



**Australia Indonesia Partnership**  

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**Kemitraan Australia Indonesia**



# **CONTRACT ADMINISTRATION**



**MINISTRY OF PUBLIC WORKS**  
**Directorate General of Highways**

# EINRIP - What's New

1. **Emphasis** is given to improved procedures for implementation, supervision, accountability and oversight
2. **Designs** have been completed using a new Design Specification and are not subject to design review (see **Section 3.3**).
3. **Bidding Documents** have been revised, based on FIDIC international General Conditions of Contract (see **Section 5.1.1**).
4. **The Supervision Consultant** will act as the Engineer for the civil works contract (see **Section 8.1.4**).
5. **A Disputes Board** should be established for every contract, even if there are no disputes. It will be funded 50% by the Employer and 50% by the Contractor (see **Section 8.3.10**).
6. **Independent auditors** will be appointed for technical and financial audit (see **Section 8.1.5**)
7. **The GOI contribution** is set in the Loan Agreement as a fixed amount, and the PMM establishes the initial percentage shares of various activities to achieve the GOI contribution (see **Section 9.1.2**)

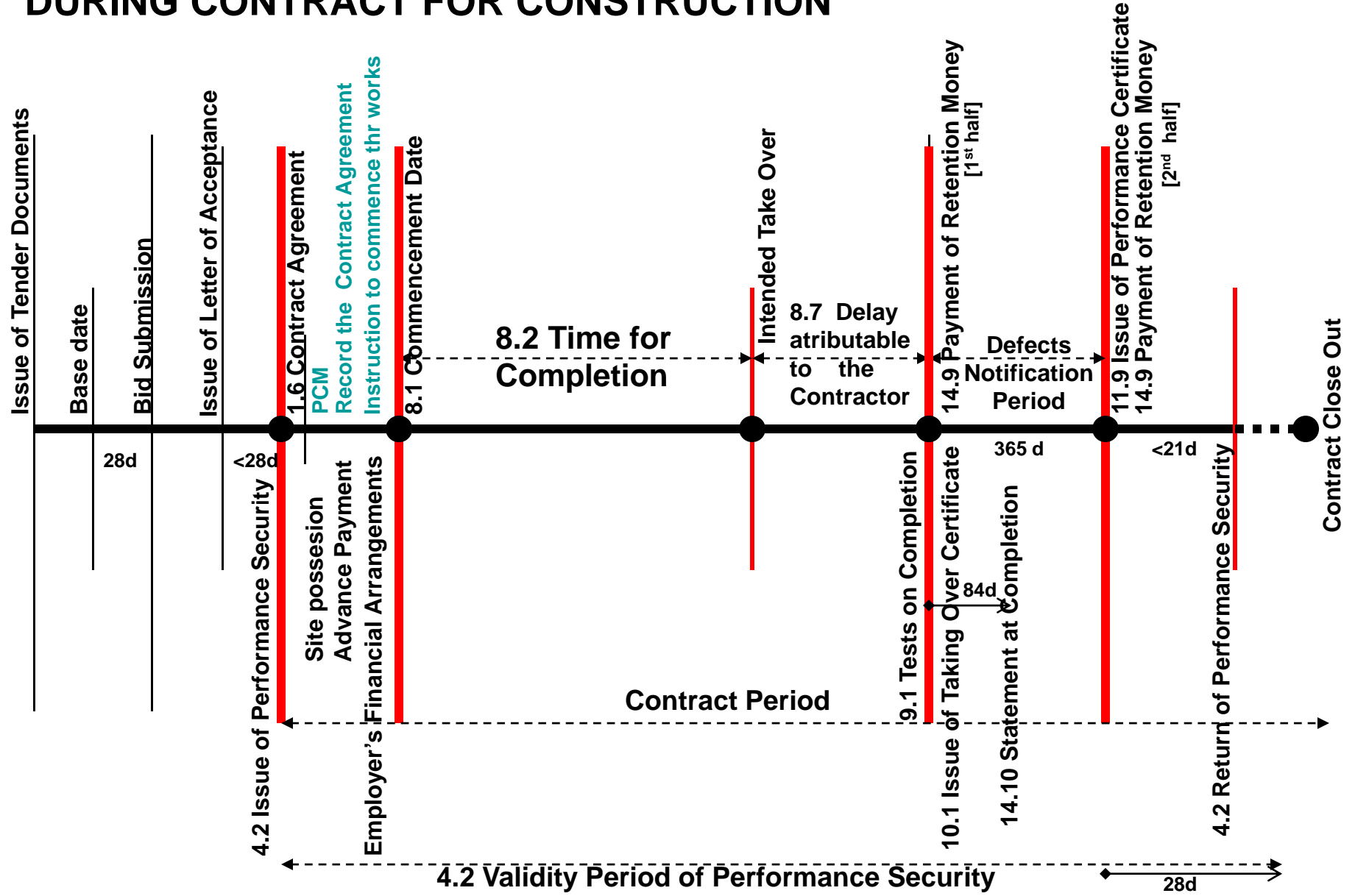
**FIDIC**  
**CONDITION OF CONTRACT**  
**FOR CONSTRUCTION**  
**GENERAL CONDITION**

MULTILATERAL DEVELOPMENT BANK HARMONISED  
EDITION MARCH 2006

# 1.4 Law and Language

<b>Governing Law</b>	1.4	<b>The law of the Republic of Indonesia.</b>
<b>Ruling language</b>	1.4	<b>English.</b>
<b>Language for communications</b>	1.4	<b>English.</b>

# TYPICAL SEQUENCE OF PRINCIPAL EVENTS DURING CONTRACT FOR CONSTRUCTION



## 4.2 Performance Security

- a PS for proper performance:
  - an Unconditional Bank Guarantee
  - ten (10) percent of the Contract Price
  - Shall be submitted **within 28 days** after receiving the Letter of Acceptance,
  - a copy to the Engineer.
- Validity Period, until 28 days after the issue of Performance Certificate
- Shall be returned **within 21 days** after receiving a copy of the Performance Certificate.
- The amount changes as the contract amount change
- Form of PS:
  - Option 1: with following the rules of ICC No.458
  - Option 2: with relinquishing the Clause 1832 of Indonesian Civil Law
- until the PS has been received:
  - the Employer may withhold **Right of Access to the Site** (Clause 2.1)
  - **No payment** (Clause 14.2; 14.6 and 14.7)
- Termination by Employer (Clause 15.2)
  - After termination, the Employer may **encash the full amount** of the Performance Security and complete the Works and/or arrange for any other entities to do so

# SPEC. DIVISION 1 - GENERAL

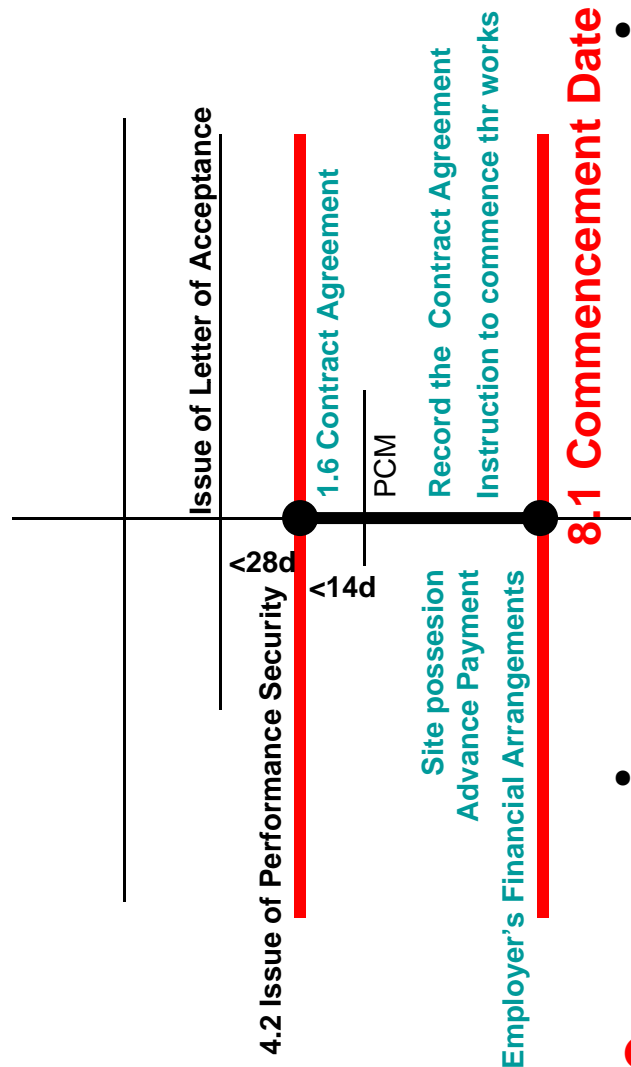
## Pre-Construction Meeting

**PCM harus dilaksanakan dalam waktu 14 hari setelah kontrak ditandatangani**

### Contents:

- Introduction
  - Exchange Organization Charts
    - Employer's Organization
    - Contractor's Organization
    - Engineer's Organization
  - Site Issues, for example:
    - Right of Way
    - Sources of Materials
    - Location of Base Camp
  - Permits
  - Submittals
  - Final Construction Documents
  - Phasing and Milestones
- Contractor's Work Plan, includes:
    - Outline Construction Schedule indicating the timing and sequence of the principal activities comprising the Works
    - Mobilization Plan
    - Public Utilities Relocation Plan
    - Health and Safety Plan
    - Quality Plan
    - Traffic Management and Safety Plan
    - Environmental and Social Safeguards
  - Engineer's Quality Assurance Plan
  - Employer's Audit Plan
  - Communication and correspondence
  - Coordination meetings, schedule and frequency
  - Reporting and monitoring

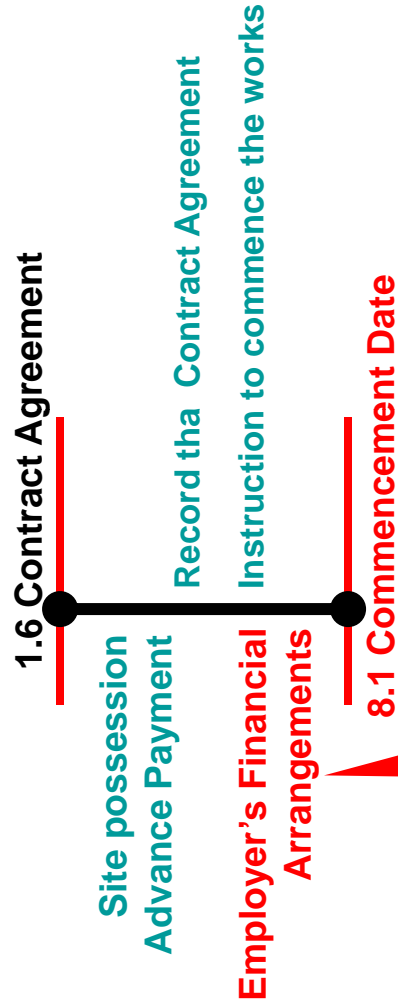
# Ps 8.1 Tanggal Mulai Kerja (Commencement Date)



- Tanggal Mulai Kerja , yaitu tanggal dimana **kejadian-kejadian berikut** telah dipenuhi dan perintah Direksi Pekerjaan **untuk membuat rekaman surat perjanjian** kedua belah Pihak dan **untuk memulai Pekerjaan** diterima oleh Kontraktor :
  - tanda tangan Perjanjian Kontrak oleh kedua belah Pihak
  - penyerahan Rencana Keuangan Pemilik
  - penyerahan Lapangan dan perijinan kepada Kontraktor
  - Telah diterimanya pembayaran Uang Muka oleh Kontraktor
- Jika perintah Direksi Pekerjaan tidak diterima Kontraktor dalam **180** hari sejak tanggal Surat Penunjukan, Kontraktor mempunyai hak untuk memutus Kontrak menurut Ayat 16.2

**Civil works shall not commence until the RSC is mobilised and a CSE has been appointed as the Engineer's Assistant.**

# Employer's Financial Arrangements

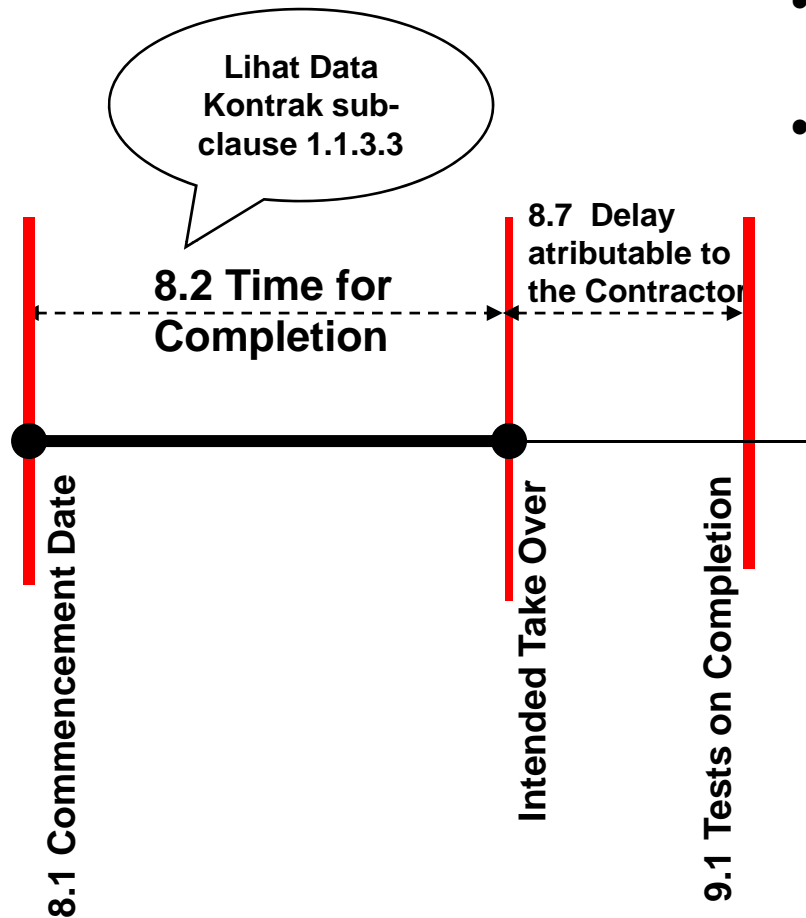


- The Employer shall ensure the Contractor that a special budget for the works is allocated.

## Means of evidence:

- DIPA
- Loan Agreement
- NOL Disbursement
- Special Account

## 8.2 Waktu Penyelesaian Pekerjaan (Time for Completion)



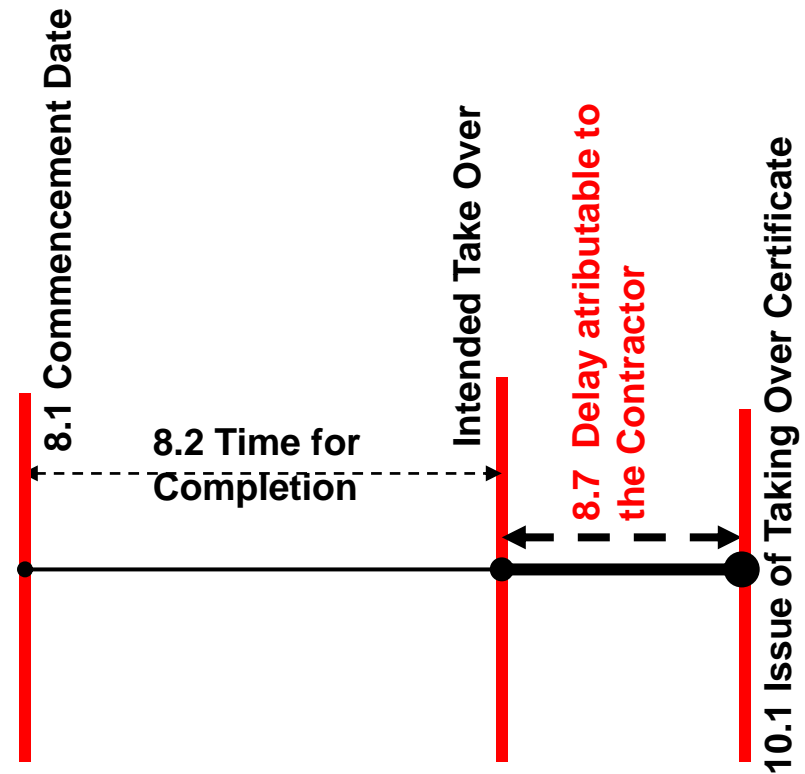
- Sebelumnya dikenal dengan **Construction Period**
- Untuk setiap kontrak, Waktu Penyelesaian Pekerjaan ditetapkan pada Bagian 3, Data Kontrak sub-clause 1.1.3.3

1.1.3.3 “Time for Completion” means the time for completing the Works or a Section (as the case may be) under Sub-Clause 8.2 [Time for Completion], as stated in the Contract Data (with any extension under Sub-Clause 8.4 [Extension of Time for Completion]), calculated from the Commencement Date.

Time for Completion	1.1.3.3	_____ days
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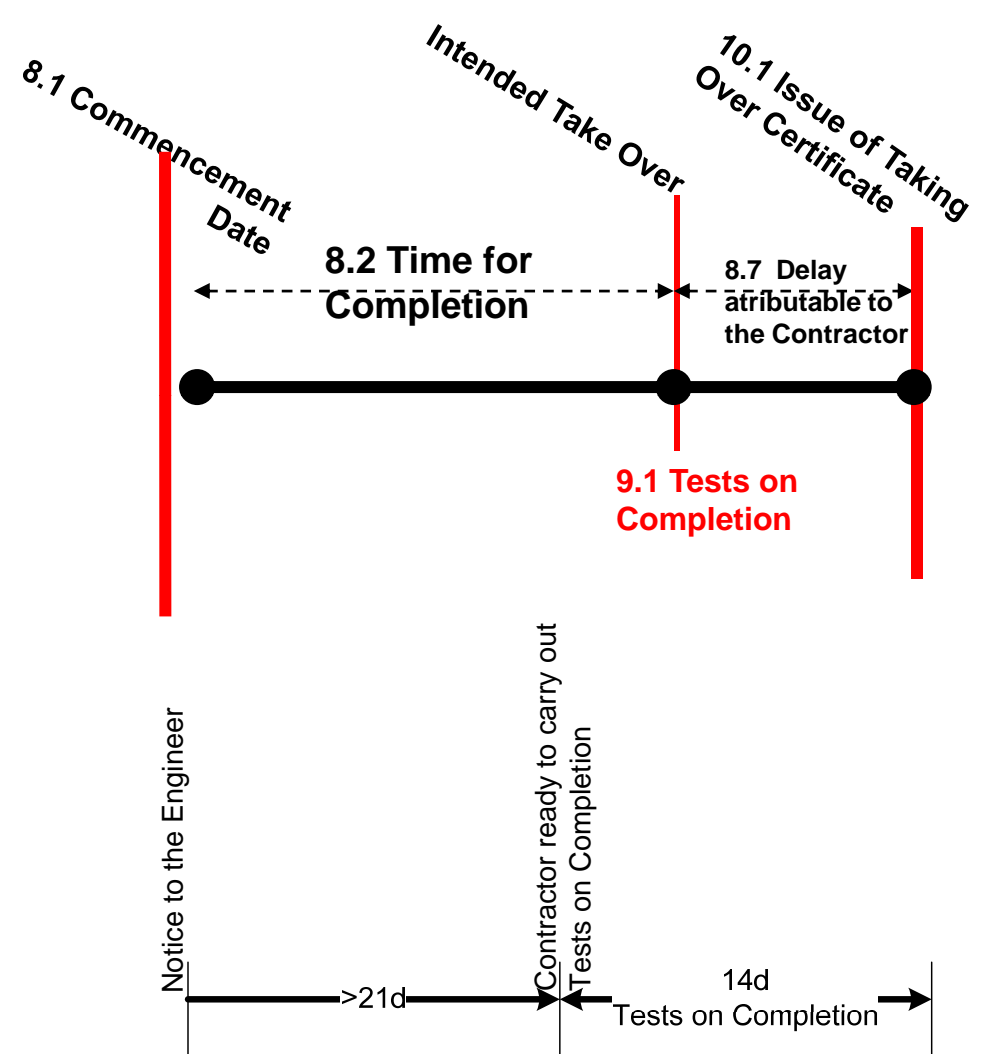
# 8.7 Delay Damages

- If the Contractor fails to comply with Sub-Clause 8.2 [Time for Completion]
  - **One tent of one percent (0.10 %)** of the Contract Price per day
  - **Elapse** between the relevant Time for Completion and the date stated in the Taking-Over Certificate
  - **Maximum 10%** of the final Contract Price.
- These delay damages shall be the only damages due from the Contractor for such default, other than in the event of termination under Sub-Clause 15.2 [Termination by Employer] prior to completion of the Works.



# 9. Tests on Completion

- 1.1.3.4 “Tests on Completion” means the tests **which are specified in the Contract or agreed by both Parties or instructed as a Variation, and which are carried out under Clause 9 [Tests on Completion] before the Works or a Section (as the case may be) are taken over by the Employer.**
- 4.1 Contractor’s General Obligations
  - prior to the commencement of the Tests on Completion, the Contractor shall submit to the Engineer the “as-built” documents
- 8.2 Time for Completion
  - The Contractor shall complete the whole of the Works .... Including achieving the passing of the Tests on Completion



- An evaluation of all as-built documents and show that all completed works comply with the work requirements and all Non-Conformance Reports (NCRs) are resolved.
- Submission of written Engineer's instructions and/or approval where the as-built documents depart from the work requirements.
- Checking on the overall performance of the final works completed showing compliance with the Employer's overall requirements or the intention of the design/drawings, e.g. dimensions, levels, functions such as pavement surface roughness, water flows, etc.
- Minimum random sampling for testing if required.

## **SPEC DIVISION 1 - GENERAL Tests on Completion**

- The Engineer will evaluate the Engineer's QA documentations supplemented with Contractor's Documents to ensure that all completed works comply with the work requirements and all Non-Conformance Reports (NCRs) are resolved.
- Tests on Completion shall assure the readiness of the Works to be taken over by the Employer for public use.

## 10.1 Taking Over of the Works and Sections

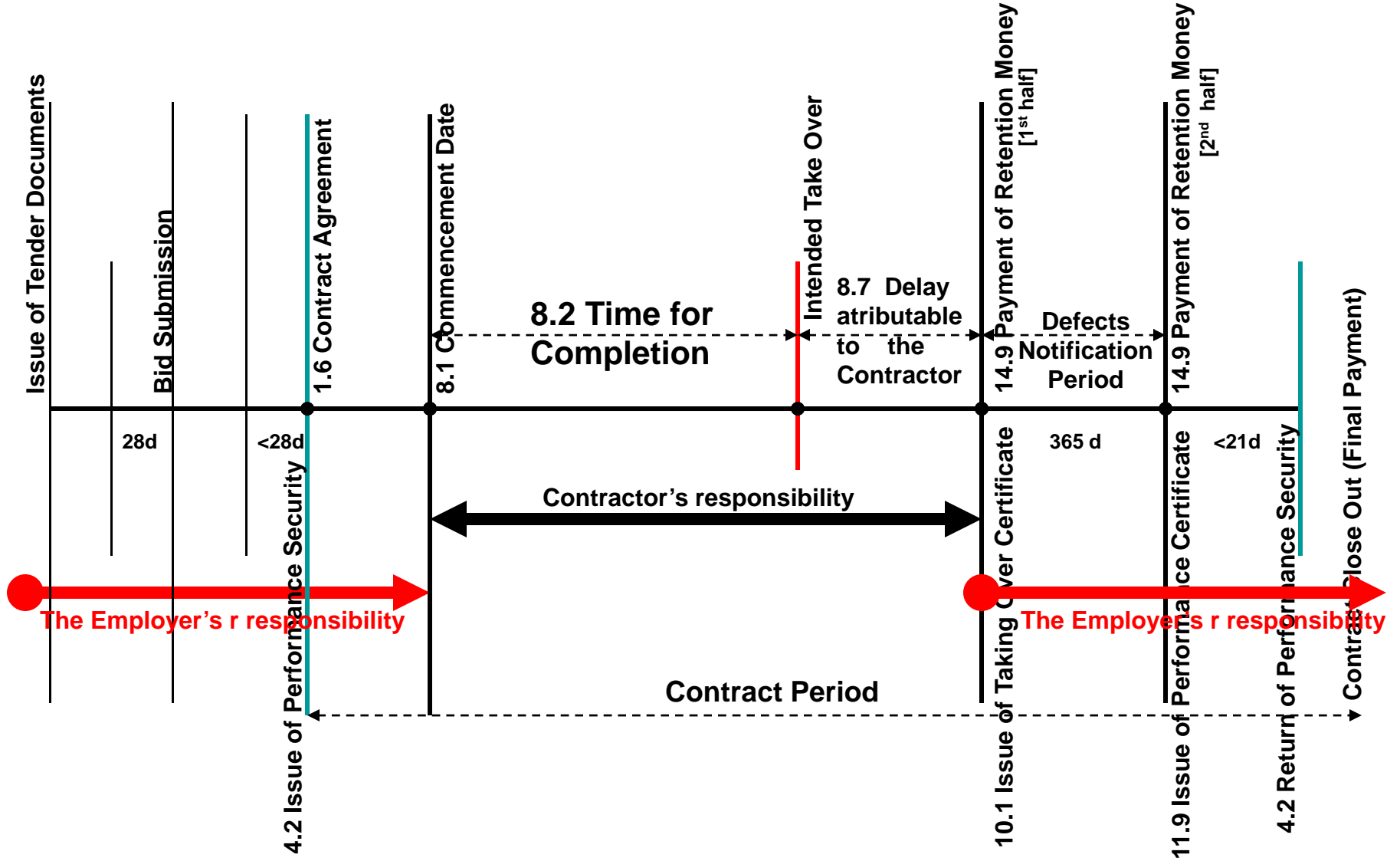
The Works shall be taken over by the Employer when:

1. **the Works have been completed in accordance with the Contract,** including the matters described in Sub-Clause 8.2 [Time for Completion] and except as allowed in sub-paragraph (a) below, and
2. **a Taking-Over Certificate for the Works has been issued,** or is deemed to have been issued in accordance with this Sub-Clause

## 17.2 Contractor's Care of the Works

- The Contractor shall take full responsibility for the care of the Works **from the Commencement Date until the Taking-Over Certificate is issued** for the Works, when responsibility for the care of the Works shall pass to the Employer.
- If a Taking-Over Certificate is issued for any Section or part of the Works, responsibility for the care of the Section or part shall then **pass to the Employer**.
- After responsibility has accordingly passed to the Employer, the Contractor shall take responsibility for the care of any work **which is outstanding** on the date stated in a Taking-Over Certificate, until this outstanding work has been completed
- The Contractor **shall be liable** for any loss or damage caused by any actions performed by the Contractor after a Taking-Over Certificate has been issued.
- The Contractor **shall also be liable** for any loss or damage which occurs after a Taking-Over Certificate has been issued and which arose from a previous event for which the Contractor was liable.

# CARE OF WORKS OR ROUTINE MAINTENANCE



# 11. Defects Liability

During the Defect Notification Period the Contractor shall:

- complete any work which is **outstanding** on the date stated in a Taking-Over Certificate, within such reasonable time as is instructed by the Engineer, and
- execute all work required **to remedy defects or damage**, as may be notified by (or on behalf of) the Employer on or before the expiry date of the Defects Notification Period for the Works or Section (as the case may be).
- If a defect appears or damage occurs, **the Contractor shall be notified accordingly, by (or on behalf of) the Employer.**

# Performance Certificate

- Performance of the Contractor's obligations shall not be considered to have been completed **until the Engineer has issued the Performance Certificate** to the Contractor, stating the date on which the Contractor completed his obligations under the Contract.
- The Engineer shall **issue the Performance Certificate** within 28 days after the latest of the expiry dates of the Defects Notification Periods, or as soon thereafter as the Contractor has supplied all the Contractor's Documents and completed and tested all the Works, including remedying any defects.

A copy of the Performance Certificate shall be issued to the Employer.

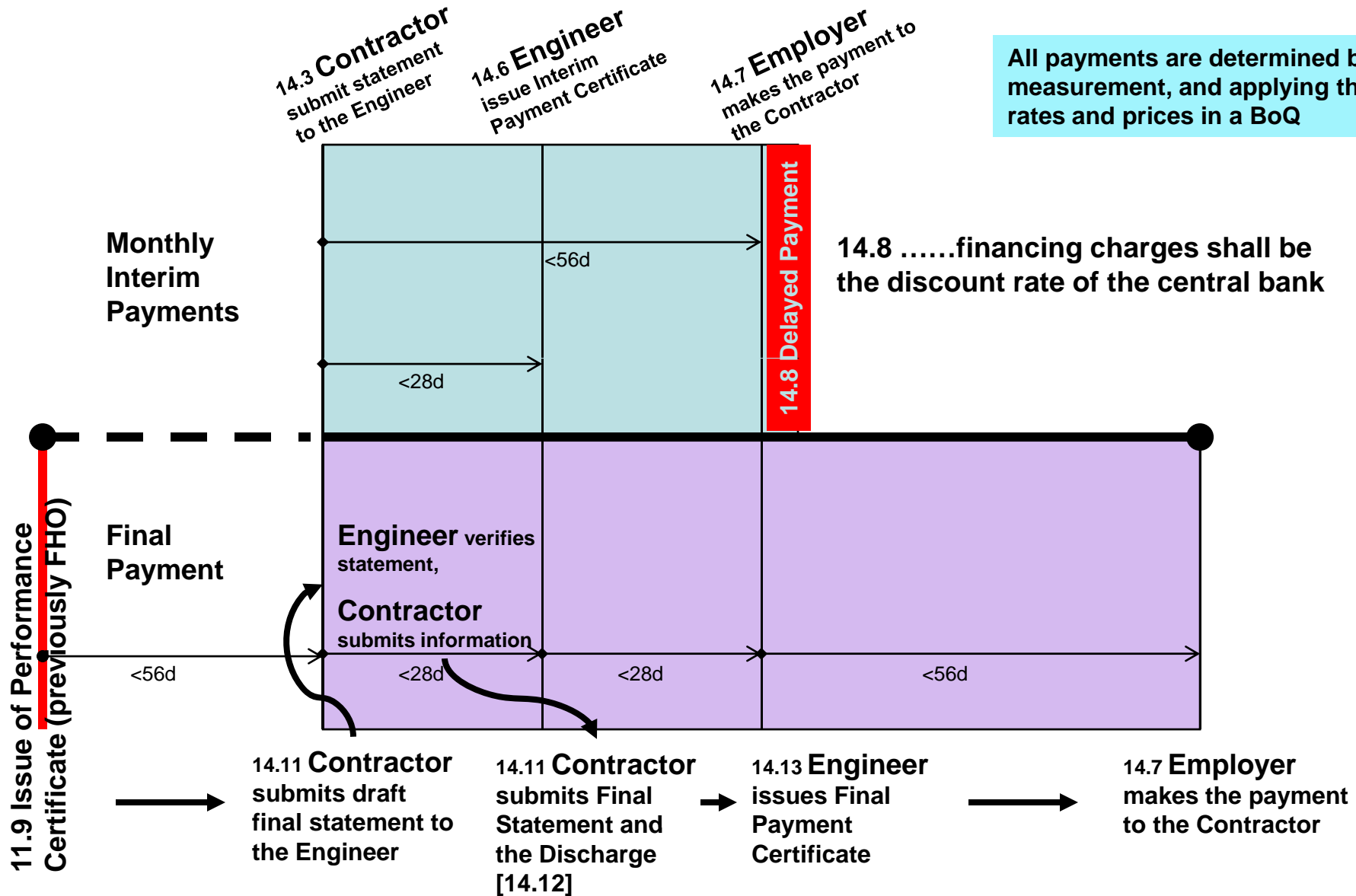
**Only the Performance Certificate shall be deemed to constitute acceptance of the Works.**

## 13.2 Value Engineering Change Proposal

- The Contractor may, at any time, submit to the Engineer a written proposal which (in the Contractor's opinion) shall, if adopted,
  - (i) accelerate completion,
  - (ii) reduce the cost to the Employer of executing, maintaining or operating the Works,
  - (iii) improve the efficiency or value to the Employer of the completed Works, or
  - (iv) otherwise be of benefit to the Employer.
- Proposals must provide a lower cost or improved quality, or both without impairing essential functions and characteristics of the facility.
- A VECP includes the design and construction of a structure including but not limited to a bridge, retaining wall, concrete box culvert, earthworks (slope or embankment), building

# PAYMENTS

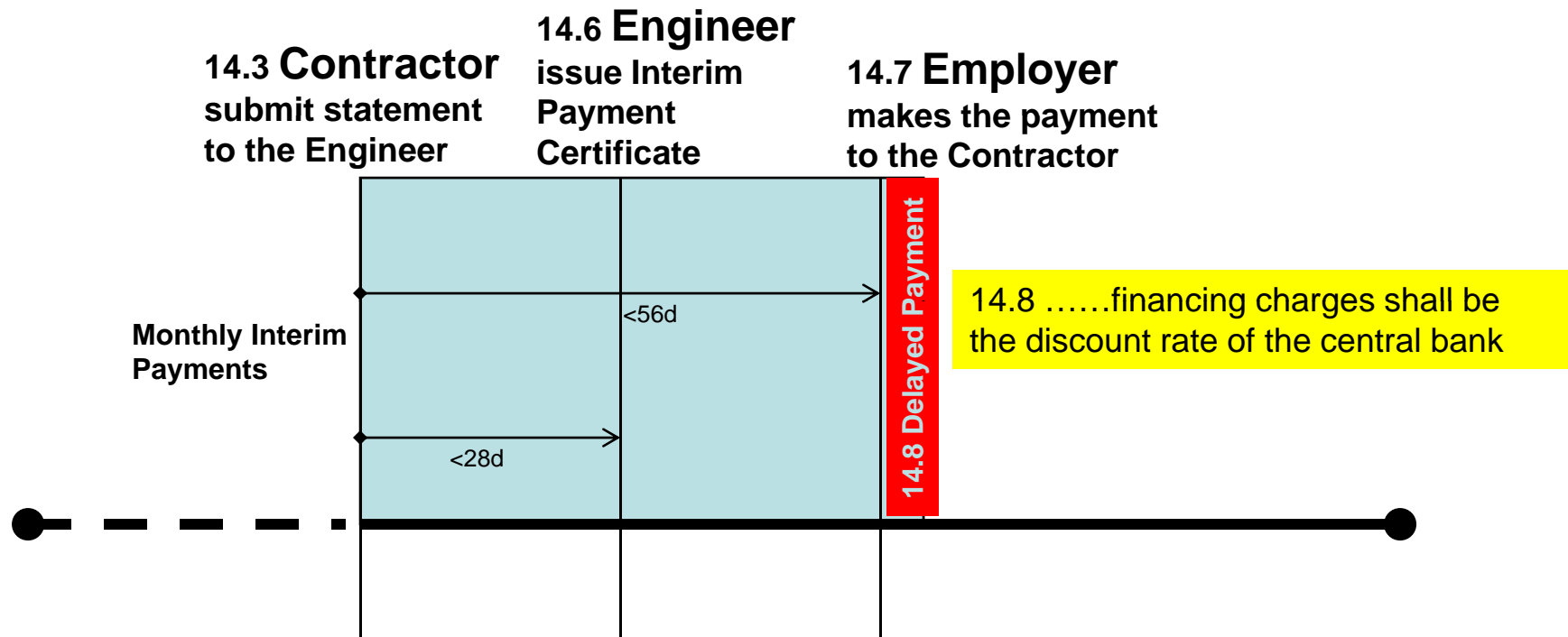
All payments are determined by measurement, and applying the rates and prices in a BoQ

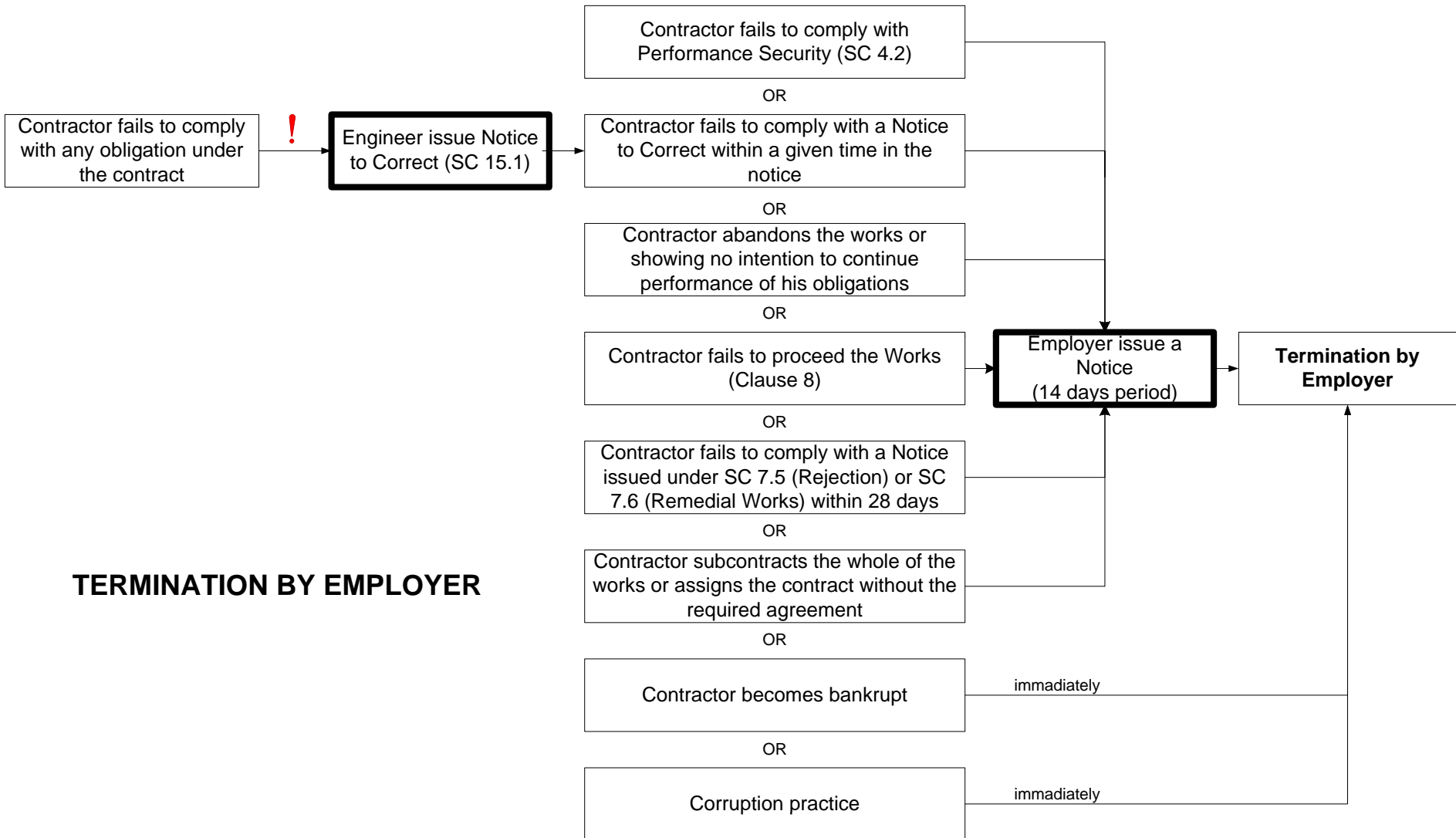


The Statement shall include the following items, as applicable, which shall be expressed in the various currencies in which the Contract Price is payable, in the sequence listed:

- the estimated contract **value of the Works executed** and the Contractor's Documents produced up to the end of the month (including Variations but excluding items described in subparagraphs (b) to (g) below);
- any amounts to be added and deducted for **changes in legislation and changes in cost**, in accordance with Sub-Clause 13.7 [Adjustments for Changes in Legislation] and Sub-Clause 13.8 [Adjustments for Changes in Cost];
- any amount to be deducted for **retention**, calculated by applying the percentage of retention stated in the Contract Data to the total of the above amounts, until the amount so retained by the Employer reaches the limit of Retention Money (if any) stated in the Contract Data;
- any amounts to be added for the **advance payment** and (if more than one instalment) and to be deducted for its repayments in accordance with Sub-Clause 14.2 [Advance Payment];
- any amounts to be added and deducted for **Plant and Materials** in accordance with Sub-Clause 14.5 [Plant and Materials intended for the Works];
- any other additions or deductions which may have become due under the Contract or otherwise, including those under Clause 20 [**Claims, Disputes and Arbitration**]; and
- the deduction of amounts certified in all **previous Payment Certificates**.

# 14.8 Late Payment





**TERMINATION BY EMPLOYER**