroundings where the **Works** are to be executed and obtain all information that may be necessary for preparing the Tender and entering into a contract for construction of the **Works**.

## **B. TENDER DOCUMENTS**

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- 9. Content of Tender Documents**            9.1    The Tender Documents are those stated below and should be read in conjunction with any Addenda issued in accordance with Clause 11:
- (a)    Invitation for Tenders
  - (b)    Instruction to Tenderers (Section I)
  - (c)    Tender Data Sheet (Section II)
  - (d)    All the documents listed in the Appendix to the Standard FIDIC Document (Section III)
  - (e)    Any other document listed in the TDS as forming part of the Tender Documents.
- 9.2    The “Invitation for Tenders” is included as a reference only. In case of discrepancies between the Invitation for Tenders and the Tender Documents listed in the preceding sub-clause, said documents will take precedence.
- 10. Clarification of Tender Documents**            10.1    A prospective Tenderer requiring any clarification of the Tender Documents shall contact the **Employer** in writing at the Employer’s address indicated in the TDS. The **Employer** will respond in writing to any request for clarification received no later than seven (7) calendar days prior to the deadline for submission of Tenders. Copies of the Employer’s response shall be forwarded to all purchasers of the Tender Documents, including a description of the inquiry, but without identifying its source.
- 11. Amendment of Tender Documents**            11.1    At any time prior to the deadline for submission of Tenders, the **Employer** may amend the Tender Documents by issuing Addenda.
- 11.2    Any Addendum thus issued shall be part of the Tender Documents and shall be communicated in writing to all purchasers of the Tender Documents.

- 11.3 To give prospective Tenderers reasonable time in which to take the amendment into account in preparing their Tenders, the **Employer** may extend the deadline for submission of Tenders.

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## C. PREPARATION OF TENDERS

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- 12. Language of Tender** 12.1 The Tender as well as all correspondence and documents relating to the Tender exchanged by the Tenderer and the **Employer**, shall be written in the language specified in the Appendix.
- 13. Documents Comprising the Tender** 13.1 The Tender submitted by the Tenderer shall comprise the original and one copy of the following:
- (a) Duly filled-in Offer column of the Agreement;
  - (b) Priced Bill of Quantities or Priced Schedule of Activities;
  - (c) Alternative offers, at the Tenderer's option when invited;
  - (d) Written power of attorney authorizing the signatory of the Tender to commit the Tenderer;
  - (e) Information on qualification of the Tenderer;
  - (f) Any additional information required to be completed and submitted by Tenderers as specified in the TDS.
- 14. Tender Prices** 14.1 The Contract shall be for the whole **Works**, summarized in the TDS, and based on the priced Bill of Quantities or priced Schedule of Activities submitted by the Tenderer.
- 14.2 The attention of the Tenderer is drawn to Sub-Clauses 11.1.1 and 11.7 of the Particular Conditions (Section IV) on taxation and currency respectively.
- 14.3 The **Contract** does not include a price adjustment clause and, rates and amounts quoted by the Tenderer shall be firm for the duration of the **Contract**.
- 15. Currency of Tender** 15.1 Prices shall be quoted by the Tenderer entirely in Ghanaian Cedis (GHC).
- 16. Period of Validity of Tenders** 16.1 Tenders shall remain valid for the period stipulated in the TDS after the date of Tender submission specified in Sub-Clause 20.1. A Tender valid for a shorter period shall be rejected by the **Employer** as nonresponsive.

- 16.2 In exceptional circumstances, prior to expiry of the period of validity of Tenders, the **Employer** may request that the Tenderers extend the period of validity for a specified additional period. The request and the responses thereto shall be made in writing. A Tenderer may refuse the request. A Tenderer agreeing to the request will not be required or permitted to modify its Tender.
- 17. Alternative Proposals by Tenderers**
- 17.1 Tenderers shall submit Tenders that comply with the requirements of the Tender Documents, including the basic technical design as indicated in the **Drawings** and **Specification**. Alternatives will not be considered, unless specifically allowed in the TDS.
- 18. Format and Signing of Tender**
- 18.1 The Tenderer shall prepare one original of the documents comprising the Tender as described in Clause 13 and clearly marked "ORIGINAL". In addition, the Tenderer shall submit three (3) copies of the Tender, clearly marked as "COPIES". In the event of discrepancy between them, the original shall prevail.
- 18.2 The original and the copies of the Tender shall be typed or written in indelible ink and shall be signed by a person or persons duly authorized to sign on behalf of the Tenderer. All pages of the Tender shall be numbered sequentially and initialed by the person or persons signing the Tender.
- 18.3 Tenders shall be submitted strictly in accordance with the Tender Documents. Any amendments or qualifications made by the Tenderer, except those to comply with instructions issued by the **Employer**, may result in rejection of the Tender.

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## D. SUBMISSION OF TENDERS

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- 19. Sealing and Marking of Tenders**
- 19.1 The Tenderer shall seal the original and the copies of the Tender in two inner envelopes and one outer envelope, duly marking the inner envelopes as “ORIGINAL” and “COPIES”.
- 19.2 The inner and outer envelopes shall:
- (a) be addressed to the **Employer** at the address provided in the TDS;
  - (b) bear the name and identification number of the **Contract** in accordance with Sub-Clause 1.1; and
  - (c) provide a warning not to open before the specified time and date for Tender opening as defined in the Sub-Clause 23.1.
- 19.3 In addition to the identification required above, the inner envelopes shall indicate the name and address of the Tenderer to enable the Tender to be returned unopened in case it is declared late.
- 19.4 If the outer envelope is not sealed and marked as above, the **Employer** will assume no responsibility for the misplacement or premature opening of the Tender.
- 20. Deadline for Submission of Tenders**
- 20.1 Tenders shall be delivered to the **Employer** at the address specified above no later than the time and date specified in the TDS.
- 20.2 The **Employer** may extend the deadline for submission of Tenders by issuing an Addendum<sup>7</sup>, in which case all rights, and obligations of the **Employer** and the Tenderers previously subject to the original deadline will then be subject to the new deadline.
- 21. Late Tenders**
- 21.1 Any Tender received by the Employer after the deadline for submission of Tenders will be returned unopened to the Tenderer.

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<sup>7</sup> Addendum to extend the deadline for submission of Tenders should not extend the Tender Validity Period beyond 56 days.

- 22. Modification and Withdrawal of Tenders**
- 22.1 Tenderers may modify or withdraw their Tenders by giving notice in writing before the deadline for submission of Tenders.
- 22.2 Each Tenderer's modification or withdrawal notice shall be prepared, sealed, marked, and delivered in accordance with Clauses 18 and 19, with the outer and inner envelopes additionally marked 'MODIFICATION' or 'WITHDRAWAL', as appropriate.
- 22.3 No Tender may be modified after the deadline for submission of Tenders.
- 22.4 Tenderers may only offer discounts to, or otherwise modify the prices of their Tenders by submitting Tender modifications in accordance with this clause, or by including such modifications in the original Tender submission.

## **E. TENDER OPENING AND EVALUATION**

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- 23. Tender Opening**
- 23.1 The **Employer** will open the Tenders, including modifications, in the presence of the Tenderers' representatives who choose to attend at the time and in the place specified in the TDS.
- 23.2 Notices of "WITHDRAWAL" shall be opened and read out first. Tenders for which an acceptable notice of withdrawal has been submitted shall be returned unopened to the Tenderers.
- 23.3 The Tenderers' names, the Tender prices, the total amount of each Tender and of any alternative Tender (if alternatives have been requested or permitted), any discounts, Tender modifications and withdrawals, and such other details as the **Employer** may consider appropriate, will be announced by the **Employer** at the opening.
- 23.4 The **Employer** will prepare minutes of the Tender opening, including the information disclosed to those present.
- 23.5 Tenders not opened and read out at Tender opening shall not be further considered for evaluation, irrespective of the circumstances..

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- 24. Process to Be Confidential** 24.1 Information relating to the examination, clarification, evaluation, and comparison of Tenders and recommendations for the award of a contract shall not be disclosed to Tenderers or any other persons not officially concerned with such process until the award to the successful Tenderer has been announced.
- 25. Clarification of Tenders** 25.1 To assist in the examination, evaluation, and comparison of Tenders, the **Employer** may, at the Employer's discretion, ask any Tenderer for clarification of the Tenderer's Tender, including breakdowns of prices. The request for clarification and the response shall be in writing or by cable, telex, or facsimile, but no change in the price or substance of the Tender shall be sought, offered, or permitted except as required to confirm the correction of arithmetic errors discovered by the **Employer** in the evaluation of the Tenders in accordance with Clause 28.
- 26. Contacting the Employer** 26.1 No Tenderer shall contact the **Employer** on any matter relating to its Tender from the time of the Tender opening to the time the **Contract** is awarded. If the Tenderer wishes to bring additional information to the notice of the **Employer**, it should do so in writing.
- 26.2 Any effort by the Tenderer to influence the **Employer** in the Employer's Tender evaluation, Tender comparison or contract award decisions may result in the rejection of the Tenderers' Tender.
- 27. Examination of the Tenders and Determination of Responsiveness** 27.1 Prior to the detailed evaluation of Tenders, the **Employer** will determine whether each Tender (a) meets the eligibility criteria; (b) has been properly signed; and (c) is substantially responsive to the requirements of the Tender Documents.
- 27.2 A substantially responsive Tender is one which conforms to all the terms, conditions, and specifications of the Tender Documents, without material deviation or reservation. A material deviation or reservation is one (a) which affects in any substantial way the scope, quality, or performance of the **Works**; (b) which limits in any substantial way, inconsistent with the Tender documents, the Employer's rights or the Tenderer's obligations under the **Contract**; or (c) whose rectification would affect unfairly the competitive position of other Tenderers presenting substantially responsive Tenders.

- 27.3 If a Tender is not substantially responsive, it will be rejected by the **Employer**, and may not subsequently be made responsive by correction or withdrawal of the nonconforming deviation or reservation.
- 28. Correction of Errors**
- 28.1 Tenders determined to be substantially responsive will be checked by the **Employer** for any arithmetic errors. Errors will be corrected by the **Employer** as follows:
- (a) where there is a discrepancy between the amounts in figures and in words, the amount in words will govern; and
  - (b) if a Bill of Quantities is used and there is a discrepancy between the unit rate and the line item total resulting from multiplying the unit rate by the quantity, the unit rate as quoted will govern, unless in the opinion of the **Employer** there is an obviously gross misplacement of the decimal point in the unit rate, in which case the line item total as quoted will govern, and the unit rate will be corrected.
  - (c) if there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the totals shall be corrected.
- 28.2 The amount stated in the Tender will be adjusted by the **Employer** in accordance with the above procedure for the correction of errors and, with the concurrence of the Tenderer, shall be considered as binding upon the Tenderer. If the Tenderer does not accept the corrected amount, its Tender will be rejected.
- 29. Evaluation and Comparison of Tenders**
- 29.1 The **Employer** will evaluate and compare only the Tenders determined to be substantially responsive.

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29.2 In evaluating the Tenders, the **Employer** will determine for each Tender the Evaluated Tender Price by adjusting the Tender Price as follows:

- (a) making any correction for errors;
- (b) excluding the provision, if any, for contingencies, but including daywork, if any, where priced competitively;
- (c) making an appropriate adjustment for any other acceptable variations, deviations, or alternative offers submitted in accordance with Clause 17; and
- (d) making appropriate adjustments to reflect discounts or other price modifications offered in accordance with Sub-Clause 22.4.

29.3 The **Employer** reserves the right to accept or reject any variation, deviation, or alternative offer. Variations, deviations, and alternative offers and other factors which are in excess of the requirements of the Tender Documents or otherwise result in unsolicited benefits for the **Employer** will not be taken into account in Tender evaluation.

## **F. AWARD OF CONTRACT**

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|---|--|
| <b>30. Award Criteria</b>   | 30.1 Subject to Clause 31 the <b>Employer</b> will award the <b>Contract</b> to the Tenderer whose Tender has been determined to be substantially responsive to the Tender Documents and who has offered the lowest Evaluated Tender Price, provided that such Tenderer has been determined to be (a) eligible in accordance with the provisions of Clause 4, and (b) qualified in accordance with the provisions of Sub-Clause 5.2. |
| <b>31. Employer's Right to Accept any Tender and to Reject any or all Tenders</b> | 31.1 The <b>Employer</b> reserves the right to accept or reject any Tender, and to cancel the Tender process and reject all Tenders, at any time prior to the award of <b>Contract</b> , without thereby incurring any liability to the affected Tenderer.   |
| <b>32. Award and Signing of Agreement</b>   | 32.1 Having decided which Tender to accept, the <b>Employer</b> will sign the original and the copy of the Acceptance section of the Agreement and will return a complete copy of the Agreement to the Tenderer whose Tender has been accepted. The <b>Contract</b> will come into effect upon receipt by the Tenderer of his copy.  |

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- 33. Debriefing**
- 33.1 The **Employer** will promptly notify the name of the winning Tenderer to each unsuccessful Tenderer.
- 33.2 If after notification of award, a Tenderer wishes to ascertain the grounds on which its Tender was not selected, it should address its request in writing to the **Employer**. The **Employer** will promptly respond in writing to the unsuccessful Tenderer.
- 34. Securities**
- 34.1 If stated in the TDS, the Tenderer shall furnish a Tender security as part of its Tender.
- 34.2 The attention of the Tenderers is drawn to Sub-Clause 4.4 of the General Conditions in regard to the requirements, if any, for performance security under the **Contract**.
- 34.3 The attention of the Tenderers is also drawn to Sub-Clauses 11.3, 11.4, 11.5 in regard to retention under the **Contract**.

## Section II. Tender Data Sheet

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ITT Clause	Item	Data																
<b>A. GENERAL</b>																		
1.1, 14.1	Summary of Works	<hr/> <hr/> <hr/>																
	Name of Contract	<hr/>																
	Identification number of the Contract	<hr/>																
5.1	Qualification of the Tenderers; Information and documents, if different from those listed in ITT clause 5.1	<hr/> <hr/> <hr/>																
5.2	Qualifying criteria for Tenderers:																	
	(a) average annual turnover in construction work during the last three years	<hr/>																
	(b) number of projects of nature and complexity similar to the Works, executed within the last five years	<hr/>																
	(c) essential equipment to execute the Works	<hr/> <hr/> <hr/>																
	(d) positions and experience of key Site management and technical personnel	<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 50%;"></th> <th style="text-align: left; width: 20%;">Position</th> <th style="text-align: left; width: 20%;">Qualification</th> <th style="text-align: left; width: 10%;">Experience</th> </tr> </thead> <tbody> <tr> <td></td> <td><hr/></td> <td><hr/></td> <td><hr/></td> </tr> <tr> <td></td> <td><hr/></td> <td><hr/></td> <td><hr/></td> </tr> <tr> <td></td> <td><hr/></td> <td><hr/></td> <td><hr/></td> </tr> </tbody> </table>		Position	Qualification	Experience		<hr/>	<hr/>	<hr/>		<hr/>	<hr/>	<hr/>		<hr/>	<hr/>	<hr/>
	Position	Qualification	Experience															
	<hr/>	<hr/>	<hr/>															
	<hr/>	<hr/>	<hr/>															
	<hr/>	<hr/>	<hr/>															
	(f) minimum required cash flow amount	<hr/>																

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## **B. TENDER DOCUMENTS**

- 9.1(d) Additional documents forming part of the Tender Documents \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- 10.1 Employer's address for the purpose of clarification of Tender Documents \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## **C. PREPARATION OF TENDERS**

- 13.1(f) Additional information to be submitted by Tenderers \_\_\_\_\_
- 14.1 (see 1.1 above)
- 16.1 Period of validity of Tenders \_\_\_\_\_
- 17.1 Consideration of alternative proposals \_\_\_\_\_

## **D. SUBMISSION OF TENDERS**

- 19.2 Employer's address for the purpose of Tender submission \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- 20.1 Deadline for submission of Tenders Time: \_\_\_\_\_  
Date: \_\_\_\_\_

## **E. TENDER OPENING AND EVALUATION**

- 23.1 Venue, time, and date of Tender opening \_\_\_\_\_

## F. AWARD OF CONTRACT

34.1

Tender Security if any:

Amount  
Form

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## **Section III.**

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# **GENERAL CONDITIONS OF CONTRACT**

# **FIDIC**

## FOREWORD

These Conditions of Contract have been prepared by the Fédération Internationale des Ingénieurs-Conseils (FIDIC) and are recommended for engineering and building work of relatively small capital value. However, depending on the type of work and the circumstances, the Conditions may be suitable for contracts of greater value. They are considered most likely to be suitable for fairly simple or repetitive work or work of short duration without the need for specialist sub-contracts.

The main aim has been to produce a straightforward flexible document which includes all essential commercial provisions and which may be used for all types of engineering and building work with a variety of administrative arrangements. Under the usual arrangements for this type of contract, the Contractor constructs the Works in accordance with design provided by the Employer or by his representative (if any). However, this form may also be suitable for contracts which include, or wholly comprise, contractor-designed civil, mechanical and/or electrical works.

In addition, the Employer has a choice of valuation methods. Furthermore, although there is no reference to an impartial Engineer, the Employer may appoint an independent Engineer to act impartially, should he wish to do so.

The form is recommended for general use, though modifications may be required in some jurisdictions. FIDIC considers the official and authentic text to be the version in the English language.

The intention is that all necessary information should be provided in the Appendix to the Agreement, the latter incorporating the tenderer's offer and its acceptance in one simple document. The General Conditions are expected to cover the majority of contracts. Nevertheless, users will be able to introduce Particular Conditions if they wish, to cater for special cases or circumstances. The General Conditions and the Particular Conditions will together comprise the Conditions governing the rights and obligations of the parties.

To assist in the preparation of tender documents using these Conditions, Notes for Guidance are included. These Notes will not become one of the documents forming the Contract. Finally, applicable Rules for Adjudication are also included.

The attention of users is drawn to the FIDIC publication "Tendering Procedure", which presents a systematic approach to the selection of tenderers and the obtaining and evaluation of tenders.

**Agreement** ..... i

Offer

Acceptance

Appendix

**General Conditions**

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## Agreement

The Employer is \_\_\_\_\_ of

The Contractor is \_\_\_\_\_ of

The Employer desires the execution of certain Works known as

\_\_\_\_\_

### OFFER

The Contractor has examined the documents listed in the Appendix which forms part of this Agreement and offers to execute the Works in conformity with the Contract for the sum of

\_\_\_\_\_ (in words)

\_\_\_\_\_ ( in figures ) ( \_\_\_\_\_ )

or such other sum as may be ascertained under the Contract.

This offer, of which the Contractor has submitted two signed originals, may be accepted by the Employer by signing and returning one original of this document to the Contractor before

\_\_\_\_\_ (date)

The Contractor understands that the Employer is not bound to accept the lowest or any offer received for the Works.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Authorised to sign on behalf of (*organization name*):

Capacity: \_\_\_\_\_

\_\_\_\_\_

### ACCEPTANCE

The Employer has by signing below, accepted the Contractor's offer/adjusted offer of € \_\_\_\_\_ pursuant to Clause 28 of the Instructions to Tenders and agrees that in consideration for the execution of the Works by the Contractor, the Employer shall pay the Contractor in accordance with the Contract. This Agreement comes into effect on the date when the Contractor receives one original of this document signed by the Employer.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Authorised to sign on behalf of (*organization name*):

Capacity: \_\_\_\_\_

\_\_\_\_\_

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## APPENDIX

This Appendix forms part of the Agreement.

[ Note: with the exception of the items for which the Employer's requirements have been inserted, the Contractor shall complete the following information before submitting his offer. ]

Item	Sub-Clause	Data
Documents forming the Contract listed in the order of priority . . .	1.1.1	
<b>Document</b> (delete if not applicable)		<b>Document Identification</b>
(a) The Agreement . . . . .		_____
(b) Particular Conditions . . . .		_____
(c) General Conditions . . . . .		_____
(d) The Specification		_____
(e) The Drawings		_____
(f) The Contractor's tendered design		_____
(g) The bill of quantities . . . .		_____
(h) . . . . .		_____
(i) . . . . .		_____
Time for Completion* . . . . .	1.1.9 . . . .	_____ days
Law of the Contract . . . . .	1.4 . . . .	Law of Ghana _____
Language . . . . .	1.5 . . . .	English _____
Provision of Site . . . . .	2.1 . . . .	_____
Authorised person . . . . .	3.1 . . . .	_____
Name and address of Employer's representative (if known) . . . . .	3.2 . . . .	_____
Performance security (if any):		
Amount . . . . .	4.4 . . . .	_____
Form . . . . .	4.4 . . . .	_____



\* This should be completed by the Employer and to be consistent with the information provided at Section 2 of the Invitation for Tenders

Item	Sub-Clause	Data
Requirements for Contractor's design (if any) . . . . .	5.1 . . . . .	Nil
Programme:		
Time for submission . . . . .	7.2 . . . . .	Within 14 days* of the Commencement Date.
Form of programme . . . . .	7.2 . . . . .	
Amount payable due to failure to complete . . . . .	7.4 . . . . .	_____ per day up to a maximum of 5% of sum stated in the Agreement
Period for notifying defects . . . . .	9.1 & 11.5	180 days calculated from the date stated in the notice under Sub-Clause 8.2
Variation procedure		
Daywork rates . . . . .	10.2 . . . . .	_____ (details)
Valuation of the Works*		
Lump sum Price . . . . .	11.1 . . . . .	_____ (details)
Lump sum price with schedules of rates . . . . .	11.1 . . . . .	_____ (details)
Lump sum price with bill of quantities . . . . .	11.1 . . . . .	_____ (details)
Remeasurement with tender bill of quantities . . . . .	11.1 . . . . .	_____ (details)
Cost reimbursable . . . . .	11.1 . . . . .	_____ (details)
Percentage of value of Materials and Plant . . . . .	11.2 . . . . .	Materials _____ 80%* Plant _____ 90%*

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\*Employer to amend as appropriate

\* 0.1% of contract price per day

Item	Sub-Clause	Data
Percentage of retention . . . . .	11.3 . . . . .	_____5%
Rate of interest* . . . . .	11.8 . . . . .	_____ % per annum
Insurances . . . . .	14.1	

Type of cover*	Amount of cover*	Exclusions*
The Works, Materials, Plant and fees	The sum stated in the Agreement plus 15%	_____
Contractor's Equipment	Full replacement cost	_____
Third Party injury to persons and damage to property		_____
Workers		_____
Other cover*		_____
Arbitration		_____
Rules . . . . .	15.3 . . . . .	UNCITRAL Arbitration Rules*
Appointing authority . . . . .	15.3 . . . . .	President of the Ghana Institution of Engineers or Architects or Surveyors
Place of Arbitration . . . . .	15.3 .	Accra, Ghana

\* 1-2% above the lending rate of the interbank rate in Ghana  
 \*Employer to amend as appropriate



## General Conditions

### 1 General Provisions

<b>1.1 Definitions</b>		In the Contract as defined below the words and expressions defined shall have the following meanings assigned to them except where the context requires otherwise:
<b>The Contract</b>	1.1.1	<b>"Contract"</b> means the Agreement and the other documents listed in the Appendix.
	1.1.2	<b>"Specification"</b> means the document as listed in the Appendix, including Employer's requirements in respect of design to be carried out by the Contractor, if any, and any Variation to such document.
	1.1.3	<b>"Drawings"</b> means the Employer's drawings of the Works as listed in the Appendix, and any Variation to such drawings.
<b>Persons</b>	1.1.4	<b>"Employer"</b> means the person named in the Agreement and the legal successors in title to this person, but not (except with the consent of the Contractor) any assignee.
	1.1.5	<b>"Contractor"</b> means the person named in the Agreement and the legal successors in title to this person, but not (except with the consent of the Employer) any assignee.
	1.1.6	<b>"Party"</b> means either the Employer or the Contractor.
<b>Dates, Times and Periods</b>	1.1.7	<b>"Commencement Date"</b> means the date 14 days after the date the Agreement comes into effect or any other date agreed between the Parties.
	1.1.8	<b>"day"</b> means a calendar day.
	1.1.9	<b>"Time for Completion"</b> means the time for completing the Works as stated in the Appendix (or as extended under Sub-Clause 7.3), calculated from the Commencement Date.
<b>Money and Payments</b>	1.1.10	<b>"Cost"</b> means all expenditure properly incurred (or to be incurred ) by the Contractor, whether on or off the Site, including overheads and similar charges, but does not include profit.
<b>Other Definitions</b>	1.1.11	<b>"Contractor's Equipment"</b> means all apparatus, machinery, vehicles, facilities and other things required for the execution of the Works but does not include Materials or Plant.
	1.1.12	<b>"Country"</b> means the country in which the Site is located.
	1.1.13	<b>"Employer's Liabilities"</b> means those matters listed in Sub-Clause 6.1.

- 1.1.14 "**Force Majeure**" means an exceptional event or circumstance: which is beyond a Party's control; which such Party could not reasonably have provided against before entering into the Contract; which, having arisen, such Party could not reasonably have avoided or overcome; and, which is not substantially attributable to the other Party.
- 1.1.15 "**Materials**" means things of all kinds (other than Plant) intended to form or forming part of the permanent work.
- 1.1.16 "**Plant**" means the machinery and apparatus intended to form or forming part of the permanent work.
- 1.1.17 "**Site**" means the places provided by the Employer where the Works are to be executed, and any other places specified in the Contract as forming part of the Site.
- 1.1.18 "**Variation**" means a change to the Specification and /or Drawings (if any) which is instructed by the Employer under Sub-Clause 10.1.
- 1.1.19 "**Works**" means all the work and design (if any) to be performed by the Contractor including temporary work and any Variation
- 1.1.20 "**Contract Price**" means the price stated in the Acceptance Column of the Agreement Form pursuant to Clause 10.3 of the General Conditions of Contract

## 1.2

### Interpretation

Words importing persons or parties shall include firms and organisations. Words importing singular or one gender shall include plural or the other gender where the context requires.

## 1.3

### Priority of Documents

The documents forming the Contract are to be taken as mutually explanatory of one another. If an ambiguity or discrepancy is found in the documents, the Employer shall issue any necessary instructions to the Contractor, and the priority of the documents shall be in accordance with the order as listed in the Appendix.

## 1.4

### Law

The law of the Contract is stated in the Appendix.

## 1.5

### Communications

Wherever provision is made for the giving or issue of any notice, instruction, or other communication by any person, unless otherwise specified such communication shall be written in the language stated in the Appendix and shall not be unreasonably withheld or delayed.

## 1.6

### Statutory Obligations

The Contractor shall comply with the laws of the countries where activities are performed. The Contractor shall give all notices and pay all fees and other charges in respect of the Works.

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The **2** Employer

- 2.1  
Provision of Site** The Employer shall provide the Site and right of access thereto at times stated in the Appendix.
- 2.2  
Permits and Licences** The Employer shall, if requested by the Contractor, assist him in applying for permits, licences or approvals which are required for the Works.
- 2.3  
Employer's Instructions** The Contractor shall comply with all instructions given by the Employer in respect of the Works including the suspension of all or part of the Works.
- 2.4  
Approvals** No approval or consent or absence of comment by the Employer or the Employer's representative shall affect the Contractor's obligations.
- 

## 3 Employer's Representatives

- 3.1  
Authorised Person** One of the Employer's personnel shall have authority to act for him. This authorised person shall be as stated in the Appendix, or as otherwise notified by the Employer to the Contractor.
- Employer's Representative** The Employer may also appoint a firm or individual to carry out certain duties. The appointee may be named in the Appendix, or notified by the Employer to the Contractor from time to time. The Employer shall notify the Contractor of the delegated duties and authority of this Employer's representative.
- 

## 4 The Contractor

- 4.1  
General Obligations** The Contractor shall carry out the Works properly and in accordance with the Contract. The Contractor shall provide all supervision, labour, Materials, Plant and Contractor's Equipment which may be required. All Materials and Plant on Site shall be deemed to be the property of the Employer.
- 4.2  
Contractor's Representative** The Contractor shall submit to the Employer for consent the name and particulars of the person authorised to receive instructions on behalf of the Contractor.

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- 4.3 Subcontracting** The Contractor shall not subcontract the whole of the Works. The Contractor shall not subcontract any part of the Works without the consent of the Employer.
- 4.4 Performance Security** The Contractor shall deliver to the Employer within 14 days of the Commencement Date a performance security in a form and from a third party approved by the Employer and in the amount indicated in the Appendix.

## 5 Design by Contractor

- 5.1 Contractor's Design** The Contractor shall carry out design to the extent specified, as referred to in the Appendix. The Contractor shall promptly submit to the Employer all designs prepared by him. Within 14 days of receipt the Employer shall notify any comments or, if the design submitted is not in accordance with the Contract, shall reject it stating the reasons. The Contractor shall not construct any element of the permanent work designed by him within 14 days after the design has been submitted to the Employer or where the design for that element has been rejected. Design that has been rejected shall be promptly amended and resubmitted. The Contractor shall resubmit all designs commented on taking these comments into account as necessary.
- 5.2 Responsibility for Design** The Contractor shall remain responsible for his tendered design and the design under this Clause, both of which shall be fit for the intended purposes defined in the Contract and he shall also remain responsible for any infringement of any patent or copyright in respect of the same. The Employer shall be responsible for the Specification and Drawings.

## 6 Employer's Liabilities

- 6.1 Employer's Liabilities** In this Contract, Employer's Liabilities mean:
- a) war, hostilities (whether war be declared or not), invasion, act of foreign enemies, within the Country,
  - b) rebellion, terrorism, revolution, insurrection, military or usurped power, or civil war, within the Country,
  - c) riot, commotion or disorder by persons other than the Contractor's personnel and other employees, affecting the Site and/or the Works,
  - d) ionising radiations, or contamination by radio-activity from any nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel, radio-active toxic explosive, or other hazardous properties of any explosive nuclear assembly or nuclear component of such an assembly, except to the extent to which the Contractor may be responsible for the use of any radio-active material,
  - e) pressure waves caused by aircraft or other aerial devices travelling at

- f) sonic or supersonic speeds,
- f) use or occupation by the Employer of any part of the Works, except as may be specified in the Contract,
- g) design of any part of the Works by the Employer's personnel or by others for whom the Employer is responsible, and
- h) any operation of the forces of nature affecting the Site and/or the Works, which was unforeseeable or against which an experienced contractor could not reasonably have been expected to take precautions.
- i) Force Majeure,
- j) a suspension under Sub-Clause 2.3 unless it is attributable to the Contractor's failure,
- k) any failure of the Employer,
- l) physical obstructions or physical conditions other than climatic conditions, encountered on the Site during the performance of the Works, which obstructions or conditions were not reasonably foreseeable by an experienced contractor and which the Contractor immediately notified to the Employer,
- m) any delay or disruption caused by any Variation,
- n) any change to the law of the Contract after the date of the Contractor's offer as stated in the Agreement,
- o) losses arising out of the Employer's right to have the permanent work executed on, over, under, in or through any land, and to occupy this land for the permanent work, and
- p) damage which is an unavoidable result of the Contractor's obligations to execute the Works and to remedy any defects.

## 7 Time for Completion

### 7.1 Execution of the Works

The Contractor shall commence the Works on the Commencement Date and shall proceed expeditiously and without delay and shall complete the Works within the Time for Completion.

### Programme

Within the time stated in the Appendix, the Contractor shall submit to the Employer a programme for the Works in the form stated in the Appendix.

### 7.3 Extension of Time

Subject to Sub-Clause 10.3, the Contractor shall be entitled to an extension to the Time for Completion if he is or will be delayed by any of the Employer's Liabilities.

On receipt of an application from the Contractor, the Employer shall consider all supporting details provided by the Contractor and shall extend the Time for Completion as appropriate.

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#### 7.4 Late Completion

If the Contractor fails to complete the Works within the Time for Completion, the Contractor's only liability to the Employer for such failure shall be to pay the amount stated in the Appendix for each day for which he fails to complete the Works.

---

## 8 Taking-Over

#### 8.1 Completion

The Contractor may notify the Employer when he considers that the Works are complete.

#### 8.2 Taking-Over Notice

The Employer shall notify the Contractor when he considers that the Contractor has completed the Works stating the date accordingly. Alternatively, the Employer may notify the Contractor that the Works, although not fully complete, are ready for taking over, stating the date accordingly.

The Employer shall take over the Works upon the issue of this notice. The Contractor shall promptly complete any outstanding work and, subject to Clause 9, clear the Site.

---

## 9 Remedying Defects

#### 9.1 Remedying Defects

The Employer may at any time prior to the expiry of the period stated in the Appendix, notify the Contractor of any defects or outstanding work. The Contractor shall remedy at no cost to the Employer any defects due to the Contractor's design, Materials, Plant or workmanship not being in accordance with the Contract.

The cost of remedying defects attributable to any other cause shall be valued as a Variation. Failure to remedy any defects or complete outstanding work within a reasonable time of the Employer's notice shall entitle the Employer to carry out all necessary work at the Contractor's cost.

#### 9.2 Uncovering and Testing

The Employer may give instruction as to the uncovering and/or testing of any work. Unless as a result of any uncovering and/or testing it is established that the Contractor's design, Materials, Plant or workmanship are not in accordance with the Contract, the Contractor shall be paid for such uncovering and/or testing as a Variation in accordance with Sub-Clause 10.2.

---

## 10

## VARIATIONS AND CLAIMS

### 10.1 Right to Vary

The Employer may instruct Variations.

### 10.2 Valuation of Variations

Variations shall be valued as follows:

- a) at a lump sum price agreed between the Parties, or
- b) where appropriate, at rates in the Contract, or
- c) in the absence of appropriate rates, the rates in the Contract shall be used as the basis for valuation, or failing which
- d) at appropriate new rates, as may be agreed or which the Employer considers appropriate, or
- e) if the Employer so instructs, at daywork rates set out in the Appendix for which the Contractor shall keep records of hours of labour and Contractor's Equipment, and of Materials used.

### 10.3 Early Warning

A Party shall notify the other as soon as he is aware of any circumstance which may delay or disrupt the Works, or which may give rise to a claim for additional payment. The Contractor shall take all reasonable steps to minimise these effects.

The Contractor's entitlement to extension to the Time for Completion or additional payment shall be limited to the time and payment which would have been due if he had given prompt notice and had taken all reasonable steps.

### 10.4 Right to Claim

If the Contractor incurs Cost as a result of any of the Employer's Liabilities, the Contractor shall be entitled to the amount of such Cost. If as a result of any of the Employer's Liabilities, it is necessary to change the Works, this shall be dealt with as a Variation.

### 10.5 Variation and Claim Procedure

The Contractor shall submit to the Employer an itemised make-up of the value of Variations and claims within 28 days of the instruction or of the event giving rise to the claim. The Employer shall check and if possible agree the value. In the absence of agreement, the Employer shall determine the value.

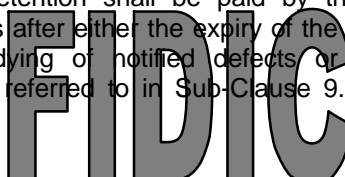
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# 11

# Contract Price and Payment

- 11.1 Contract Price** The Contract Price shall be firm for the duration of the contract and be deemed to include all duties and taxes
- 11.2 Contract Price Adjustment** Notwithstanding the provisions for Sub-Clause 11.1, the contract may be adjusted subject to Sub-Clause 10.3
- 11.3 Valuation of the Works** The Works shall be valued as provided for in the Appendix, subject to Clause 10
- 11.4 Monthly Statements** The Contractor shall be entitled to be paid at monthly intervals:
- a) the value of the Works executed,
  - b) the percentage stated in the Appendix of the value of Materials and Plant delivered to the Site at a reasonable time,
- subject to any additions or deductions which may be due.
- The Contractor shall submit each month to the Employer a statement showing the amounts to which he considers himself entitled.
- 11.5 Interim Payments** Within 28 days of delivery of each statement, the Employer shall pay to the Contractor the amount shown in the Contractor's statement less retention at the rate stated in the Appendix, and less any amount for which the Employer has specified his reasons for disagreement. The Employer shall not be bound by any sum previously considered by him to be due to the Contractor.
- The Employer may withhold interim payments until he receives the performance security under Sub-Clause 4.4 (if any).
- 11.6 Payment of First Half of Retention** One half of the retention shall be paid by the Employer to the Contractor within 28 days after issuing the notice under Sub-Clause 8.2.
- 11.7 Payment of Second Half of Retention** The remainder of the retention shall be paid by the Employer to the Contractor within 14 days after either the expiry of the period stated in the Appendix, or the remedying of notified defects, or the completion of outstanding work, all as referred to in Sub-Clause 9.1, whichever is the later.

The logo for FIDIC (International Federation of Consulting Engineers) is displayed in a large, bold, grey font. The letters are stylized and slightly overlapping.

**11.8  
Final Payment**

Within 42 days of the latest of the events listed in Sub-Clause 11.5 above, the Contractor shall submit a final account to the Employer together with any documentation reasonably required to enable the Employer to ascertain the final contract value.

Within 28 days after the submission of this final account, the Employer shall pay to the Contractor any amount due. If the Employer disagrees with any part of the Contractor's final account, he shall specify his reasons for disagreement when making payment.

**11.9  
Currency**

Payment shall be in Ghanaian cedis.

**11.10  
Delayed Payment**

The Contractor shall be entitled to interest at the rate stated in the Appendix for each day the Employer fails to pay beyond the prescribed payment period.

---

# 12

## Default

**12.1  
Default by Contractor**

If the Contractor abandons the Works, refuses or fails to comply with a valid instruction of the Employer or fails to proceed expeditiously and without delay, or is, despite a written complaint, in breach of the Contract, the Employer may give notice referring to this Sub-Clause and stating the default.

If the Contractor has not taken all practicable steps to remedy the default within 14 days after the Contractor's receipt of the Employer's notice, the Employer may by a second notice given within a further 21 days, terminate the Contract. The Contractor shall then demobilise from the Site leaving behind Materials and Plant and any Contractor's Equipment which the Employer instructs in the second notice is to be used until the completion of the Works.

**12.2 Corrupt or  
Fraudulent Practices**

If the Contractor has engaged in corrupt or fraudulent practices in competing for in executing the contract, the Employer may, after giving 14 days notice to the Contractor, terminate the Contract.

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For the purpose of this Sub-Clause,  
**"Practice Corrupt"** Practice means the offering, giving, receiving or soliciting of any thing or value to influence the action of a public official in the procurement process or in Contract execution.

**"Fraudulent Practice" means** a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Employer, and includes collusive practice among Tenderers (prior to or after Tender submission) designed to establish tender prices at artificial non-competitive levels and to deprive the Employer of the benefits of free and open competition".

### 12.3 Default by Employer

If the Employer fails to pay in accordance with the Contract, or is, despite a written complaint, in breach of the Contract, the Contractor may give notice referring to this Sub-Clause and stating the default. If the default is not remedied within 7 days after the Employer's receipt of this notice, the Contractor may suspend the execution of all or parts of the Works.

If the default is not remedied within 28 days after the Employer's receipt of the Contractor's notice, the Contractor may by a second notice given within a further 21 days, terminate the Contract. The Contractor shall then demobilise from the Site.

### 12.4 Insolvency

If a Party is declared insolvent under any applicable law, the other Party may by notice terminate the Contract immediately. The Contractor shall then demobilise from the Site leaving behind, in the case of the Contractor's insolvency, any Contractor's Equipment which the Employer instructs in the notice is to be used until the completion of the Works.

### 12.5 Payment upon Termination

After termination, the Contractor shall be entitled to payment of the unpaid balance of the value of the Works executed and of the Materials and Plant reasonably delivered to the Site, adjusted by the following:

- a) any sums to which the Contractor is entitled under Sub-Clause 10.4,
- b) any sums to which the Employer is entitled,
- c) if the Employer has terminated under Sub-Clause 12.1, 12.2 or 12.4, the Employer shall be entitled to a sum equivalent to 20% of the value of those parts of the Works not executed at the date of the termination,
- d) if the Contractor has terminated under Sub-Clause 12.3 or 12.4, the Contractor shall be entitled to the Cost of his suspension and demobilisation together with a sum equivalent to 10% of the value of those parts of the Works not executed at the date of termination.

The net balance due shall be paid or repaid within 28 days of the notice of termination.

# 13

## Risk and Responsibility

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### 13.1 Contractor's Care of the Works

The Contractor shall take full responsibility for the care of the Works from the Commencement Date until the date of the Employer's notice under Sub-Clause 8.2. Responsibility shall then pass to the Employer. If any loss or damage happens to the Works during the above period, the Contractor shall rectify such loss or damage so that the Works conform with the Contract.

Unless the loss or damage happens as a result of an Employer's Liability, the Contractor shall indemnify the Employer, the Employer's contractors, agents and employees against all loss or damage happening to the Works and against all claims or expense arising out of the Works caused by a breach of the Contract, by negligence or by other default of the Contractor, his agents or employees.

### 13.2 Force Majeure

If a Party is or will be prevented from performing any of its obligations by Force Majeure, the Party affected shall notify the other Party immediately. If necessary, the Contractor shall suspend the execution of the Works and, to the extent agreed with the Employer, demobilise the Contractor's Equipment.

If the event continues for a period of 84 days, either Party may then give notice of termination which shall take effect 28 days after the giving of the notice.

After termination, the Contractor shall be entitled to payment of the unpaid balance of the value of the Works executed and of the Materials and Plant reasonably delivered to the Site, adjusted by the following:

- a) any sums to which the Contractor is entitled under Sub-Clause 10.4,
- b) the Cost of his suspension and demobilisation,
- c) any sums to which the Employer is entitled.

The net balance due shall be paid or repaid within 28 days of the notice of termination.

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**14**  
Insurance

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**14.1  
Extent of Cover**

The Contractor shall, prior to commencing the Works, effect and thereafter maintain insurances in the joint names of the Parties:

- a) for loss and damage to the Works, Materials, Plant and the Contractor's Equipment,
- b) for liability of both Parties for loss, damage, death or injury to third parties or their property arising out of the Contractor's performance of the Contract, including the Contractor's liability for damage to the Employer's property other than the Works, and
- c) for liability of both Parties and of any Employer's representative for death or injury to the Contractor's personnel except to the extent that liability arises from the negligence of the Employer, any Employer's representative or their employees.

**14.2  
Arrangements**

All insurances shall conform with any requirements detailed in the Appendix. The policies shall be issued by insurers and in terms approved by the Employer. The Contractor shall provide the Employer with evidence that any required policy is in force and that the premiums have been paid.

All payments received from insurers relating to loss or damage to the Works shall be held jointly by the Parties and used for the repair of the loss or damage or as compensation for loss or damage that is not to be repaired.

**Failure to Insure**

If the Contractor fails to effect or keep in force any of the insurances referred to in the previous Sub-Clauses, or fails to provide satisfactory evidence, policies or receipts, the Employer may, without prejudice to any other right or remedy, effect insurance for the cover relevant to such default and pay the premiums due and recover the same as a deduction from any other monies due to the Contractor.

# 15 Resolution of Disputes

**15.1  
Adjudication**

Unless settled amicably, any dispute or difference which arises between the Contractor and the Employer out of or in connection with the Contract, including any valuation or other decision of the Employer, shall be referred by either Party to adjudication in accordance with the attached Rules for Adjudication ("the Rules"). The adjudicator shall be any person agreed by the Parties. In the event of disagreement, the adjudicator shall be appointed in accordance with the Rules.

# FIDIC

**15.2  
Notice of  
Dissatisfaction**

If a Party is dissatisfied with the decision of the adjudicator or if no decision is given within the time set out in the Rules, the Party may give notice of dissatisfaction referring to this Sub-Clause within 28 days of receipt of the decision or the expiry of the time for the decision. If no notice of dissatisfaction is given within the specified time, the decision shall be final and binding on the Parties. If notice of dissatisfaction is given within the specified time, the decision shall be binding on the Parties who shall give effect to it without delay unless and until the decision of the adjudicator is revised by an arbitrator.

**15.3  
Arbitration**

A dispute which has been the subject of a notice of dissatisfaction shall be finally settled by a single arbitrator under the rules specified in the Appendix. In the absence of agreement, the arbitrator shall be designated by the appointing authority specified in the Appendix. Any hearing shall be held at the place specified in the Appendix and in the language referred to in Sub-Clause 1.5.

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The logo for FIDIC, consisting of the letters 'FIDIC' in a bold, sans-serif font. The letters are grey with a slight shadow effect, giving them a three-dimensional appearance.

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# FIDIC

## Rules for Adjudication

### Referred To In Sub-Clause 15.1

- |                                   |   |
|-----------------------------------|---|
| <b>General</b>                    | <ol style="list-style-type: none"><li>1 Any reference in the Conditions of Contract to the Rules for Adjudication shall be deemed to be a reference to these Rules.</li><li>2 1 Definitions in the Contract shall apply in these Rules.</li></ol> <hr/>   |
| <b>Appointment of Adjudicator</b> | <ol style="list-style-type: none"><li>3 The Parties shall jointly ensure the appointment of the Adjudicator. The Adjudicator shall be a suitably qualified person</li><li>4 If for any reason the appointment of the Adjudicator is not agreed at the latest within 14 days of the reference of a dispute in accordance with these Rules, then either Party may apply, with a copy of the application to the other Party, to any appointing authority named in the Contract or, if none, to the President of FIDIC or his nominee, to appoint an Adjudicator, and such appointment shall be final and conclusive.</li><li>5 The Adjudicator's appointment may be terminated by mutual agreement of the Parties. The Adjudicator's appointment shall expire when the Works have been completed or when any disputes referred to the Adjudicator shall have been withdrawn or decided, whichever is the later.</li></ol> <hr/>  |
| <b>Terms of Appointment</b>       | <ol style="list-style-type: none"><li>6 The Adjudicator is to be, and is to remain throughout his appointment, impartial and independent of the Parties and shall immediately disclose in writing to the Parties anything of which he becomes aware which could affect his impartiality or independence.</li><li>7 The Adjudicator shall not give advice to the Parties or their representatives concerning the conduct of the project of which the Works form part other than in accordance with these Rules.</li><li>8 The Adjudicator shall not be called as a witness by the Parties to give evidence concerning any dispute in connection with, or arising out of, the Contract.</li><li>9 The Adjudicator shall treat the details of the Contract and all activities and hearings of the Adjudicator as confidential and shall not disclose the same without the prior written consent of the Parties. The Adjudicator shall not, without the consent of the Parties, assign or delegate any of his work under these Rules or engage legal or technical assistance.</li></ol> |

The logo for FIDIC, consisting of the letters 'FIDIC' in a large, bold, sans-serif font. The letters are white with a grey drop shadow, giving them a 3D appearance as if they are floating above the page.

- 10 The Adjudicator may resign by giving 28 days' notice to the Parties. In the event of resignation, death or incapacity, termination or a failure or refusal to perform the duties of Adjudicator under these Rules, the Parties shall agree upon a replacement Adjudicator within 14 days or Rule 4 shall apply.
- 11 The Adjudicator shall in no circumstances be liable for any claims for anything done or omitted in the discharge of the Adjudicator's duties unless the act or omission is shown to have been in bad faith.
- 12 If the Adjudicator shall knowingly breach any of the provisions of Rule 6 or act in bad faith, he shall not be entitled to any fees or expenses hereunder and shall reimburse each of the Parties for any fees and expenses properly paid to him if, as a consequence of such breach any proceedings or decisions of the Adjudicator are rendered void or ineffective.

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### Payment

- 13 The Adjudicator shall be paid the fees and expenses set out in the Adjudicator's Agreement.
  - 14 The retainer fee, if applicable, shall be payment in full for:
    - (a) being available, on 28 days' notice, for all hearings and Site visits;
    - (b) all office overhead expenses such as secretarial services, photocopying and office supplies incurred in connection with his duties;
    - (c) all services performed hereunder except those performed during the days referred to in Rule 15.
  - 15 The daily fee shall be payable for each working day preparing for or attending Site visits or hearings or preparing decisions including any associated travelling time.
  - 16 The retainer and daily fees shall remain fixed for the period of tenure of the Adjudicator.
  - 17 All payments to the Adjudicator shall be made by the Contractor who will be entitled to be reimbursed half by the Employer. The Contractor shall pay invoices addressed to him within 28 days of receipt. The Adjudicator's invoices for any monthly retainer shall be submitted quarterly in advance and invoices for daily fees and expenses shall be submitted following the conclusion of a Site visit or hearing. All invoices shall contain a brief description of the activities performed during the relevant period. The Adjudicator may suspend work if any invoice remains unpaid at the expiry of the period for payment, provided that 7 days prior notice has been given to both Parties.
  - 18 If the Contractor fails to pay an invoice addressed to it, the Employer shall be entitled to pay the sum due to the Adjudicator and recover the sum paid from the Contractor.
-

**Procedure for Obtaining  
Adjudicator's Decision**

- 19** A dispute between the Parties may be referred in writing by either Party to the Adjudicator for his decision, with a copy to the other Party. If the Adjudicator has not been agreed or appointed, the dispute shall be referred in writing to the other Party, together with a proposal for the appointment of an Adjudicator. A reference shall identify the dispute and refer to these Rules.
- 20** The Adjudicator may decide to visit the Site. The Adjudicator may decide to conduct a hearing in which event he shall decide on the date, place and duration for the hearing. The Adjudicator may request that written statements from the Parties be presented to him prior to, at or after the hearing. The Parties shall promptly provide the Adjudicator with sufficient copies of any documentation and information relevant to the Contract that he may request
- 21** The Adjudicator shall act as an impartial expert, not as an arbitrator, and shall have full authority to conduct any hearing as he thinks fit, not being bound by any rules or procedures other than those set out herein. Without limiting the foregoing, the Adjudicator shall have power to:
- (a) decide upon the Adjudicator's own jurisdiction, and as to the scope of any dispute referred to him,
  - (b) make use of his own specialist knowledge, if any,
  - (c) adopt an inquisitorial procedure,
  - (d) decide upon the payment of interest in accordance with the Contract,
  - (e) open up, review and revise any opinion, instruction, determination, certificate or valuation, related to the dispute,
  - (f) refuse admission to hearings to any persons other than the Employer, the Contractor and their respective representatives, and to proceed in the absence of any Party who the Adjudicator is satisfied received notice of the hearing.
- 22** All communications between either of the Parties and the Adjudicator and all hearings shall be in the language of the Adjudicator's Agreement. All such communications shall be copied to the other Party.
- 23** No later than the fifty-sixth day after the day on which the Adjudicator received a reference or, if later, the day on which the Adjudicator's Agreement came into effect, the Adjudicator shall give written notice of his decision to the Parties. Such decision shall include reasons and state that it is given under these Rules.

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# FIDIC

## Adjudicator's Agreement

Identification of Project:

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(the "Project")

Name and address of the Employer:

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(the "Employer")

Name and address of Contractor:

---

(the "Contractor")

Name and address of Adjudicator:

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(the "Adjudicator")

**Whereas** the Employer and the Contractor have entered into a contract ("the Contract") for the execution of the Project and wish to appoint the Adjudicator to act as adjudicator in accordance with the Rules for Adjudication ["the Rules"].

### The Employer, Contractor and Adjudicator agree as follows:

1. The Rules and the dispute provisions of the Contract shall form part of this Agreement.
2. The Adjudicator shall be paid:

A retainer fee of \_\_\_\_\_ per calendar month (where applicable)

A daily fee of \_\_\_\_\_

Expenses (including the cost of telephone calls, courier charges, faxes and telexes incurred in connection with his duties, all reasonable and necessary travel expenses, hotel accommodation and subsistence and other direct travel expenses).

Receipts will be required for all expenses.

FIDIC

- 3. The Adjudicator agrees to act as adjudicator in accordance with the Rules and has disclosed to the Parties any previous or existing relationship with the Parties or others concerned with the Project
- 4. This Agreement shall be governed by the law of \_\_\_\_\_
- 5. The language of this Agreement shall be \_\_\_\_\_

SIGNED BY

for and on behalf of the Employer in the presence of

Witness \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
Date \_\_\_\_\_

SIGNED BY

for and on behalf of the Contractor in the presence of

Witness \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
Date \_\_\_\_\_

SIGNED BY

for and on behalf of the Adjudicator in the presence of

Witness \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
Date \_\_\_\_\_



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**SECTION IV**  
**PARTICULAR CONDITIONS OF CONTRACT**

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## Section IV. Particular Conditions

The Conditions of Contract comprise the “General Conditions”, which form part of the “Short Form of Contract” First Edition 1999 published by the Federation Internationale des Ingenieurs-Conseils (FIDIC), and the following “Particular Conditions”, which include amendments and additions to such General Conditions.

Following Sub-Clause 11.1 insert:

**11.1.1 Taxation** The contract prices shall include all import duties and taxes that may be levied in accordance with the Country’s laws and regulations, as of the date 28 days prior to the latest date for submission of Tenders.

Delete the item 11.7 of the Appendix and the entire Sub-Clause 11.7. Substitute with:

**11.7 Currency** The contract price shall be expressed entirely in the currency of the Country and all payments made in accordance with the Contract shall be in the same currency.

Following Sub-Clause 12.1 insert:

**12.1.1 Corrupt or Fraudulent Practices** If the Contractor has engaged in corrupt or fraudulent practices, in competing for or in executing the Contract, the Employer may, after given 14 days notice to the Contractor, terminate the Contract. For the purpose of this Sub-Clause:

“corrupt practice” means the offering, giving, receiving or soliciting of any thing of value to influence the action of a public official in the procurement process or in Contract execution;

“fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a Contract to the detriment of the Employer, and includes collusive practice among Tenderers (prior to or after Tender submission) designed to establish Tender prices at artificial non-competitive levels and to deprive the Employer of the benefits of free and open competition.

Delete the item 15.3 of Appendix and the entire Clause 15. Substitute with:

**15.1 Resolution of Disputes** If any dispute arises between the Employer and the Contractor in connection with or arising out of the Contract, the parties shall seek to resolve any such dispute by amicable agreement. If the parties fail to resolve such dispute by amicable agreement, within 14 days after one party has notified the other in writing of the dispute, then the dispute shall be referred by either party to the competent courts, which shall rule in accordance with the current regulations of the Country on contract disputes.