



# Aeratsia WWTP Rehabilitation

TENDER DOCUMENT

**VOLUME 2: CONTRACT (APPENDIX 6)**

**OCTOBER 1, 2014**

**VTI -International Activities**

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**Aeratsia WWTP Rehabilitation**

TENDER DOCUMENT

OCTOBER 1, 2014

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Index	Date	Author	Reviewer
A	January 31, 2014	C. Trommsdorff	A. Enzinger/J.L. Aude
B	October 1, 2014	A. Enzinger/J.L. Pillaud	A. Enzinger

## **APPENDIX 6**

# **CONTRACT**

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## **PART 1 – GENERAL CONDITIONS OF CONTRACT**



**REPUBLIC OF ARMENIA / YEREVAN MUNICIPALITY**

**YEREVAN WATER AND WASTEWATER SYSTEM  
IMPROVEMENT PROJECT  
REHABILITATION OF AERATSIA WWTP**

**PART 1 – GENERAL CONDITIONS OF CONTRACT**

**CONDITIONS OF CONTRACT FOR CONSTRUCTION**  
**FOR BUILDING AND ENGINEERING WORKS DESIGNED BY THE EMPLOYER (RED BOOK)**  
**FIDIC, EDITION 1999**

REPUBLIC OF ARMENIA / YEREVAN MUNICIPALITY  
YEREVAN WATER AND WASTEWATER SYSTEM IMPROVEMENT PROJECT  
REHABILITATION OF AERATSIA WWTP  
PART 1 – GENERAL CONDITIONS OF CONTRACT

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The General Conditions of this Contract are the General Conditions of Contract for Construction, issued and published by FIDIC (Fédération Internationale des Ingénieurs Conseils) in 1999”

The Bidders can contact FIDIC for procuring these General Conditions at the following address:

FIDIC

Office  
World Trade Center II  
Geneva Airport  
29 Route de Pré-Bois, Cointrin  
CH-1215 Geneva 15, Switzerland  
Postal address  
Box 311, CH-1215 Geneva 15, Switzerland

## **PART 2 – SPECIAL CONDITIONS OF CONTRACT**



**REPUBLIC OF ARMENIA / YEREVAN MUNICIPALITY**

**YEREVAN WATER AND WASTEWATER SYSTEM  
IMPROVEMENT PROJECT  
REHABILITATION OF AERATSIA WWTP**

**PART 2 – PARTICULAR CONDITIONS OF CONTRACT**

## Clause 1 – General Provisions

### Sub-Clause 1.1 – Definitions

#### Sub-Clause 1.1.1.9:

Replace this sub-clause by “*Particular Conditions means the completed pages entitled Particular Conditions*”.

Add: when “appendix to tender” appears in the general conditions it shall be replaced by “Particular Conditions”.

#### Sub-Clause 1.1.2.2 and Sub-Clause 1.3

##### Data for Employer’s name and address:

Yerevan Municipality  
“Municipal Development Projects Implementation Unit” SI,  
Mr. G Aleksanyan  
Director,  
Street Address: Vardanantsstr blind alley 8  
City: Yerevan  
Post Code: 0010  
Country: Armenia  
Telephone: (374 10) 54 70 74  
Facsimile number: (374 10) 54 70 72  
Electronic mail address: [mdpiu@arminco.com](mailto:mdpiu@arminco.com)

#### Sub-Clause 1.1.2.4 and Sub-Clause 1.3

##### Data for Engineer’s name and address:

Artelia Ville et Transport  
Mr. Andreas Enzinger  
Project Director,  
Street Address: B.P. 218  
City: Echirolles Cedex  
ZIP Code: 38 432  
Country: France

#### Sub-Clause 1.1.3.3

##### Data for Time for Completion of the Works:

18 months

#### Sub-Clause 1.1.3.7

##### Data for Defects Notification Period:

365 days

### Sub-Clause 1.2 – Interpretation

Add the following:

e) Wherever these Conditions require the Contractor to indemnify the Employer from any matter, the Contractor shall also indemnify the Engineer, the Beneficiaries and the Contracting Entity from the same matter.”

### **Sub-Clause 1.3 – Communication**

**Data for Electronic transmissions systems:**

Faxes incorporating signature of authorized persons

### **Sub-Clause 1.4 – Law and language**

Replace the first paragraph of the Sub-Clause 1.4 by ” *For the implementation of the Contract it is agreed that the Armenian Law shall be understood and analysed in conjunction with the French – Armenian Protocol signed on May 27th, 2008.*”

**Data for Ruling language:**

English

**Data for Language for communications:**

English

### **Sub-Clause 1.5 – Priority of documents**

Add the following sentence before the last paragraph:

*“Addenda, Memoranda and/or Clarifications shall have the order of precedence of the document they are modifying”.*

### **Sub-Clause 1.6 – Contract Agreement**

Replace “*the form annexed to the Particular Conditions*” by “*the form included in the Tender Document*”.

### **Sub-Clause 1.10 – Employers use of Contractor’s documents**

Add in the second paragraph, the words “, *and other design documents made by (or on behalf of) the Contractor*” after Documents and before, including making.

### **Sub-Clause 1.11 – Contractor’s use of Employers documents**

Replace “*in the Specification, the Drawings*” by “*in the Contractor’s Documents*”.

Add after “Employer” the following sentence:

*“including all maps, drawings, photo-graphs, mosaics, plans, reports, recommendations, estimates, documents and all other data compiled or received by the Contractor under the Contract. Such maps, drawings, etc, compiled or received by the Contractor shall be delivered only to the duly authorized representative of the Employer on completion of the Works”.*

### **Sub-Clause 1.12 – Confidential details**

Add the following at the end of the Sub-Clause:

*“The Contractor shall treat the details of the Contract as private and confidential, save insofar as may be necessary for the purposes thereof, and shall not publish or disclose the same or any particulars thereof in any trade or technical paper or elsewhere without the previous consent in writing of the Employer. If any dispute arises as to the necessity of any publication or disclosure for the purpose of the Contract the same shall be referred to the Employer, whose decision shall be final.”*

### **Sub-Clause 1.13 – Compliance with Laws**

At the end of Sub-Clause 1.13, add the following:

- (b) Add to this paragraph: *The Contractor shall submit the Construction Documents to the Technical Expertise for approval in accordance with Armenian Law and obtain the Construction Permit in accordance with Armenian Law (after Technical Expertise approval). The approved Environmental Impact Assessment shall be provided by the Employer to the Contractor for the Construction Permit submittal.*
- (c) *According to the requirements of Article 8 of the Financial Protocol signed between the Governments of the Republic of Armenia and the Republic of France, no duties or taxes shall be paid by the Contractor on the amount spent under the RPE loan. As a consequence the following shall apply:*
- *Any element of duty or tax applicable to the price of locally produced and/or supplied goods shall be paid by the Contractor at the time of purchase.*
  - *The Contractor shall be paid by the Employer for all locally produced and/or supplied goods used on the project without any taxes.*
- (d) *The Employer will provide such documentation as may be required by the customs and excise authorities to facilitate the Contractor to import without payment of duties and local taxes , all materials, supplies and equipment that will form a permanent part of the Works.*

*The Employer will further provide such documentation as may be required from him by the customs and excise authorities to facilitate the Contractor to import and to export when removed from the Site, any Constructional Plant, materials, equipment and Temporary Works necessary for the fulfilment of the Contract.*

- (e) *The Employer will provide documentation necessary to facilitate consents including permits-to-work and approvals required for the Works at the Site from the appropriate authorities. The Employer will assist the Contractor as may be required to obtain any temporary rights-of-way that the Contractor may require in order to facilitate the fulfilment of the Contract.*

At the end of Clause 1, add the following Sub-Clauses:

### **Sub-Clause 1.15 – Electronic formats**

All notices and documents required to be submitted by the Contractor shall also be submitted electronically in formats that can be read by:

Microsoft Word 2003 (or later version) – for text

AutoCAD version 2005 (or later version) – for drawings

Microsoft Project 2003 (or later version) – for planning

Microsoft Excel 2003 (or later version) – for numerical information.

### **Sub-Clause 1.16 – Legal relationship**

The Contractor and the sub-contractor(s), if any, shall have the status of an independent contractor vis-à-vis the Employer. The Contract Documents shall not be construed to create any contractual relationship of any kind between the Engineer and the Contractor, but the Engineer shall, in the exercise of his duties and powers under the Contract, be entitled to performance by the Contractor of its obligations, and to enforcement thereof. Nothing contained in the Contract Documents shall create any contractual relationship between the Employer or the Engineer and any sub-contractor(s) of the Contractor.

### **Sub-Clause 1.17 – Records and accounts**

The Contractor shall maintain accurate and systematic records and accounts in respect of the work performed under this Contract.

The Contractor shall furnish, compile or make available at all times to the French Government any records or information, oral or written, which the French Government may reasonably request in respect of the Works or the Contractor's performance thereof.

The Contractor shall allow the French Government or its authorized agents to inspect and audit such records or information upon reasonable notice.

## **Clause 2 – The Employer**

### **Sub-Clause 2.1 – Right of Access to the Site**

At the end of Sub-Clause 2.1, add the following paragraph:

*Should the Contractor require the temporary use of any additional land to that of the Site for the purposes of storage, working space or additional points of access, he shall be responsible for obtaining all necessary permits and agreements from the relevant authorities and land owners and shall bear all the related costs and expenses. The Contractor will be responsible for all matters arising from the use of such land and the Employer shall have no liability in respect of such use by the Contractor.*

#### **Data for Time for access to the Site:**

The day of the Commencement Date

### **Sub-Clause 2.5 – Employer's Claims**

Add the following after "shall" on the first line of the third paragraph:

*, promptly,*

## Clause 3 – The Engineer

### Sub-Clause 3.1 – Engineer’s Duties and Authority

Add the following wording at the end of the second paragraph:

*,except as specifically provided for in the Contract with respect to variations of the form, quality and quantity of the Works, related payments and Extensions of Time.*

At the end of Sub-Clause 3.1, add the following paragraph:

*The Engineer shall obtain the approval of the Employer before taking the following actions:*

- (a) Issuing a commencement notice pursuant to Sub-Clause 8.1*
- (b) Issuing any determination pursuant to Sub-Clause 8.4 – Extension of Time for Completion*
- (c) Issuing any instruction to suspend progress of the Works pursuant to Sub-Clause 8.8 – Suspension of Work*
- (d) Issuing any Taking-Over Certificate pursuant to Sub-Clauses 10.1 and 10.2*
- (e) Issuing any Performance Certificate pursuant to Sub-Clause 11.9*
- (f) Issuing any instruction or determination pursuant to Sub-Clauses 13.1, 13.2, 13.3, 13.4, 13.5, 13.6, 13.7 – Variations and Adjustments which is estimated by the Engineer to have the effect of increasing the Contract.*
- (g) Issuing any determination or making any agreement pursuant to Sub-Clause 15.3 – Valuation at Date of Termination*

At the end of Clause 3 – The Engineer, add the following Sub-Clauses:

### Sub-clause 3.6 Transfer of Engineer’s Duties to the Employer

*All of the duties and authorities vested in the Engineer pursuant to the Contract, shall pass to the Employer on the date of issue of the Taking Over certificate.*

### Sub-Clause 3.7 Management Meetings

*The Engineer may require the other to attend management meetings in order to review the progress of the Works and the arrangements for future work. The Engineer shall record the business of management meetings and supply copies of the record to those attending the meeting and to the Employer. In the record, responsibility for any actions to be taken shall be ascribed and should be consistent with the obligations set out in the Contract.*

## Clause 4 – The Contractor

### Sub-Clause 4.2 – Performance Security

In the second paragraph replace “28 days” by “30 days”

In the last paragraph replace “28 days” by “5 days”

Add at the end of the sub-clause:

*The Contractor shall inform the Employer previously, in written form about bankruptcy or dissolution process during the validity of the Contract Performance Security.*

*The Performance Security should be delegated in favour of Natixis*

**Data for Amount of Performance Security:**

10% of the Contract Amount, in the currencies and proportions in which the Contract Price is payable

**Sub-Clause 4.3 – Contractor’s Representative**

Add the following wording at the end of the sixth paragraph:

*and the Engineer has given his consent*

**Sub-Clause 4.4 – Sub contractors**

Add the following wording at the end of (b):

*(b) the approval of proposed subcontractor will be based on the evaluation of its proved experience. The Engineer decision will be final.*

**Sub-Clause 4.15 – Access Route**

Delete “as between the Parties” after “shall” on the first line of the sentence (a)

**Sub-Clause 4.22 – Security of the Site**

Add the following words to sentence (b) after “Employer’s” on the second line:

*and the Engineer’s authorized personnel*

**Sub-Clause 4.23 – Contractor’s Operations on Site**

Replace the third paragraph by the following paragraph:

*Upon the issue of a Taking-Over Certificate, the Contractor shall clear away and remove from the Site, all Contractor’s Equipment, surplus materials, wreckage, rubbish and Temporary Works that are related to the Works for which the Taking-Over Certificate has been issued. Any such equipment or materials that the Contractor may require for use during the Defects Notification Period may be retained on the Site subject to the Engineer’s prior written consent.*

**Sub-Clause 6.5 – Working hours**

**Data for Normal working hours:**

Monday to Friday, 7:00 to 16:30

**Sub-Clause 6.7 – Health and Safety**

First paragraph, add “*Employer’s Personnel and the Engineer*” after “*Contractor’s Personnel*”

**Sub-Clause 6.8 – Contractor’s Superintendence**

Insert at the end of Sub-Clause 6.8 the following wording:

*A reasonable proportion of the Contractor’s superintending staff shall have a working knowledge of the Armenian language or the Contractor shall have a sufficient number of competent interpreters, at its own cost, available on Site during all working hours.*

**Clause 7 – Plant, Materials and Workmanship**

**Sub-Clause 7.3 – Inspection**

On the first line after “Employer’s” add the following words:

*and the Engineer’s.*

On the first line of the second paragraph after “Employer’s” insert the following words:

*and the Engineer’s*

**Clause 8 – Commencement, Delays and Suspension**

**Sub-Clause 8.1 – Commencement of Work**

Add the following wording at the end of the sub-clause:

*As soon as the Contractor shall receive the Commencement Date Notice, the Time for Completion will be “on”.*

**Sub-Clause 8.2 – Time for Completion**

Add the following wording at the end of the sub-clause:

*The Time for Completion shall be 20 months, including a mobilization period of minimum 60 days.  
Before the Start of Work on site, the Construction Permit shall have been obtained by the Contractor.  
The complete Technical Expertise documentation shall be submitted at the latest one month after the Commencement Date. The delay for a complete Technical Expertise approval and Construction Permit delivery by the Armenian Authorities is one month.*

**Sub-Clause 8.3 – Programme**

After “Employer’s” on the fourth line of the second paragraph, add the following words:

*and the Engineer’s*

### **Sub-Clause 8.5 – Delays Caused by Authorities**

After “Unforeseeable” on line (c) add the following wording:

*or that foreseeable delay or disruption could not have been reasonably avoided.*

### **Sub-Clause 8.7 –Delay damages**

**Data for Maximum amount of delay damages:**

10% of the final Contract Price in the currencies and proportions in which the contract Price is payable

### **Sub-Clauses 8.7 –Delay damages& 14.15(b) Currencies of Payment**

**Data for Delay damages for the Works:**

0,05% of the final Contract Price per day, in the currencies and proportions in which the Contract Price is payable

### **Sub-Clause 8.10 – Payment for Plant and Materials in Event of Suspension**

*This Sub-Clause is deleted from the Contract.*

## **Clause 9 – Tests on Completion**

Add the following wording at the end of the Clause:

*The test will be carried out in accordance with the Provisions of the Employer’s General Requirements*

## **Clause 10 – Employer’s Taking Over**

Introduce the following as additional Sub-Clause 10.5:

*Notwithstanding the mechanisms set out in Sub-Clauses 10.1, 10.2, 10.3, 10.4, the putting into operation of the whole or any part of the Works by the Contractor prior to the issue of the related Taking Over Certificate of the Works shall not constitute a de facto taking-over of either a part or the whole of the Works.*

*The Taking Over Certificate shall be issued with consideration of the Clauses of the Employer’s General Requirement.*

## **Clause 11 – Defects Liability**

### **Sub-Clause 11.1 – Completion of Outstanding Work and remedying Defects**

Replace the last sentence with the following:

*If a defect or damage occurs, the Contractor shall inform the Engineer or the Employer immediately, including in writing.*

### **Sub-Clause 11.11 – Clearance of the Site**

Replace "Performance Certificate" on the first line of the first paragraph, by "Taking Over Certificate":

## **Clause 13 – Variations and Adjustments**

### **Sub-Clause 13.5(b) – Provisional Sums**

Data for Percentage for adjustment of Provisional Sums, including day works, if any:  
0%

### **Sub-Clause 13.8 – Adjustments for Changes in Cost**

Delete all paragraphs of this sub-clause and replace by:

No adjustments for changes in cost of labour or materials shall be made.

## **Clause 14 – Price and Payment**

Add the following wording at the begin of the clause:

*All payments will be done in application of the Financial Protocol signed between the Governments of the Republic of Armenia and the Republic of France on 27<sup>th</sup> of May 2008, conform to the Grant and loan Agreement (in implementation to the mentioned Financial protocol) signed by the Ministry of Finance of Armenia and Natixis*

### **Sub-Clause 14.1 – The Contract Price**

Add Sub-Clause 14.1 (e) as follows:

*According to requirements of Article 8 of the Financial Protocol signed between the Governments of the Republic of Armenia and the Republic of France the VAT is paid by the Employer.*

### **Sub-Clause 14.2 – Advance Payment**

Add the following wording at the end of the third paragraph the sub-clause

*The Advanced Payment Security should be delegated in favour of Natixis*

**Data for Total advance payment:**

- 20 % of the Accepted Contract Amount without including the transportation costs and the insurances in the currencies and proportions in which the Contract is payable
- One instalment payable 30 days after receipt by the Employer of Performance Security, Advance payment guarantee and due invoice

**Sub-Clause 14.2(b) – Advance Payment**

Replace “25% by “10%”

**Sub-Clause 14.3 – Application of Interim Payment Certificates**

**Data for percentage of retention:**

**10%**

Add the following wording at the end of the sub-clause

*Interim payments shall be as follows:*

- *all supplies and installation of equipment as listed under the BOQ (Bill of Quantity) of the Contract, except for civil works; and*
- *Completed Civil Works items as listed on the BOQ of the Contract, and paid as lump sums, as a percentage of completed items.*

**Sub-Clause 14.4 – Schedule of Payments.**

**Replace Subclause by:**

No schedules of Payments are included in this Contract. A Forecast cashflow schedule shall be provided by the Contractor during the Mobilization Period and updated every month.

**Sub-Clause 14.5 – Plant and Materials intended for the Works.**

**Delete subclause 14.5(b).**

**Sub-Clause 14.5(c) applies.**

**Data for relevant Plant and materials**

All supplies, transportation costs of equipment and insurances as listed under the BOQ (Bill of Quantity) of the Contract, except for civil works;

**Data for repayment amortisation of advance payment**

As per items quoted in Euros

## **Sub-Clause 14.6 – Issue of Interim Payment Certificates**

### **Data for Minimum amount of Interim Payment Certificates**

5% of the Accepted Contract Amount

## **Sub-Clause 14.15 – Currencies of Payment**

### **Data for Currency/currencies of payment**

Euro

## **Clause 17 – Risk and Responsibility**

### **Sub-Clause 17.1 – Indemnities**

After “Employer’s” on the first line of the first paragraph, add the following words:

*the Engineer’s*

At the end of Clause 17 – Risk and Responsibility, add the following Sub-Clause

### **Sub-Clause 17.7 – Non Conformity with the technical specifications**

When the implementation of Works shall not comply with the Technical specifications of this Contract, the Contractor pays penalty – 0.5 % of the Contract price.

## **Clause 18 – Insurance**

### **Sub-Clause 18.1 – General Requirement for Insurances**

#### **Data for Periods for submission of insurance:**

(a) evidence of insurance.....28 days

(b) relevant policies.....90 days

### **Sub-Clause 18.3 – Insurance against Injury to Persons and Damage to Property**

#### **Data for Minimum amount of third party insurance:**

5.000.000 EUR or equivalent for any claim, number of claims unlimited.

## **Clause 20 – Claims, Disputes and Arbitration**

The Sub-Clauses 20.1 to 20.8 are replaced by the following new Clause 20 –Settlement of Disputes

:

## Clause 20 – SETTLEMENT OF DISPUTES

### SETTLEMENT OF DISPUTES

In the case of any claim, controversy or dispute arising out of, or in connection with this Contract or any breach thereof, the following procedure for resolution of such claim, controversy or dispute shall apply.

#### 1 Notification

The aggrieved party shall immediately notify the other party in writing of the nature of the alleged claim, controversy or dispute, not later than seven (7) days from awareness of the existence thereof.

#### 2 Consultation

On receipt of the notification provided above, the representatives of the Parties shall start consultations with a view to reaching an amicable resolution of the claim, controversy or dispute without causing interruption of the Works.

#### 3 Conciliation

Where the representatives of the Parties are unable to reach such an amicable settlement, either party may request the submission of the matter to conciliation in accordance with the UNCITRAL Rules of Conciliation then obtaining.

#### 4 Arbitration

Any claim, controversy or dispute which is not settled as provided under clauses 1 through 3 above shall be referred to arbitration in accordance with the UNCITRAL Arbitration Rules (UNCITRAL website: [http://uncitral.org/uncitral/en/about\\_us.html](http://uncitral.org/uncitral/en/about_us.html), as revised in 2010) then obtaining. The Parties shall be bound by the arbitration award rendered in accordance with such arbitration as the final adjudication of any such controversy or claim.