

ROYAL GOVERNMENT OF LAOS

VIENTIANE AIRPORT EXTENSION PROJECT

VOLUME

INSTRUCTIONS TO TENDERS

GENERAL CONDITIONS

FORM OF AGREEMENT

FORM OF PERFORMANCE BOND

June 1960

Nippon Koei Co., Ltd.

Consulting Engineers

Tokyo

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VIENTIANE AIRPORT EXTENSION PROJECT

VOLUME I

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SECTION 1

INSTRUCTIONS TO TENDERER

VIENTIANE AIRPORT EXTENSION PROJECT

SECTION 1

INSTRUCTIONS TO TENDERER

1.1 - GENERAL

Tenders in triplicate, for the runway extension of Wattay airport in Vientiane, shall be delivered to the Royal Government of Laos, before 15:00 hours on September 20, 1969

1.2 - PRICES & PAYMENT

The Work under this Contract covers only limited part of the intended project for financial reasons, but it is likely that with additional financial arrangement the Purchaser may ask the Contractor to continue the work to complete the project as intended.

Therefore, the tenderer is requested to prepare two tenders filling Forms of Tender "A" and "B", the former for the partial completion of the project and the latter for the full completion of the project.

When it is determined by the Purchaser to go into the full completion of the project and so informed to the Contractor in writing, the quantities and prices of the Work under this Contract will be changed automatically from those in Form of Tender "A" to those in Form of Tender "B".

The amount payable to the Contractor for the work accomplished prior to the change will be re-calculated at the rates and prices quoted in the Form of Tender "B", and the adjustment of the balance between the amount actually paid and payable will be made in the payment in the next interim payment.

1.3 - SPECIFICATIONS

The attention of the Tenderer is directed to Section 4 "General Specifications", and Section 5 "Detailed Specifications".

1.4 - DEPARTURE FROM SPECIFICATIONS

The Tenderer is to submit with his tender, in the order of the relevant clauses, a statement of any departures the tenderer proposes from the specifications. Notwithstanding any description, drawings or literature which may be submitted, all details other than those in the statement of departures shall be deemed as in accordance with the specifications. Such departure shall not be binding on the Purchaser unless incorporated in the Contract.

1.5 - STANDARDS

Unless specifically provided in the specifications, the quality of materials, plant and workmanship shall comply in all respects with the standards referred to in General Specifications or of any nationwide industrial or engineering organizations in the country where such materials and plant are manufactured.

The Tenderer shall state in his tender the standards governing materials and plant he proposes to apply in the work where these differ from the standards specified herein.

If the Tenderer offers materials or plant which conform to standards other than those stipulated in the specifications, full details shall be submitted with the tender insofar as they affect the design or performance of the work or plant.

If approved the revised standards shall be incorporated in the contract before it is executed.

1.6 - SITE CONDITIONS AND INVESTIGATIONS

The Tenderer shall have personal knowledge of the location of the proposed work and shall acquaint himself with the actual conditions and requirements thereof, including labour conditions and labour rates and shall not claim at any time after the submission of the tender or the subsequent execution of the Contract that there was any misunderstanding with regard to the conditions imposed by the contract, or prevailing at the site or in Laos.

If, as a result of the Tenderer's inspection of the site, or of his site investigations, any facts or conditions are brought to light which appear in any way to conflict with the letter of intent of the specifications, he shall apply to the Engineer for information and explanation before submitting his tender.

1.7 - CORRESPONDENCE

All correspondence in connection with this tender and contract and all matters accompanying the tender which are relevant to its examination are to be in the English language and all measurement and quantities expressed in units of the metric system.

1.8 - FURTHER INFORMATION

Any further information may be obtained on application in writing to NIPPON KOEI CO., LTD., TOKYO, JAPAN

1.9 - ADDITIONAL INFORMATION REQUIRED

Attention of the Tenderers is directed to Section 6 - Form of Tender, wherein the Tenderers are required to submit the following:

- Schedule of proposed construction facilities
- Schedule of proposed construction plant
- Schedule of proposed subcontractors
- Proposed construction time schedule and method
- List of names of senior field staffs to be engaged in the work under this Contract
- Proposed layout of working areas and camp facilities

SECTION 2

GENERAL CONDITIONS

VIENTIANE AIRPORT EXTENSION PROJECT

SECTION 2

GENERAL CONDITIONS

2.1 - MEANING OF TERMS

The following words wheresoever used in the contract shall have the meanings herein assigned to them.

"Purchaser" shall mean the Royal Government of Laos.

"Engineer" shall mean the firm of Consulting Engineers, Nippon Koei Co., Ltd. or other person or persons appointed by the Purchaser.

"Inspector" shall mean the party or parties authorized by the Purchaser to inspect the work to be done and materials and plant to be furnished pursuant to the contract, acting directly or through his or their properly authorized assistants or agents.

"Tenderer" shall mean any party or parties tendering on the work covered by these contract documents.

"Contractor" shall mean the party or parties to whom shall have been let a contract for the work to be done under these contract documents, and the legally appointed representatives, successors and assigns of said party or parties.

"Subcontractor" shall mean any party or parties having a direct contract with the Contractor for the performance of any part or parts of the work to be performed under the contract.

"Other contractor" shall mean any party or parties having a direct contract with the Purchaser for work outside the scope of this contract and shall include any subcontractor of this other contractor.

"Contract" shall mean the agreement between the Purchaser and the Contractor and all appendixes and schedules thereto, including without limitation the Instructions to Tenderers, the Tender, the General Conditions, the Specifications and Schedules thereto annexed, the Drawings annexed hereto or to be provided or approved by the Engineer and any samples and patterns to be provided under the provisions of the Con-

tract.

"Drawings" shall mean the drawings referred to in the Specifications and any modification of such drawings approved in writing by the Engineer and such other drawings as may from time to time be furnished or approved in writing by the Engineer.

"Work" shall mean and include all the various classes of work to be executed by the Contractor under the terms of this contract whether temporary or permanent, including the supply and installation of all permits, supervision, labour, materials, machinery, equipment, plant, plant operation and maintenance, small tools and all other items required to be done or furnished by the Contractor as shown or described in the contract.

"Contractor's plant and equipment" as distinguished from "work" shall mean all machinery and equipment, which may be brought upon the site by the Contractor for the performance of the work covered.

"Site" shall mean the place or places where the various classes of work are to be carried out for the Purchaser, or the immediate vicinity of such place or places, but not the place or places where materials and plant are being produced or fabricated.

"Month" shall mean calendar month.

"Approved" or "approval" shall mean approved or approval in writing by the Engineer or other authority herein specified.

"Writing" shall include any manuscript, typewritten or printed statement under seal or hand.

Words importing the singular number shall include more persons, parties, or things of the same kind than one and vice versa.

When the words "shown", "indicated", "detailed", "specified" or words of similar import are used, such words shall refer to the detailed specifications and the drawings unless expressly stated otherwise.

Where the words "directed", "permitted", "approved", "accepted", "required", "authorized" or words of similar import are used, such words shall refer to the direction, permission, approval, acceptance, requirement or authorization of the Engineer or Purchaser unless expressly stated otherwise.

The fact that words and phrases defined in this clause are or are not capitalized in the contract shall not affect their meaning.

2.2 - INTENT

The intent and spirit of the contract is to provide for the work herein specified to be fully completed within the contract time, in every detail for the purpose designed and it is hereby understood that the Contractor, in accepting the contract, agrees to furnish any and everything necessary for such purpose notwithstanding any omission in the drawings or specifications. The Contractor shall apply to the Engineer for any explanation which he may require with reference to the meaning and intent of any part of the contract and shall be held responsible for any errors or losses he may make in consequence of failure to obtain such explanation.

2.3 - LETTER OF INTENT

Following the opening and assessment of the Tenders, the Purchaser will issue by registered post or by otherwise depositing at the registered office of the Successful Tenderer a letter of intent to enter into a contract with the Successful Tenderer for the execution of the work in accordance with the Contract Documents and such exceptions to the said documents which are acceptable to the Purchaser. Upon issue of such letter of intent by the Purchaser the contract shall be deemed to have been fully and sufficiently made and the Purchaser and successful Tenderer shall become bound by all the terms and conditions of the contract until the signing of the Agreement in accordance with Clause 2.4 herein.

2.4 - AGREEMENT

As soon as possible after the date of issue of the letter of intent as provided for in Clause 2.3 herein, the successful Tenderer shall enter into a contract with the Purchaser for the execution of the work in the form of Agreement attached herein.

2.5 - ALTERATIONS, ADDITIONS, DEDUCTIONS AND EXTRA WORK

The Purchaser shall have the right to make alterations, deductions and additions to the work or any part thereof, either before or after its commencement. All additions, deductions or alterations to or from the work and all amendments, repeals, or substitutions of any of the terms, conditions, provisions or requirements of the contract (including without limitation, the terms of payments for, and the time for completion of any such addition, deduction or alteration to or from the work) will be made in writing by the Engineer. If deductions to the work are ordered by the Engineer, they

shall not constitute grounds for claim for damages or loss of anticipated profits on the work that may be dispensed with.

Payments due to the Contractor as a result of extra or deducted work shall be in accordance with the terms of 2.45 "Terms of Payment".

The Contractor, if instructed in writing by the Engineer, shall perform extra work and furnish extra materials which are not included in the contract, but which nevertheless forms an inseparable part of the work.

All extra and additional work shall be performed strictly in accordance with the terms of the contract insofar as they are applicable thereto. The class of employee used on extra work shall be the same as that used or employed on work of similar character done in the performance of other portions of the contract.

The Engineer, at his discretion, may grant the Contractor such extensions of time as seem reasonable and proper to the Engineer for the completion of work which the Engineer considers extra and additional to the original contract.

2.6 - ESCALATION

The rates quoted in the "Schedule of Quantities and Prices" shall not be subject to escalation but shall remain as quoted throughout the time of the contract.

2.7 - PLANT, MATERIALS AND LABOUR

The Contractor shall furnish all materials, plant, labour and all other items that may be necessary for, or incidental to, the building to full completion of the work, and the testing of the same, unless otherwise provided wholly or in part, under the terms of the contract.

All materials and plant supplied under the contract shall be free of liens.

All plant and materials supplied under the contract shall be new, unless otherwise specified and of the best and most suitable quality, and the decision of the Engineer as to the quality and suitability of materials and plant shall be final and binding.

If any material or article of plant brought onto the site by the Contractor is unsuitable or inefficient, in the opinion of the Engineer, the same shall be immediately removed from the site by the Contractor upon the Engineer's written instruction, and if not promptly so removed the Engineer may cause the same to be removed and deduct the cost of so doing from the moneys due or which may become due to the Contractor.

All materials, plant and tools brought onto the site, shall, from the time of

their being so brought, vest in and be the property of the Purchaser, but shall remain at the risk of the Contractor except as provided in Clause 2.46 "Frustration" until the final and formally acknowledged completion and acceptance of the Contract.

Materials, plant and tools shall not be removed from the site except with the written permission of the Engineer.

Should the Engineer be of the opinion and so state in writing to the Contractor that the force of men, or the quantity of contractor's plant or tools supplied for the performance of the work is insufficient, or that the character of the said plant or tools is unsuitable, or that the maintenance of the plant or tools is inadequate, or that the methods employed are not such as to assure that the work will be completed within the time specified in the contract, the Contractor shall forthwith increase the number of men employed upon the work, make the required additions and improvements to his plant and tools, and conform to the methods of procedure, maintenance and use of such plant and tools as are directed by the Engineer.

Should the Engineer be of the opinion and so state in writing to the Contractor that materials proposed for the permanent work, other than those supplied by the Purchaser, are not arriving at such a rate or within the time specified in the contract, the Contractor shall forthwith proceed to obtain such materials at the rate or within the time directed by the Engineer.

2.8 - TARIFFS, DUTIES, TAXES AND EXCHANGE

(a) Custom Duties, Sales and Excise Taxes

The importation, acquisition, purchase, felling, extraction, furnishing, use, consumption and ownership of plant, tools, goods and other property or services necessary or desirable for the purpose of carrying out the Project shall be exempt to the Contractor from Laotian custom duties and excise taxes, and all other Laotian Government levied taxes and duties.

(b) Income Taxes

Income and receipts of non Laotian Contractors and subcontractors as well as their non-Laotian employees will be exempt of income taxes or similar taxes while such people are assigned to the Project execution.

2.9 - INSURANCE OF PLANT

Unless the Purchaser shall have approved in writing other arrangements the

Contractor shall, in the joint names of the Contractor, the Purchaser and the Engineer, insure the Plant and keep each part thereof insured for its full value against loss, damage or destruction by fire, lightning, theft, perils of the sea, accident or other damage from the date of shipment or the date on which it becomes the property of the Purchaser, whichever is the earlier, until it is taken over by the Purchaser and shall from time to time, when so required by the Engineer, produce the policy and receipts for the premiums.

All moneys received under any such policy shall be applied in or towards the replacement and repair of the plant lost, damaged or destroyed but this provision shall not affect the Contractor's liability under the Contract.

2.10 - THIRD PARTY INSURANCE

The Contractor shall, in the joint names of the Contractor the Purchaser and the Engineer, insure against all damage or injury occurring before all the Works have been taken over to any person or to any property (other than property forming part of the Work) due to or arising out of the execution of the Work.

Such insurance shall be effected for an amount and in terms to be approved by the Purchaser, and the Contractor shall from time to time, when so required by the Engineer produce, the policy and the receipts for the premiums.

2.11 - REMEDY ON FAILURE TO INSURE

If the Contractor shall fail to effect and keep in force the insurances referred to in this and preceding Clause, the Purchaser may effect and keep in force any such insurance and pay such premium or premiums as may be necessary for that purpose and from time to time deduct the amount so paid by the Purchaser from any moneys due or which may become due to the Contractor or recover the same as a debt from the Contractor.

2.12 - PERFORMANCE BOND

Within 15 days after receipt of notification of acceptance of his tender, the successful Tenderer shall furnish a Performance Bond or form of surety in an amount equal to 5 percent of the contract amount. The Performance Bond or surety shall be made in the form attached hereto and executed with such bonding or surety company which is willing to become bound with the Tenderer. The Performance Bond shall se-

cure faithful execution of the work according to the contract including the maintenance thereof, and shall cover the period from the date of signing the contract until 12 months after the date of the Final Certificate as set forth herein.

2.13 - PERMITS AND REGULATIONS

(a) Building Permits

Neither the Contractor nor any of his authorized subcontractors shall be liable for payments for building permits and the like insofar as such permits are required for the work covered by the contract. The Contractor shall however be responsible for obtaining such permits should they be required by any statute, bylaw, rules, codes or regulations.

(b) Permit to Practice

Neither the Contractor nor any of his authorized subcontractors shall be required to obtain permits to carry out the work of contracting or subcontracting insofar as such work is necessary for the execution of the contract.

(c) Observance of Regulations

The Contractor shall be liable for the proper observance of all statutes, bylaws, rules, codes and regulations in any way affecting or relating to the work, which are imposed by the Royal Government of Laos or any local governing authority, except as otherwise provided for under the terms of the contract.

2.14 - LIENS

Before the Contractor receives any payments from the Purchaser for the work, he shall show satisfactory evidence that all just claims, liens, and demands of his employees, or of any parties from whom materials or plant used in construction may have been purchased or procured, have been fully satisfied and the materials furnished and work done in the performance of the completed contract are fully released from all such liens, claims and demands.

2.15 - ROYALTIES AND PATENTS

The Contractor shall pay all royalties and license fees for the use of any patented item, whether an invention, method, arrangement, article, process or appliance used in connection with the performance of this contract. The Contractor shall indem-

nify and save harmless the Purchaser from and against any and all costs, damages, and expenses of any nature or kind whatsoever which may arise out of or result from a claim by any person, firm or corporation that the manufacture, purchase, use or sale of any of the inventions, methods, arrangements, articles, processes or appliances used in connection with the performance of this contract infringes any letters patent; and, without prejudice to the generality of the foregoing, shall at the request of the Purchaser, defend at the Contractor's expense any suit brought to enforce any such claim, it being understood that the Purchaser will give to the contractor notice in writing of the starting of any such suit and will render to the Contractor every reasonable assistance which it may desire in defending the same, the Contractor hereby agreeing to reimburse to the Purchaser upon demand any expense to which he may be put in rendering such assistance.

In case any such patented item used on or in conjunction with this work is in such suit held to constitute an infringement and its use enjoined, the Contractor shall either secure for the Purchaser the right to continue using said item by suspension of the injunction, by procuring for the Purchaser a license or otherwise, or will replace such item with noninfringing item or modify it so that it become noninfringing, or with the Purchaser's approval remove the said enjoined item. The Purchaser on his part warrants that any design or instructions furnished or given by him will not be such as will cause the Contractor to infringe any letters patent, registered design, trademark, or copyright in the performance of the contract.

2.16 - CONTRACTOR'S RECORDS

The Contractor will co-operate with the Engineer and the Purchaser in the keeping of detailed records and accounts in connection with all matters relating to the performance of the work and the execution of the Contract. The manner of recording and accounting shall be as prescribed by the Purchaser and all the Contractor's records and accounts, in any way connected with the Contract, shall remain on site or at a place designated by the Purchaser and shall be made readily available to the Engineer and the Purchaser at all times. The Contractor shall provide the Engineer and the Purchaser with such copies of all records and accounts as they may require without unreasonable delay. The Contractor shall keep all records and accounts safe at all times from theft and fire or loss from any other cause.

2.17 - ENGINEER'S AUTHORITY

The Engineer's decision shall govern the interpretation of the contract and he shall be the sole judge of methods used and the quality and quantity of labour, workmanship, materials, plant, apparatus, equipment and appliances used or supplied by the Contractor pursuant to the contract. The Engineer's decision on all such matters shall be final, being subject only to the terms of Clause 2.36 "Settlement of Disputes".

The Engineer shall have authority to stop the progress of the work whenever, in his opinion, such stoppage may be necessary to ensure the proper execution of the work. In an emergency affecting or liable to affect the safety of life or property, the Engineer shall have authority to stop the work and order such changes therein, or in the methods, plant, equipment and apparatus used by the Contractor and to order such work additional to the contract or otherwise as may, in his opinion, be necessary.

2.18 - SITE REPRESENTATIVES

There shall be continuously on duty at the site during working hours, a duly appointed representative of the Contractor who shall be acceptable to the Engineer and Purchaser and in whom shall be vested the necessary authority to supervise the proper execution of the work under the contract and who shall be authorized and prepared to receive from time to time, on behalf of the Contractor, orders and instructions issued by the Engineer. The Contractor's representative shall be affirmed by the Engineer prior to his being appointed. Once the Contractor's representative has been appointed, he shall not be removed from the project without the written consent of the Engineer. The Engineer may, in writing, withdraw his approval of the representative who will then leave the site within 20 days.

There will be continuously on duty at the site, during working hours, a duly appointed representative of the Engineer, in whom will be vested that portion of the Engineer's authority delegated to the representative in writing.

2.19 - METHODS OF PROCEDURE

As far as is consistent with the interest of the work and the results to be attained, the order and methods of prosecuting the said work will be left to the discretion of the Contractor, with whom ordinarily the responsibility of such order and methods shall rest; provided, however, that the Engineer shall at any time have the right to prescribe and control such order and methods with a view to the safety, rapidity and economy of

construction of said work, and to ensure harmony and cooperation with other contractors.

If required by the Engineer, before commencing the work or any portion thereof, the Contractor shall furnish the Engineer with full information as to his plans and methods for carrying out the work or any portion of the work.

2.20 - CO-OPERATION

During the progress of the work covered by the contract, it will be necessary for other contractors or persons to perform work on or about the site. The Contractor shall co-operate with and allow such other contractors or persons the use of such facilities as required and as the Engineer may specify. Any differences or conflicts which may arise between the Contractor and others in regard to their respective work will be arbitrated by the Engineer, whose decision will be final and binding on all parties concerned.

2.21 - LANGUAGE

Tender schedules, specifications, notices, site instructions, correspondence, operating and maintenance instructions, drawings or any other writing must be written in the English language.

Operating and maintenance instructions shall also be prepared in the English language.

2.22 - UNITS OF MEASUREMENT

The metric system of measurement shall be used exclusively on this contract.

2.23 - INSPECTION OF SITE

The Contractor shall be deemed to have relied upon his own examination of the Site and to have informed himself fully and at his own expense as to all data, matters and things, local or otherwise, requisite to the fulfillment of the Contract. Failure to acquaint himself fully with all available information concerning conditions affecting the work will not relieve the Contractor of the responsibility for estimating the difficulties and costs of satisfactorily performing the work.

2.24 - ASSIGNMENT

The Contract or any part thereof shall not be assigned without the written consent of the Purchaser, nor shall the Contractor assign any moneys due to or become due to

him thereunder, without the previous written consent of the Purchaser.

2.25 - CONTRACTOR'S LIABILITY

The Contractor shall be responsible for observance of all laws by his employees, as they may affect operations under the contract. The Contractor shall give all notices and comply with all applicable laws, ordinances, rules and regulations under which he is operating and bearing on the conduct of the work.

The Contractor shall conform with all applicable safety and sanitary laws, regulations and ordinances and with the regulations of all governmental bodies having jurisdiction over the work and the manner in which it is performed.

The Contractor shall assume all responsibility for the work and take all reasonable precautions to prevent injuries to persons and property on or adjacent to the site of the work. The mention of any specific duty or liability of the Contractor in any part of this contract shall not be construed as a limitation or restriction upon any general liability or duty imposed on the Contractor by this contract or by law.

The Contractor shall be solely responsible for the safety of the work and of all equipment and materials to be used in connection therewith until final completion and acceptance thereof and shall promptly repair any damage thereto, however, caused, except as provided for under Clause 2.46 "Frustration". The Contractor hereby agrees to indemnify and hold harmless the Purchaser, the Engineer and their respective agents and servants from and against all losses, damages, injuries and deaths (including losses or damages to property of the Purchaser occupied, used by or in the care, custody or control of the Contractor or in proximity to the site of the work, and including injuries or deaths sustained by any employee, workman, servant or agent of the Contractor or any of his subcontractors), and all claims and liabilities thereof, arising out of the contract work, caused in whole or in part by any act or omission, negligent or otherwise, of the Contractor or any of his subcontractors or of any employee, workman, servant or agent of the Contractor or any of his subcontractors.

2.26 - DRAWINGS AND SPECIFICATION

Drawings and specifications are intended to complement each other, so that if anything is shown on the drawings, but not mentioned in the specifications, or vice versa, it is to be furnished and built as though specifically set forth in both. If any discrepancies occur in the drawings, or specifications, the same shall be referred to the

Engineer before proceeding with the work, and the Engineer's decision on resolving such discrepancies shall be final.

In the event of discrepancies or conflicts between the drawings and specifications, the specifications shall govern. Large scale drawings shall have preference over smaller scale drawings and figured dimensions shall have preference over scaled dimensions.

The Contractor shall at all times keep a copy of the drawings and specifications on the site. Such drawings and specifications must be the latest revised issue received and must bear the Engineer's stamp of approval.

In addition to the drawings and specifications attached hereto, the Engineer will, during the progress of the work, furnish additional drawings, specifications, and instructions as may be necessary, in the opinion of the Engineer, for the purpose of the proper and adequate execution and maintenance of the work, and the Contractor shall make his work conform to all such drawings, specifications, and instructions. Such drawings, specifications and instructions shall be deemed to be part of the contract documents.

2.27 - DRAWINGS TO BE FURNISHED BY THE CONTRACTOR

When requested to do so by the Engineer, or stated in the contract documents, the Contractor shall submit drawings of temporary and permanent works to be constructed by or supplied and installed by the Contractor or his subcontractors.

The drawings shall be of uniform size, except for brochures and typical drawings which may be allowed.

The Contractor shall be expected to check thoroughly all shop drawings provided by his subcontractors including measurements, size of members, materials, and details to satisfy himself that they conform to the intent of the Engineer's specifications and drawings. Drawings found to be inaccurate or otherwise in error are to be returned to the subcontractors for correction before submitting them to the Engineer.

All drawings submitted to the Engineer for approval shall bear the Contractor's stamp of approval, the date of approval and the signature of the Contractor's senior site representative. The Engineer's approval of drawings, schedules and calculations submitted by the Contractor does not relieve the Contractor from the responsibility for errors or omissions they may contain. The Contractor shall verify all dimensions at the site prior to commencing the work. Where errors or omissions are discovered later, they must be made good by the Contractor.

2.28 - TERMINATION OF CONTRACT BY PURCHASER

The Purchaser shall have the right at his sole discretion to terminate the contract at any time prior to the completion of the work.

Upon receipt of written notice of the Purchaser's intent to terminate the contract, the Contractor shall forthwith cease all operations, other than those which in the opinion of the Engineer are necessary to secure the safety of and to protect partially completed work. The Contractor shall, at the same time, take all reasonable steps to cancel commitments for materials, plant and labour which may be pending and which may be subject to cancellation. The Contractor shall undertake such work as the Engineer shall direct to protect and secure work already completed and under way, and shall protect, transport, store or dispose of materials provided and ordered but not yet incorporated into the permanent work to the full extent of his ability. Any items which the Contractor is unable to dispose of shall remain the property of the Purchaser.

If the Purchaser should exercise his right to terminate the contract, all other terms and conditions of the contract shall remain in full force and effect until such time as the Engineer shall certify in writing to both the Purchaser and the Contractor that all work necessary for abandonment of the project has been satisfactorily completed, and thereupon it shall be deemed that the Purchaser has taken over the work.

In the event of termination, payments will be made in the same manner described in Clause 2.46 "Frustration".

2.29 - VESTING OF CONTRACT IN RECEIVER

If Contractor shall compound with his creditors, or shall become bankrupt or insolvent or carry on business under a receiver, or become incapable from any cause whatsoever of carrying out the work, any such receiver or any person in whom by law the contract shall become vested, shall forthwith give notice to the Purchaser of the fact that the contract has become vested in it and shall take all reasonable steps to carry on the work at a rate fulfilling contract requirements. Thereupon, if the Purchaser so desires, such receiver or other such person as aforesaid shall have the option during the period of one month from the date when the contract becomes so vested in it, of carrying out the contract. In the event of the work being stopped, this option shall be open only for a period of 14 days from the stoppage date. In the event of the receiver, or such other person, not electing to carry out the contract, the Purchaser shall be entitled to apply such moneys as may be due to the Contractor at the time of his bank-

ruptcy, insolvency, or inability, or as may become due to him at any time thereafter, to the completion of the work.

Completion of the work may be performed by the Purchaser himself or by any contractor that may be selected by the Purchaser for that purpose. Such application of monies due to the Contractor to the completion of the work including therein all additional costs incurred as a result of the failure of the Contractor to complete the Contract, shall be without prejudice to any claim for damage the Purchaser may have against the Contractor for the latter's failure to complete the Contract.

2.30 - FORFEITURE OF CONTRACT

If the work, or any part of it, be not completed at the expiry of the respective periods specified in the contract, or if the Contractor assigns or sublets his contract, or any part of it, without the written consent of the Purchaser, or if he commits any act of insolvency whatsoever, or if he permits any execution to be levied on his property, or any portion of the work covered by the contract, then the Purchaser may forthwith declare the contract forfeit. In which case, the Purchaser shall enter into possession of all the work, plant and materials pertaining to the contract and may complete the contract in the Contractor's place and stead.

The Contractor shall be liable for all loss or damage which the Purchaser may suffer on account of the noncompletion of the work by the Contractor, and he shall have no claim for payment in respect of work thereafter performed. Any monies due or becoming due to the Contractor up to the date of forfeiture of the contract, shall be retained by the Purchaser until the completion of the work and may be applied by the Purchaser to satisfy the whole or any part of loss or damage, suffered in completing the contract. In default of other satisfaction for loss or damage, the Contractor's plant and materials remaining may be disposed of in any manner as may be most advantageous for the purpose of reimbursing the Purchaser.

2.31 - EXTENSION OF TIME FOR COMPLETION

If by reason of extra or additional work or any industrial dispute or any cause beyond the reasonable control of the Contractor, the Contractor shall have been delayed or impeded in the completion of the Work, whether such delay or impediment occur before or after the time or extended time fixed for completion, provided that the Contractor shall without delay have given to the Engineer notice in writing of his claim for an

extension of time, the Engineer shall on receipt of such notice grant the Contractor from time to time in writing either prospectively or retrospectively such extension of the time fixed by the Contract for the completion of the Work as may be justified.

The Contractor shall have no other claim against the Purchaser in respect of delay and disorganization of work arising from the occurrences herein mentioned, except where such is elsewhere expressly provided for in the Contract.

2.32 - PURCHASER'S RIGHT TO DO WORK

In the event of the Contractor failing to meet the requirements of the Engineer in the matter of labour, plant and materials, the Purchaser is hereby empowered to employ such additional labour, obtain such materials and additional plant as may be necessary for the successful prosecution of the work and the cost of so doing shall be dealt with in manner prescribed in Clause 2.44 "Payments due from the Contractor". In such cases, the Purchaser shall pay wages or prices as he may think proper. Under such circumstances the Purchaser may use not only the labour or plant or materials or all of them supplied or procured under the terms of this Clause 2.32 but such labour or plant or materials as have been already supplied or provided by or on behalf of the Contractor. In the execution of the work under this clause until its completion, the Purchaser may use all the plant and materials hitherto provided by the Contractor. The Purchaser shall not be liable to the Contractor for wear or tear thereto, nor for the loss, damage or destruction thereof, other than as may be provided for under the Contract.

2.33 - PURCHASER'S RIGHT OF USE

Until all defective or faulty work has been made good or altered as provided elsewhere the Purchaser shall have the right to use any such faulty or defective work at the Contractor's sole risk, and without thereby in any way affecting the Purchaser's rights requiring correction of faulty work by the Contractor unless the Contractor shall have notified the Purchaser in writing that, in the opinion of the Contractor, the faulty or defective work cannot be so used without undue risk to the work or to persons in the vicinity of the work.

2.34 - NOTICES

Notices to the Purchaser shall be served in writing upon the Engineer or his

authorized representative at the site. Notices to the Contractor shall be served in writing upon the Contractor or his authorized representative at the site. Any notice or other communication required under the terms of the contract shall be deemed to be well and sufficiently given, on the part of the Purchaser, if the same be left at the Contractor's site office, or is mailed in any post office or otherwise sent to the address given in his tender for the work.

2.35 - CLAIMS

The Contractor shall give notice to the Engineer, in a form prescribed by the Engineer, of any claim to be made under the terms of the Contract, within seven (7) days of the commencement of that specific portion of the work from which the claim arises and he shall submit his claim not later than thirty (30) days after the date of completion of the said portion of work.

Where such notice of claim is not given or the claim is not submitted within the periods prescribed in this clause the Engineer may disallow the claim.

The Engineer shall, within ninety (90) calendar days after the claim has been submitted in complete and detail form render a decision on each claim made by the Contractor. The Engineer's decision shall be final subject only to the terms of Clause 2.36 "Settlement of Disputes."

In cases of misunderstanding or dispute, verbal arrangements will not be accepted as bearing on the terms of settlement and the Contractor shall advance no claim in such case in the absence of documentary evidence and shall not attempt to use any conversation with any parties as evidence in prosecuting any claim against the Purchaser.

2.36 - SETTLEMENT OF DISPUTES

If any dispute or difference shall arise between the Purchaser or the Engineer and the Contractor concerning the interpretation or application of the Contract, it shall be referred, at the written request of either party, to the Engineer who shall within 90 calendar days after the receipt of such request, decide such dispute or difference.

If, in the opinion of the Purchaser or the Contractor, any decision of the Engineer pursuant to Clause 2.35 or this Clause 2.36 is improper or unreasonable or if the Engineer shall not have rendered its decision within 90 calendar days after the Contractor's claim under Clause 2.35 or the written request under this Clause 2.36 has been submitted to him, the matter shall be referred to arbitration upon written notice of ei-

ther party and shall be settled in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce - 38 Cours Albert ler, Paris III, France - by three arbitrators appointed in accordance with such Rules.

The arbitrators shall decide ex aequo et bono in accordance with the provisions of the Contract and their award shall be final and binding on the parties.

Arbitration proceedings shall take place in Laos unless the Court of Arbitration of the International Chamber of Commerce or the arbitrators decide otherwise.

Pending the final award of the arbitrators, the parties shall comply with the decision of the Engineer.

2.37 - LINES AND GRADES

The Contractor shall do all setting out of the work from bench marks and points of reference provided by the Engineer. The setting out by the Contractor shall include, but shall not be limited to, the preparation of grade sheets, the installation of centreline stakes, grade stakes, offsets, sight rails and screeds.

The Contractor shall be responsible for the true and proper setting out of the work and for the correctness of the position, grades, dimensions and alignment of all parts of the work and for the provision of all necessary instruments and labour in connection therewith and for the preservation of his own setting out work as well as the bench marks and points of reference provided by the Engineer. If at any time during the progress of the work any error shall appear or arise in the position, grades, dimensions or alignment of any part of the work, the Contractor shall rectify such error to the satisfaction of the Engineer.

The Engineer may, at any time, check the lines and grades set by the Contractor. The checking by the Engineer of any lines or grades shall not in any way relieve the Contractor of his responsibility for the correctness thereof.

2.38 - INSPECTION

All work to be performed and plant to be supplied under the Contract shall at all times be subject to inspection by the Purchaser, the Engineer or his authorized representatives or his appointed inspectors. The Contractor shall provide every facility as required by the Engineer, or any one of the said inspectors for examining, inspecting and testing said work and plant. The Contractor shall notify the Engineer before beginning any operation or before resuming any operation which may have been previously

suspended for any reason, so as to enable him to arrange for the necessary inspection. The Engineer will specify the amount of advance notice required to provide for the proper inspection of any work or plant.

All work and plant condemned by the Engineer or inspectors shall be made good or replaced to the satisfaction of the Engineer. The Contractor shall be liable for the replacement or repair of defective work or plant, as required by the Engineer, up to the time of the final acceptance by the Purchaser of all work performed under the contract. All work and other property which is disturbed, injured, damaged or destroyed in the course of removal of the condemned work shall be promptly repaired and made good to the Engineer's satisfaction. All costs incurred in making good or replacing condemned work shall be dealt with in the manner prescribed in Clause 2.44 "Payments due from the Contractor".

If the specifications, the Engineer's instructions, laws, ordinances or any public authority require any work to be tested or approved, the Contractor shall give the Engineer adequate notice of his readiness for inspection, and if the inspection is by an authority other than the Engineer, of the date and time fixed for such inspection. Inspection by the Engineer will be promptly made. If any such work should be covered up, or otherwise made inaccessible, without the approval or consent of the Engineer, it shall, if required by the Engineer, be uncovered and made accessible for examination. Restoration of any cover as required in the finished work shall be made to the Engineer's satisfaction.

The re-examination of questioned work may be ordered by the Engineer. The cost of such re-examination shall be dealt with in the manner prescribed in Clause 2.42 "Certificates". Where required, the Contractor shall furnish a complete written statement of the origin, composition and manufacture of all materials to be supplied by him and shall furnish samples thereof, for testing, examination and approval purposes. The materials actually used in the work shall be in accordance with approved samples. The Contractor shall not be permitted to change the source of supply of materials without the written authorization of the Engineer. The inspection herein provided for shall in no way relieve the Contractor of full responsibility for the quality, character, and proper operation and performance of the completed work or any part of it, until the Purchaser shall formally accept the same as provided by the contract.

If the Purchaser shall waive the right of inspecting and testing as herein provided, it shall in no way relieve the Contractor of full liability for the quality, character,

proper operation and performance of the completed work, and every part of it, nor shall it prejudice or affect the rights of the Purchaser set forth in the contract.

2.39 - TESTS ON COMPLETION

The Contractor shall give to the Engineer in writing 28 days' notice of the date after which he will be ready to make the Tests on Completion. Unless otherwise agreed, the tests shall take place within 10 days after the said date, on such day or days as the Engineer shall in writing notify the Contractor. If, in the opinion of the Engineer, the tests are being unduly delayed, he may by notice in writing call upon the Contractor to make such tests within 10 days from the receipt of the said notice and the Contractor shall make the said tests on such day within the said 10 days as the Contractor may fix and of which he shall give notice to the Engineer. If the Contractor fails to make such tests within the time aforesaid the Engineer may himself proceed to make the tests. The cost of all tests so made by the Engineer shall be dealt with in the manner prescribed in Clause 2.44 "Payments due from the Contractor". The Contractor shall provide such labour, materials, stores and apparatus, as may be required to carry out such tests efficiently.

If any portion of the work fails to pass the tests, tests of the said portion shall, if required by the Engineer or by the Contractor, be repeated upon the same terms and conditions.

2.40 - SUSPENSION OF WORKS

All reasonable expenses incurred by the Contractor by reason of the suspension of the Work by the Purchaser or the Engineer (otherwise than in consequence of some default on the part of the Contractor, or as may be considered by the Engineer necessary for the safety of the works) shall be added to the Contract Price, provided that no claim shall be made under this clause unless the Contractor has, within 7 days time after the event giving rise to the claim, given notice in writing to the Engineer of his intention to make such claim.

2.41 - DEFECTS AFTER TAKING OVER

(i) The Contractor shall be responsible for making good with all possible speed any defects arising from defective design (other than a design made, furnished, or specified by the Purchaser and for which the contractor has disclaimed responsibility in writing

within a reasonable time after the receipt of the Purchaser's instructions), materials, or workmanship or from any act or omission of the Contractor that may develop under the conditions provided for by the Contract and under proper use in the Work or any portion thereof within 12 months after the Work or that portion thereof, as the case may be, have or has been taken over. Such period of 12 months shall be referred to as the "Maintenance Period".

(ii) If any such defect shall occur the Purchaser shall inform the Contractor thereof stating in writing the nature of the defect. If the Contractor replaces or renews any portion of the Work, the provisions of this clause shall apply to the portion of the Work so replaced or renewed as if that portion had been taken over on the date of replacement or renewal. The Contractor shall promptly remove and shall be entitled to retain any defective parts so replaced.

(iii) If any defects be not remedied within a reasonable time, the Purchaser may proceed to do the work at the Contractor's risk and expense, but without prejudice to any other rights which the Purchaser may have against the Contractor in respect of the failure of the Contractor to remedy such defects.

(iv) If the replacements or renewals are of such a character as may affect the efficiency of the Work or any portion thereof, the Purchaser may within one month of such replacement or renewal give to the Contractor notice in writing requiring that Tests on Completion be made, in which case such tests shall be carried out as provided in Clause 2.39 "Tests on Completion".

(v) These General Conditions shall apply to all inspections, adjustments, replacements, and renewals and to all tests occasioned thereby, carried out by the Contractor pursuant to this clause.

(vi) Until the final certificate shall have been issued, the Contractor shall have the the right of access, at all reasonable working hours, at his own risk and expense by himself or his duly authorized representatives whose names shall have previously been communicated in writing to the Engineer, to all parts of the Work for the purpose of inspecting the working thereof and to the records of the working and performance thereof for the purpose of inspecting the same and taking notes therefrom. Subject to the Engineer's approval, the Contractor may at his own risk and expense make any tests

which he considers desirable.

(vii) If the Engineer certifies that any defects which have shown themselves within the Maintenance Period are of such a nature as to require the Contractor's skilled attention, the Contractor shall send to the Site supervisory staff in such numbers and for such periods as may be necessary to remedy such defects.

2.42 - CERTIFICATES

(i) The Contractor may at the times and in the manner following apply for interim and final certificates, as referred to in Clause 2.45 "Terms of Payment", for plant shipped from the country of manufacture en route to the Site and for work executed on the Site.

(ii) Applications for interim certificates may be made to the Engineer in respect of each shipment of plant and from time to time as work on the Site progresses. Each such application in respect of shipment shall identify the plant shipped, state the amount claimed, and be accompanied by shipping documents comprising four copies of the Bill of Lading (one signed), for copies of Freight Account, four copies of shipping specification and four copies of a Certificate or Policy of Insurance of the Portion of the Plant for which the Interim Certificate is claimed.

Each such application shall state the amount claimed and shall set forth in detail in the order of the Schedule of Quantities and Prices particulars of the work executed on the Site and of the Plant delivered to the Site pursuant to the Contract to a date stated in the application and since the period covered by the last preceding certificate, if any, which includes work on Site.

(iii) The Engineer shall issue to the Contractor an interim certificate within 28 days after receiving an application therefor made in accordance with this clause.

(iv) Every Interim Certificate shall certify the Contract Value of Plant shipped or, as the case may be, the Contract Value of the work duly executed on the Site and of the plant delivered to the Site for use in the Work pursuant to the Contract up to the date stated in the application for the certificate, less the total of any sums previously certified in Interim Certificates, provided that no sum shall be included in any interim Certificate in respect of any Plant that, according to the decision of the Engineer, does

not comply with the Contract or has been brought and is at the date of the certificate prematurely upon the Site.

(v) Non Interim Certificate shall be relied on as conclusive evidence of any matter stated therein, nor affect or prejudice any right of the Purchaser or the Contractor against the other.

(vi) Final Certificate. Application for the Final Certificate may be made to the Engineer at any time after the Contractor has ceased to be under any obligation under Clause 2.41 "Defects after Taking Over", provided that, if a Taking-over Certificate has been issued in respect of any portion of the Work, the Contractor may apply for a separate Final Certificate in respect of each such portion at any time after the said obligation has ceased in relation to such portion, and provided also that, if by reason of the fact that it has become necessary for the Contractor to replace or renew any portion of the Work the obligations of the Contractor under Clause 2.41 "Defects after Taking Over" shall continue after the period of 12 months first therein mentioned, the right of the Contractor to apply for a Final Certificate in respect of the Work or portion thereof other than the portions so replaced or renewed shall not be affected by that fact, and after the Contractor has ceased to be under any obligation under Clause 2.41 "Defects after Taking Over" in respect of the portions replaced or renewed he may apply for a Final Certificate in respect thereof.

(vii) The Engineer shall issue to the Contractor a Final Certificate within 28 days after receiving an application therefor which the Contractor was entitled to make.

(viii) A Final Certificate shall certify the total of all amounts comprised in interim certificates previously issued in respect of the Work or the portion thereof to which the Final Certificate relates, subject to such additions thereto or deductions therefrom as may be authorized in sub-clause (ix) of this clause.

(ix) Any sum payable under the Contract by or to the Contractor otherwise than for work executed or plant delivered shall be included or deducted in the next certificate (interim or final) issued by the Engineer.

(x) The Engineer may in any certificate give effect to any correction or modification that should properly be made in respect of any previous certificates.

2.43 - PROVISIONAL SUMS

In any case where the Contract Price includes provisional sums for meeting the expense of extra work or for work to be done or materials to be supplied and for labour at the Site, such sums shall be expended or used, either wholly or in part, or be not used, at the discretion of the Engineer and entirely as he may decide and direct. If no part or only part thereof be used, then the whole or the part, as the case may be, not used shall be deducted from the Contract Price.

2.44 - PAYMENTS DUE FROM THE CONTRACTOR

All costs, damages, or expenses for which under the Contract the Contractor is liable to the Purchaser may be deducted by the Purchaser from any monies due or becoming due to the Contractor under the Contract, or may be recovered by action at law or otherwise from the Contractor.

2.45 - TERMS OF PAYMENT

(i) The Purchaser shall pay to the Contractor in the following manner the Contract Price adjusted to give effect to such additions thereto and such deductions therefrom as are provided for in these Conditions:

- (A) with 14 days from the date of signing the agreement a sum equal to 30 per cent of the Contract Price stated in the "Schedule of Quantities and Prices" for each Yen and Kip currencies, as an advance payment;
- (B) within one month from the presentation of each Interim Certificate a sum equal to 70 per cent of the sum certified therein;
- (C) the balance of the Contract Price adjusted as aforesaid within one month from the date certified in the Takingover Certificate.

If any section or portion of the Work shall be taken over separately the payments herein provided for, on, or after taking over shall be made in respect of the section or portion taken over and references to the Contract Price shall mean such part of the Contract Price as shall, in the absence of agreement, be apportioned thereto by the Engineer.

In determining the amount of any payment under this clause in respect of any portion of the Work due account shall be taken of all payments previously made in respect of the same portion.

(ii) The currency of account shall be in Yen and Kip. Payment upon each of the Engineer's certificates shall be made in Yen and Kip to a bank designated by the Contractor.

(iii) No extra payments in respect of overtime, additional materials or special conditions of hardship shall be claimed by the Contractor unless such payment shall have been authorized in writing by the Engineer prior to the extra cost concerned being incurred.

2.46 - FRUSTRATION

"Force Majeure" is defined as wars, whether declared or not, blockades, insurrections, riots, civil disturbances, epidemics, government actions and any similar event beyond the control of the Contractor which cannot be overcome by the exercise of due diligence. In the event of the Contract being frustrated by Force Majeure as defined above the Contractor shall be paid by the Purchaser for all work executed prior to the date of such frustration, in so far as such work has not already been covered by payments under Clause 2.45 "Terms of Payment", at the rates and prices provided in the Contract and in addition:

- (A) The amounts payable in respect of any preliminary items so far as the work or service comprised therein has been carried out or performed and a proper portion as certified by the Engineer of any such items the work or services comprised in which has been partially carried out or performed.
- (B) The cost of plant or materials ordered for the Work which shall have been delivered to the Contractor or of which the Contractor is legally liable to take delivery (such plant or materials becoming the property of the Purchaser upon such payment being made by him).
- (C) A sum to be certified by the Engineer being the amount of any expenditure reasonably incurred by the Contractor in the expectation of completing the whole of the Work in so far as such expenditure shall not have been covered by the payments in this clause before mentioned.
- (D) The reasonable cost of removal from the Site of all the Contractor's equipment and, if the Contractor so requires, the return thereof to the Contractor's works.

(E) The reasonable cost of repatriation of all the Contractor's staff and workmen employed on or in connection with the Work at the time of such frustration.

Provided always that against any payments due from the Purchaser under this clause the Purchaser shall be entitled to be credited with any outstanding balances due from the Contractor for advances in respect of plant and materials and any sum previously paid by the Purchaser to the Contractor in respect of the execution of the Work.

2.47 - DELAY IN COMPLETION

If the Contractor fails to complete the Work in accordance with the Contract (except the maintenance thereof as provided in Clause 2.41 "Defects after Taking Over" and such tests as are to be made in accordance with Clause 2.39 "Tests on Completion") within the time fixed by the Contract, for the completion of the Works or any extension of such time, there shall be deducted from the Contract Price as liquidated damages and not by way of penalty 1/2 per cent of the Contract Price for each week of delay in completion of the Works but the amount so deducted shall not in any case exceed 10 per cent of the said Contract Price.

2.48 - CLEANING UP

The Contractor shall at all times during the execution of the work, keep the site clean and free from all hazards, accumulations of waste material and rubbish and debris caused by his employees or the work. If the Contractor fails to maintain or leave the site in a clean and tidy condition within a reasonable time after receiving written notice from the Engineer, the Purchaser may remedy this fault, or cause the same to be remedied, and the cost of so doing shall be dealt with in the manner prescribed in Clause 2.44 "Payment due from the Contractor". Before the completed work will be accepted and taken over by the Purchaser and the completion certificate issued, the Contractor shall remove from the site and dispose of all rubbish and debris in, upon and about the site and shall leave the site and the works clean, to the satisfaction of the Engineer.

2.49 - SUBCONTRACTS

The Contractor shall not sublet any part of the work except with the prior written approval of the Engineer. The Contractor shall state, in writing to the Engineer, the

name of the subcontractor to whom he proposes to sublet a portion of the work and shall give full details of the nature and extent of such work and the terms of the proposed subcontract. Any and all subcontractors will be regarded as employees of the Contractor and shall be subject to all the applicable terms and conditions of this contract.

Nothing contained in this contract shall constitute any contractual relations or commitments between any subcontractor and the Purchaser.

The Contractor shall not employ and subcontractor to whom the Purchaser objects.

Should any subcontractor fail to carry out any portion of the work in a manner satisfactory to the Engineer such subcontract shall be cancelled by the Contractor upon written notice from the Engineer and the Contractor or another approved subcontractor shall proceed with and complete the work forthwith.

2.50 - RIGHT OF WAY TO AND POSSESSION OF THE SITE

Right of way to, and possession of the site shall be afforded to the Contractor by the Purchaser subject to the provision that such right of way and possession shall not be exclusive to the Contractor but only such as shall enable him to execute the work. The Contractor shall afford to the Purchaser and to other contractors whose names shall have been previously communicated in writing to the Contractor by the Engineer every reasonable facility for the execution of their work concurrently with his own.

In the execution of the work, no persons other than the Contractor, subcontractors and his and their employees shall be allowed on the Site, except by the written permission of the Engineer, but facilities to inspect the work at all times shall be afforded to the Engineer and his representatives and other authorized officials or representatives of the Purchaser.

2.51 - EMPLOYEES

The Contractor shall comply with the laws and regulations of the Governmental bodies having jurisdiction over matters, relating to employment, working conditions, compensation or insurance. He shall accept full and exclusive liability for payment of any and all contributions and for his employees as required under the laws referred to above. The Contractor shall submit proof of complying with the above requirements upon the request of the Engineer or Purchaser.

The Contractor shall have reasonable regard, during the progress of the Work,

for local festivals, customs and religions in his planning of operations and other activities connected with the work.

Any workman, mechanic, or other employee employed upon the work, who shall be deemed by the Purchaser or the Engineer to be incompetent, disorderly, insubordinate, dangerous, or otherwise unsatisfactory, shall, on the written request by the Engineer, be removed from the work by the Contractor and shall not at any time thereafter be employed upon the same.

2.52 - NO NIGHT WORK

No work shall be carried out on Site during the night without the permission in writing of the Engineer save when the work is unavoidable or absolutely necessary for the saving of life or property or for the safety of the Work in which case the Contractor shall immediately advise the Engineer.

2.53 - SANITARY ARRANGEMENTS

The Contractor shall provide and maintain temporary sanitary facilities on the site for the use of all persons connected with the work. The Contractor shall keep the site in a clean and sanitary condition and shall post notices and take such other precaution as may be necessary to keep the site clean. The Contractor shall carry out any cleaning whatsoever as may be directed by the Engineer to maintain such sanitary conditions.

2.54 - MEDICAL

The Contractor shall provide all necessary medical facilities, attendance and supplies for his labour force in accordance with the Specifications and all government rules and regulations and all other statutory requirements to the satisfaction of the appropriate government departments and to the satisfaction of the Engineer and the Purchaser.

2.55 - SAFETY

The Contractor shall take all necessary precautions against risks of loss of life or of injury to any person employed on the work or to employees of the Purchaser or of the Engineer or of others or to visitors or to persons having good and sufficient reasons to be about the work and to this end shall properly safeguard the work to the satisfaction of the Purchaser and the Engineer.

The Contractor shall furthermore take all necessary precautions against damage to the property of the Purchaser or of others located at or adjacent to the site.

The Contractor shall at all times comply with any accident prevention regulations and any safety regulations peculiar to the various trades employed on the work and any safety regulations published by the Purchaser or the Engineer.

The Contractor shall report promptly to the Engineer all accidents involving the death of or serious injury to any person, on the site or resulting from the Contractor's operations.

2.56 - EXPLOSIVES

The Contractor shall not use explosives unless he shall have first obtained the Engineer's approval in writing.

The Contractor shall at all times exercise the greatest care in carrying out blasting operations. When blasting operations have been completed all surplus or undetonated explosives shall be promptly removed from the site, or placed in a magazine at the Contractor's expense.

Approval by the Engineer, of any matter relating to the use of explosives, shall not relieve the Contractor from liability for loss, cost, damage, or expense which may be caused by or result from the Contractor's use of explosives, or for his noncompliance with Government rules and regulations.

2.57 - FIRE

The Contractor shall take every precaution to prevent fire occurring on or about the site. He shall comply with the laws and regulations respecting fires and with the instructions of the Engineer with respect to the prevention of fires. No fire may be lit in the dry season without permission in writing obtained through the Engineer.

The Contractor shall fight diligently any fire which occurs on the site, however and whenever the fire may originate. He will employ all requisite equipment and manpower up to the limit of his equipment and manpower employed at the site, including the equipment and manpower of his subcontractors.

SECTION 3A
FORM OF AGREEMENT

SECTION 3B
FORM OF PERFORMANCE BOND

VIENTIANE AIRPORT EXTENSION PROJECT

SECTION 3A

FORM OF AGREEMENT

THIS AGREEMENT made this _____ day of _____ 1969

BETWEEN

ROYAL GOVERNMENT OF LAOS

(hereinafter referred to as the "Purchaser")

OF THE FIRST PART

and

a _____ with head office in the
_____ of _____ in _____
(hereinafter referred to as the "Contractor")

OF THE SECOND PART

WITNESSETH that the parties covenant, promise, and agree each with the other as follows:

(1) - The Contractor Agrees:

(a) - To do all the work and furnish all the labour, materials, tools, plant, appliances, and transportation (except as herein otherwise specified) necessary or proper for performing and completing the work in accordance with the terms, conditions, and requirements of the documents and papers set forth below, which are included in, attached to, and form part of this Agreement, and which have been signed in duplicate for identification by both parties.

(i) - Contract Documents prepared by _____
entitled _____
dated _____ 19 _____ which Documents shall be deemed to include:

Instructions to Tenderer

General Conditions

Form of Agreement

Form of Performance Bond

General Specifications

Detailed Specifications

Form of Tender

All drawings and documents referred to in the Specifications.

All additional drawings, agreements, detail specifications and written instructions when issued or approved in writing by the Engineer, and which alter, modify, detail or explain the work.

(ii) - Tender of the Contractor dated _____ 1969.

(iii) - The letter of intent by the Purchaser dated _____ 1969; it being agreed that the terms, conditions and requirements of the Contract Documents shall prevail except to the extent that they are expressly modified or altered by this Agreement. The said Contract Documents are intended to cover and provide for first class completed work in all respects, and everything necessary to carry out this intent which may be reasonably implied from the Contract Documents shall be done by the Contractor, even if not particularly referred to in the Contract Documents.

- (b) - To complete the work set forth, on the dates indicated on drawing No. entitled "Construction Schedule", forming part of the Contract Documents.
- (c) - That the Contractor has examined the site of the works and has satisfied himself as to the working conditions, the nature and kind of work to be done, the special risks associated therewith, and to any and all matters which may be necessary in order to form a proper conception of the conditions under which the work will be performed.

(2) - The Purchaser Agrees:

- (a) - To provide the Contractor with access to, and use of, its lands and premises to whatever extent may be necessary for the continuous and unrestricted prosecution of the Contractor's operation.
- (b) - To make to the Contractor, the payments as set forth in Clause 2.45 "Terms of Payment" of General Conditions.

(3) - It is Mutually Agreed:

- (a) - (Herein insert particulars of any modifications or alterations of the Contract Documents contained in the tender or otherwise).
- (b) - (Herein insert any other matter of mutual agreement).
- (c) - That the work as hereinbefore set forth shall be performed and completed to the approval of the Engineer.
- (d) - That the date from which this Contract is to be in force is the _____ day of _____ 19_____ .
- (e) - That this Agreement shall extend to, be binding upon, and ensure to the benefits of the successors and assigns of the parties hereto.

IN WITNESS WHEREOF the Contractor and the Purchaser have respectively affixed their seals and the hands of their proper offices on the day and year first above written.

SIGNED SEALED AND DELIVERED } ROYAL GOVERNMENT OF LAOS
in the Presence of

BY _____

BY _____

VIENTIANE AIRPORT EXTENSION PROJECT

SECTION 3B

FORM OF PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS, that we, _____

(Name of Contractor)

(hereinafter called "Principal"), as Principal, and the _____

(Name of Surety Company)

(hereinafter called "Surety"), are jointly and severally held and firmly bound unto, Royal Government of Laos its successors and assigns, (hereinafter called the "Purchaser"), in the penal sum of ¥ _____ of lawful money of Japan for the payment whereof we the Principal and the Surety bind ourselves and our successors and assigns and each of us jointly and severally, firmly, by these presents.

SEALED with our seals and dated this _____ day of _____ 19 _____

WHEREAS the Principal has, by means of a written Agreement dated the _____ day of _____ 19 _____, entered into a Contract with the Purchaser for the runway extension of Wattay airport, including the maintenance thereof for a period of twelve months after the issue of a Final Certificate for the work shown and described in the said Contract, which Agreement is by reference made a part hereof and a copy is attached hereto.

AND WHEREAS, the Surety has agreed to execute these presents to secure the due performance on the part of the said Principal of the said Contract as in the said Agreement set forth or as the same may be changed, altered or varied as hereinafter

provided.

NOW the condition of this bond is such that if the Principal, its successors or assigns shall henceforth and at all times faithfully perform and observe the said Contract as in the said Agreement set forth or as the same be changed, altered or varied as hereinafter provided and shall fully indemnify and save harmless the Purchaser from all loss, damage and costs which they may suffer by reason of or incidental to the failure so to do and shall fully reimburse and repay Purchaser for all outlay and expense which they may incur in making good any such default, then this obligation shall be null and void, otherwise it shall remain in full force and effect.

Provided further and it is hereby agreed and declared that the Principal and Surety, their successors and assigns, or any of them, shall not be discharged or released from any liability hereunder or such liability be in any way affected by any such changes, alterations, or variations, taking or receiving of security, or extension of time as aforesaid, or by any dealing or transaction or forbearance which may take place between the Principal and Purchaser, and Purchaser shall not be required to give the Surety notice of any such or of any default of the Principal such notice being hereby waived but upon request from the Surety, the Purchaser shall furnish any information which it may have at the time of such request.

SIGNED, SEALED AND DELIVERED

in the presence of:

{
{
{ _____
{ (Principal)
{
{ _____
{ (Surety)

