

FIDIC

What is FIDIC ?

- ❑ An international federation of consulting engineers, founded in **1913** with its headquarters located in **Lausanne, Switzerland**, whose objective is to promote the common interests of the member associations and disseminate information to its members for the development of consulting industry.
- ❑ FIDIC arrange seminars and conferences and prepare standard documents, in the furtherance of its goals.

FEATURES AND ADVANTAGES

☐ **Balanced**

- ☐ **Fair apportioning** of risks, rights and obligations between the parties

☐ **Well Tried**

- ☐ **Long case history** for earlier contracts

☐ **Accepted**

- ☐ Known and recognized; in **wide use** for international contracts

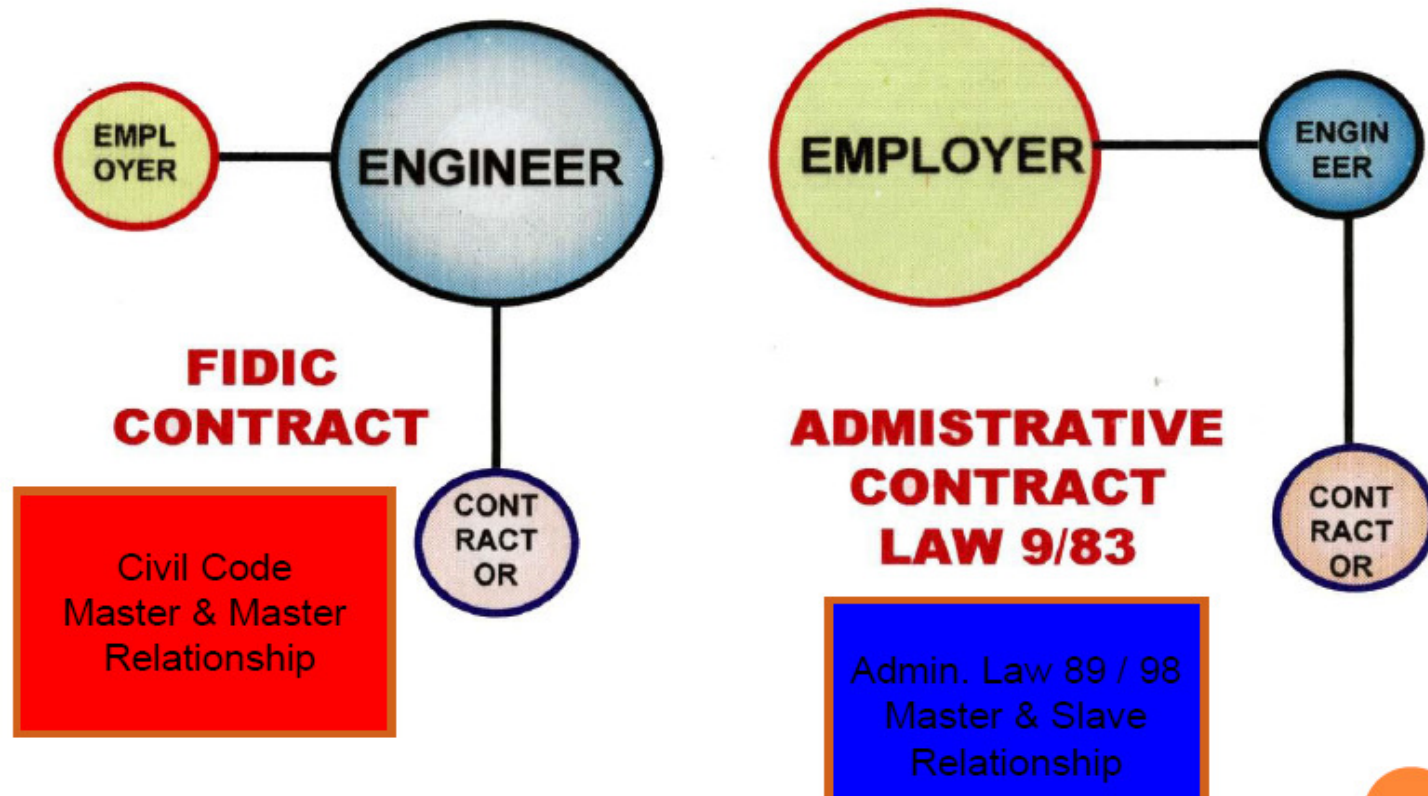
☐ **Supported**

- ☐ **Recommended** or required by development banks,

☐ **Effective**

- ☐ Clear and complete **conditions; time limits; provisions for attribution**


Contractual Relationship




FIDIC Contracts After 1999

- ☐ **Red Book** Employer Conditions of Contract for Construction for Buildings and Engineering Works
- ☐ **Yellow Book** Conditions of Contract for **Plant and Design/Build** for Electrical and Mechanical Plant, and for Building and Engineering Works
- ☐ **Silver Book** Projects Conditions of Contract for **EPC / Turnkey**
- ☐ **Green Book** Conditions of Contract for **Short Form of Contract**


Red Book

- ☐ For Construction of major Building or Engineering Projects in general
 - ☐ Designed by the Employer
 - ☐ Unit Price Contract/Remeasurement (monthly payment)
 - ☐ Engineer, working for the Employer
 - ☐ Payments based upon measurements
 - ☐ Administration of Contract by Engineer
 - ☐ Favoring contractor in terms of risk allocation
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Yellow Book

- ☐ For provision of Mechanical and Electrical Plant, and for design and execution of Building or Engineering Projects
 - ☐ Contractor's Responsibility for Design
 - ☐ Lump-sum, with adjustments (stage/milestone or monthly payment)
 - ☐ Engineer, working for the Employer
 - ☐ Payments according to progress
 - ☐ Administration of Contract by Engineer
 - ☐ Favoring contractor in terms of risk allocation
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Silver Book

- ❑ For provision on a turnkey basis of a process or power plant, etc.
 - ❑ Contractor's Total Responsibility for Design
 - ❑ Normally fixed Lump-sum, with few adjustments (stage/milestone or monthly payment)
 - ❑ Employer may appoint a Representative
 - ❑ Payments according to progress
 - ❑ Administration of Contract by Employer's Representative
 - ❑ Favoring employer in terms of risk allocation
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Green Book

- ☐ For Building or Engineering Works of Small Capital Value or containing mostly simple or repetitive work
- ☐ Contractor's or Employer's Responsibility for Design
- ☐ Lump-sum, with adjustments (monthly payment)
- ☐ Payments according to value of Works executed and Materials and Plant delivered to site
- ☐ Employer may appoint a Representative
- ☐ Administration of Contract by Employer's Representative
- ☐ Favoring contractor in terms of risk allocation


[illegible]

Red Book	Yellow Book	Silver Book	Green Book
Major Building or Engineering Projects in general	Mechanical and Electrical Plant, Design and Execution of Building or Engineering Projects	Turnkey basis of a process or power plant	Simple projects
Employer designs	Contractor designs	Contractor designs	Design by either party
Engineer, working for the Employer	Engineer, working for the Employer	Employer may appoint a Representative	Employer may appoint a Representative
Unit Price Contract, Remeasurement (monthly payment)	Lump-sum, with adjustments (stage or monthly payment)	Normally fixed Lump-sum, with few adjustments (stage or monthly payment)	Lump-sum, with adjustments (monthly payment)
Payments based upon measurements Certification of payments by Engineer	Payments according to progress Certification of payments by Engineer	Payments according to progress	Payments according to value of works executed
Administration of Contract by Engineer	Administration of Contract by Engineer	Administration of Contract by Employer's Representative	Administration of Contract by Employer's Representative
Favoring contractor in terms of risk allocation	Favoring contractor in terms of risk allocation	Favoring employer in terms of risk allocation	Favoring contractor in terms of risk allocation

USE OF FIDIC CONTRACTS

- ☐ Match contract and project
 - ☐ Decide the form of contract early
 - ☐ Appoint Dispute Arbitration Board early
 - ☐ Preparation of the contract should be done by professionals
 - ☐ Do not touch the General Conditions
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PRINCIPLES OF PROCUREMENT

- ❑ Effectiveness
 - ❑ Economy
 - ❑ Efficiency
 - ❑ Accountability
 - ❑ Transparency/confidentiality
 - ❑ Strong competition
 - ❑ Publicity, wide participation
 - ❑ Fair and equal conditions
 - ❑ Standard procedures
 - ❑ Standard documentation
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PROCUREMENT CATEGORIES

- ☐ Goods
- ☐ Works Versus
- ☐ Consultant services

SELECTION PROCEDURES/CRITERIA

- ☐ Criteria defined and published in advance
 - ☐ Economically most advantageous offer
 - ☐ Quality based selection for intellectual services
 - ☐ Quality and cost based selection
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PROCUREMENT STEPS

1. Preparation
 2. Publication
 3. Pre-qualification / short-listing
 4. Invitation
 5. (Submission)
 6. Evaluation
 7. Award, contracting
 8. Supervision, contract administration
 9. Lessons learned
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PREPARATION OF PROCUREMENT

1. Determination of needs and objectives
2. Determination of constraints
3. Identification of parties
4. Planning, budgeting, financing
5. Contract type
6. Selection procedure
7. Requirements / Specifications / Bills of Quantities / Terms of Reference
8. Pre-qualification and evaluation criteria
9. Particular conditions
10. Tender documents
11. Publicity

CONTRACT ADMINISTRATION

- ☐ Supervision
 - ☐ Implementation of rule
 - ☐ Quality and quantity
 - ☐ Invoice verification
 - ☐ Payments
 - ☐ Extensions, variation orders, modifications
 - ☐ Termination
 - ☐ Disputes and their resolution
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RISKS IN PROCUREMENT

- ☐ Wrong goods/works/services
 - ☐ Bad value for money
 - ☐ Fraud
 - ☐ Corruption
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Thanks
