



GOVERNMENT OF THE REPUBLIC OF INDONESIA  
MINISTRY OF PUBLIC WORKS  
DIRECTORATE GENERAL OF HIGHWAYS AND INFRASTRUCTURE

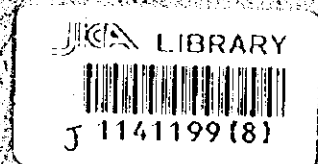
URBAN DRAINAGE PROJECT IN THE CITY OF JAKARTA  
TENDER DOCUMENTS FOR

PACKAGE 1

CONTRACT NO. 1

KAWAL DRAINAGE CHANNEL

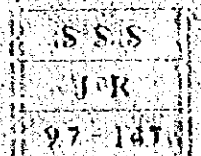
VOLUME II

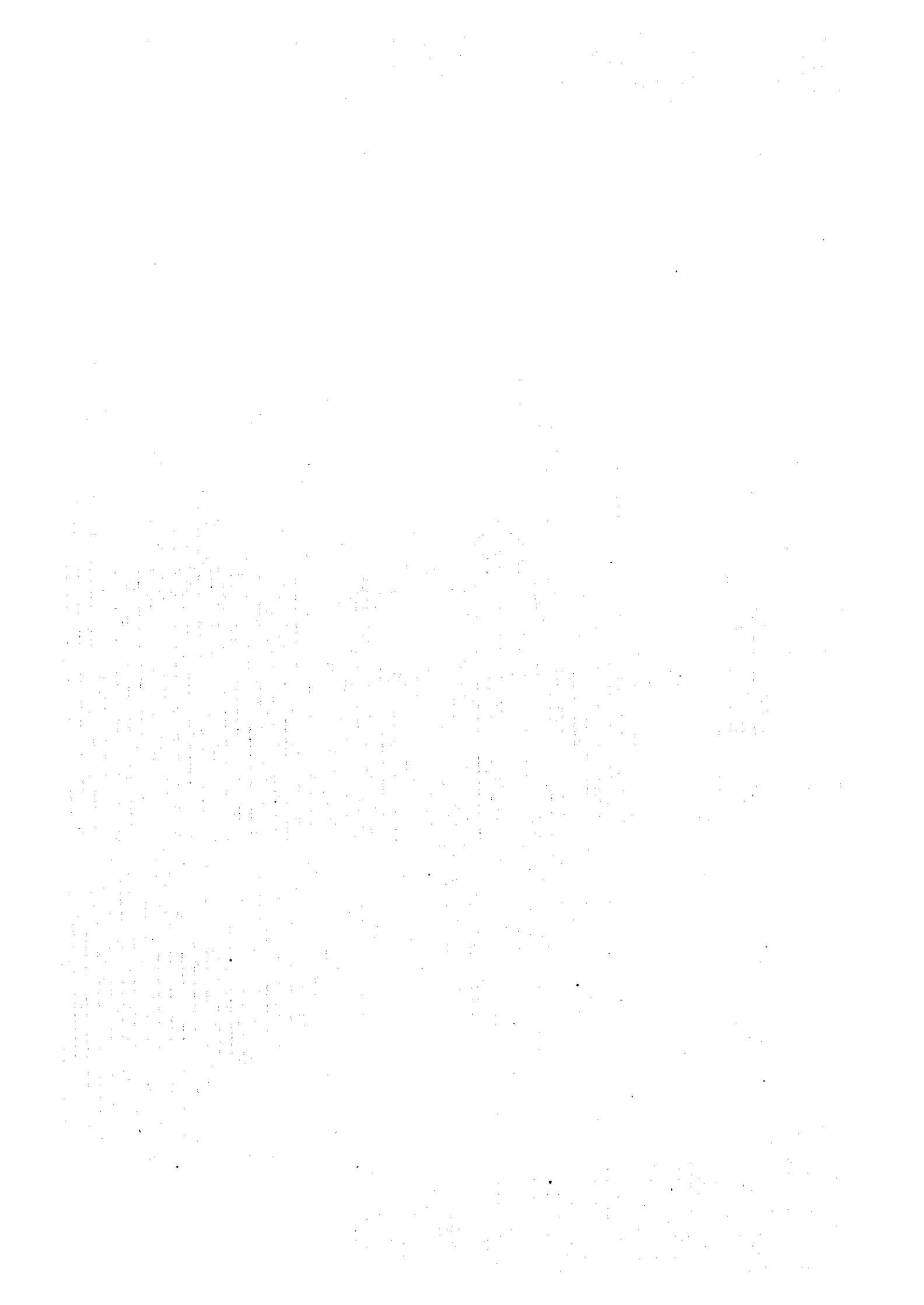


PART I : GENERAL CONDITIONS OF CONTRACT

PART II : SPECIAL CONDITIONS OF CONTRACT

DECEMBER 1997







GOVERNMENT OF THE REPUBLIC OF INDONESIA  
MINISTRY OF PUBLIC WORKS  
DIRECTORATE GENERAL OF HUMAN SETTLEMENTS

**URBAN DRAINAGE PROJECT IN THE CITY OF JAKARTA**  
**TENDER DOCUMENTS FOR**

**PACKAGE-1**

**CONTRACT NO :**

**KAMAL DRAINAGE CHANNEL**

**VOLUME II**

**PART I : GENERAL CONDITIONS OF CONTRACT**

**PART II : SPECIAL CONDITIONS OF CONTRACT**

**DECEMBER 1997**

**URBAN DRAINAGE PROJECT IN THE CITY OF JAKARTA**  
**TENDER DOCUMENTS FOR CIVIL WORKS**

**PACKAGE - 1**

**CONTRACT NO. :**

**KAMAL DRAINAGE CHANNEL**

**SUMMARY TABLE OF CONTENTS**

**VOLUME I**

FORM OF INVITATION TO TENDER  
GENERAL INSTRUCTIONS TO TENDERERS  
ATTACHMENTS TO THE GENERAL INSTRUCTIONS  
TO TENDERERS  
PARTICULAR INSTRUCTIONS TO TENDERERS  
FORM OF TENDER AND APPENDICES  
BILL OF QUANTITIES  
FORM OF CONTRACT AGREEMENT  
SPECIMEN OF SECURITIES

**VOLUME II**

**GENERAL CONDITIONS OF CONTRACT**  
**SPECIAL CONDITIONS OF CONTRACT**

**VOLUME III**

**GENERAL SPECIFICATIONS**  
**TECHNICAL SPECIFICATIONS**

**VOLUME IV**

**DRAWINGS**



**PART I - GENERAL CONDITIONS OF CONTRACT**



**PART I - GENERAL CONDITIONS OF CONTRACT**

**TABLE OF CONTENTS**

<b>CLAUSE</b>		<b>PAGE</b>
<b>DEFINITIONS AND INTERPRETATION</b>		
1.	(1) Definitions .....	GC-1
	(2) Singular and Plural .....	GC-4
	(3) Headings or Notes.....	GC-4
	(4) Cost .....	GC-5
<b>ENGINEER AND ENGINEER'S REPRESENTATIVE</b>		
2.	(1) Duties and Powers of the Engineer .....	GC-5
	(2) Duties and Powers of the Engineer's Representative .....	GC-6
	(3) Emergency Power of the Engineer and the Engineer's Representative .....	GC-7
<b>ASSIGNMENT AND SUB-LETTING</b>		
3.	Assignment .....	GC-7
4.	Sub-letting .....	GC-7
<b>CONTRACT DOCUMENTS</b>		
5.	Contract Agreement.....	GC-8
6.	(1) Language and Units of Measurement .....	GC-8
	(2) Documents Mutually Explanatory .....	GC-8
	(3) Specification and Drawings .....	GC-9
7.	(1) Performance Security.....	GC-9
	(2) Failure to Provide Security .....	GC-9
	(3) Additional, Other and Supplementary Security .....	GC-9
	(4) Advance Payment Security .....	GC-10

CLAUSE	PAGE
8. (1) Custody of Drawings .....	GC-10
(2) One Copy of Drawings to be Kept on Site.....	GC-10
9. (1) Further Drawings and Instructions.....	GC-10
(2) Disruption of Progress .....	GC-11
(3) Delays of Drawings.....	GC-11
<b>GENERAL OBLIGATIONS AND RESPONSIBILITIES</b>	
10. (1) Contractor's General Responsibilities .....	GC-11
(2) Safety .....	GC-11
11. Inspection of Site .....	GC-12
12. (1) Sufficiency of Tender .....	GC-12
(2) Adverse Physical Conditions and Artificial Obstructions .....	GC-12
13. Work to be in Accordance with the Contract .....	GC-13
14. (1) Programme to be Furnished .....	GC-13
(2) Revised Programme .....	GC-14
(3) Records Relating to the Works .....	GC-14
15. (1) Contractor's Superintendence .....	GC-14
(2) Contractor's Staff .....	GC-15
(3) Local Professional Staff.....	GC-15
(4) Approval of Expatriate Staff .....	GC-15
16. (1) Contractor's Employees .....	GC-15
(2) Removal of Contractor's Employees.....	GC-16
17. Setting-out .....	GC-16
18. Boreholes and Exploratory Excavation.....	GC-16
19. (1) Safety, Security and Protection of the Environment .....	GC-17
(2) Employer's Responsibilities .....	GC-17



CLAUSE	PAGE
20. (1) Care of Works .....	GC-18
(2) Excepted Risks .....	GC-18
21. Insurance of Works, etc. ....	GC-19
22. (1) Damage to Persons and Property .....	GC-20
(2) Exceptions .....	GC-21
(3) Indemnity by Employer.....	GC-21
23. (1) Third Party Insurance .....	GC-21
(2) Minimum Amount of Third Party Insurance .....	GC-22
(3) Provision to Indemnify Employer .....	GC-22
24. (1) Accident or Injury to Workmen .....	GC-22
(2) Insurance against Accident, etc., to Workmen .....	GC-22
25. (1) Contractor's Insurances .....	GC-23
(2) Approval by Employer .....	GC-23
(3) Consequences on Contractor's Failure to Insure .....	GC-24
26. (1) Giving of Notices and Payment of Fees .....	GC-24
(2) Compliance with Statutes, Regulations, etc. ....	GC-24
27. (1) Fossils, etc.....	GC-25
(2) Valuable Minerals .....	GC-25
28. Patent Rights and Royalties.....	GC-25
29. Interference with Traffic and Adjoining Properties .....	GC-26
30. (1) Extraordinary Traffic .....	GC-26
(2) Special Loads.....	GC-26
(3) Settlement of Extraordinary Traffic Claims .....	GC-27
(4) Waterborne Traffic.....	GC-27
31. Opportunities for Other Contractors .....	GC-27
32. Contractor to Keep the Site Clear.....	GC-28

CLAUSE	PAGE
33. Clearance of Site on Completion.....	GC-28

**CONTRACTOR'S EMPLOYEES**

34. (1) Engagement of Employees.....	GC-28
(2) Repatriation of Employees .....	GC-29
(3) Living Quarters of Employees .....	GC-29
(4) Safety and Accident Prevention .....	GC-30
(5) Health .....	GC-30
(6) Festivals and Religious Customs .....	GC-30
(7) Alcoholic Liquor or Drugs .....	GC-31
(8) Arms and Ammunition .....	GC-31
(9) Disorderly Conduct, etc. ....	GC-31
(10) Observance by Sub-contractors .....	GC-31
(11) Payrolls, Wages and Fees .....	GC-31
(12) Cost of Facilities .....	GC-32
35. Reports on Employees and Construction Plant.....	GC-33

**MATERIALS AND WORKMANSHIP**

36. (1) Quality of Materials and Workmanship and Tests .....	GC-33
(2) Cost of Samples .....	GC-33
(3) Cost of Tests .....	GC-33
(4) Cost of Tests not Provided for, etc. ....	GC-34
37. Access to Site .....	GC-34
38. (1) Examination of Work before Covering up .....	GC-34
(2) Uncovering and Making Openings .....	GC-35
39. (1) Removal of Improper Work and Materials.....	GC-35
(2) Default of Contractor in Compliance .....	GC-36
40. (1) Suspension of Work.....	GC-36
(2) Suspension Lasting more than 90 days .....	GC-37

CLAUSE		PAGE
--------	--	------

**COMMENCEMENT TIME AND DELAYS**

41.	(1) Commencement of Works .....	GC-37
	(2) Notice to Proceed not Issued .....	GC-38
	(3) Contractor's Site Office .....	GC-38
42.	(1) Possession of Site .....	GC-38
	(2) Wayleaves, etc. ....	GC-39
43.	Time for Completion .....	GC-39
44.	Extension of Time for Completion.....	GC-40
45.	No Night or Sunday Work .....	GC-40
46.	Rate of Progress .....	GC-40
47.	(1) Liquidated Damages for Delay .....	GC-41
	(2) Reduction of Liquidated Damages .....	GC-42
48.	(1) Certification of Completion of Works .....	GC-42
	(2) Certification of Completion by Stages .....	GC-43
	(3) Substantial Completion of Parts .....	GC-44
	(4) As-built Drawings .....	GC-44

**DEFECTS AND REPAIR**

49.	(1) Definition of "Defects Liability Period" .....	GC-44
	(2) Execution of Work of Repair, etc. ....	GC-45
	(3) Cost of Execution of Work of Repair, etc. ....	GC-45
	(4) Remedy on Contractor's Failure to Perform Work Required .....	GC-45
50.	Contractor to Search .....	GC-45

**ALTERATIONS, ADDITIONS AND OMISSIONS**

51.	(1) Variations .....	GC-46
	(2) Orders for Variations to be in Writing .....	GC-47

CLAUSE	PAGE
52. (1) Valuation of Variations .....	GC-47
(2) Power of the Engineer to fix Rates .....	GC-48
(3) Variations Exceeding Ten percent .....	GC-48
(4) Daywork .....	GC-49
(5) Claims .....	GC-49

### PLANT, TEMPORARY WORKS AND MATERIALS

53. (1) Plant, etc. Exclusive Use for the Works .....	GC-50
(2) Removal of Plant, etc.....	GC-50
(3) Employer not Liable for Damage to Plant, etc. ....	GC-50
(4) Landing Charges .....	GC-51
(5) Transfer of Goods, Equipment, etc. ....	GC-51
(6) Re-export of Construction Plant and Equipment .....	GC-51
54. Approval of Materials, etc., not Implied .....	GC-51

### MEASUREMENT

55. Quantities.....	GC-51
56. (1) Works to be Measured .....	GC-51
(2) Method of Measurement. ....	GC-51
(3) Surveys.....	GC-52
(4) Measurement by Records .....	GC-52
(5) Remeasurement .....	GC-52
57. (1) Works to be Measured Net .....	GC-52
(2) Procedures for Measurement .....	GC-53
(3) Personnel, etc., for Measurement.....	GC-53
(4) Check by the Engineer .....	GC-53
(5) Field Notes and Other Records .....	GC-53
(6) Units of Measurement .....	GC-53
(7) Cost of Measurement .....	GC-53
(8) Progress Records .....	GC-54

CLAUSE

PAGE

**PROVISIONAL SUMS**

58.	(1)	Definition of "Provisional Sum".....	GC-54
	(2)	Use of Provisional Sums .....	GC-54
	(3)	Production of Vouchers, etc. ....	GC-55

**NOMINATED SUB-CONTRACTORS**

59.	(1)	Nominated Sub-contractors .....	GC-55
	(2)	Employment of Nominated Sub-contractors .....	GC-55
	(3)	Design Requirement to be Expressly Stated .....	GC-56
	(4)	Payments to Nominated Sub-contractors.....	GC-56
	(5)	Certification of Payments to Nominated Sub-contractors .....	GC-57
	(6)	Assignment of Nominated Sub-contractor's Obligations .....	GC-57

**CERTIFICATES AND PAYMENT**

60.	(1)	Contract Price .....	GC-57
	(2)	Currency .....	GC-58
	(3)	Advance Payment .....	GC-58
	(4)	Certification by the Engineer .....	GC-59
	(5)	Monthly Statement of Account.....	GC-59
	(6)	Monthly Payment .....	GC-60
	(7)	Completion Statement .....	GC-61
	(8)	Balance of Completion Statement .....	GC-62
	(9)	Payment of Balance of Completion Statement .....	GC-63
	(10)	Payment of the Final Half of the Retention Money .....	GC-63
	(11)	Correction and Withholding of Certificates .....	GC-64
	(12)	Payment of Adjustment of Balance of Completion Statement .....	GC-64
61.		Approval only by Certificate of Satisfaction .....	GC-64
62.	(1)	Certificate of Satisfaction .....	GC-64
	(2)	Cessation of Employer's Liability .....	GC-65
	(3)	Unfulfilled Obligations .....	GC-65

**DEFAULT OF CONTRACTOR, REMEDIES AND POWERS**

63.	(1)	Termination on Default of Contractor .....	GC-65
	(2)	Valuation at Date of Termination .....	GC-67
	(3)	Employer's Act after Contract Terminated .....	GC-68
	(4)	Failure to Remove Construction Plant, etc. from Site .....	GC-68
	(5)	Payment after Contract Terminated .....	GC-68
64.	(1)	Prior Notice before Encashing Security .....	GC-70
	(2)	Urgent Repair .....	GC-70

**SPECIAL RISKS**

65.	(1)	No Liability for Special Risks .....	GC-70
	(2)	Special Risks .....	GC-71
	(3)	Damage to Works, etc., by Special Risks .....	GC-71
	(4)	Projectile, Missile, etc. ....	GC-72
	(5)	Increased Costs Arising from Special Risks .....	GC-72
	(6)	Outbreak of War .....	GC-72
	(7)	Removal of Construction Plant and Equipment on Termination .....	GC-73
	(8)	Payment if Contract Terminated.....	GC-73

**RELEASE FROM PERFORMANCE**

66.		Payment in Event of Release from Performance. ....	GC-75
-----	--	--	-------

**SETTLEMENT OF DISPUTES**

67.		Settlement of Disputes.....	GC-75
68.	(1)	Service of Notices on Contractor .....	GC-77
	(2)	Service of Notices on Employer or Engineer .....	GC-77
	(3)	Change of Address .....	GC-77

**DEFAULT OF EMPLOYER**

69.	(1)	Default of Employer .....	GC-77
	(2)	Additional Payment for Loss and Damage .....	GC-77
	(3)	Removal of Plant on Termination .....	GC-78
	(4)	Contractor's Rights .....	GC-78

**MISCELLANEOUS**

70.	(1)	Increase or Decrease of Cost .....	GC-78
	(2)	Subsequent Legislation .....	GC-78
71.	(1)	Law and Regulations .....	GC-79
	(2)	Duties and Taxes .....	GC-79
	(3)	Visas.....	GC-79
72.		Bribes .....	GC-80
73.		Secrecy .....	GC-80
74.		Governing Law .....	GC-80
75.		Clauses in Special Conditions .....	GC-81





## PART I - GENERAL CONDITIONS OF CONTRACT

### DEFINITIONS AND INTERPRETATION

#### Definitions

1. (1) In the Contract, as hereinafter defined, the following words and expressions shall have the meanings hereby assigned to them, except where the context otherwise requires :
  - (a) (i) "Government" means the Government of the Republic of Indonesia.
  - (ii) "Employer" means the Government represented by the agency named in Part-II Special Conditions of Contract.
  - (iii) "Engineer" means the official, person or firm duly appointed from time to time by the Employer and notified in writing to the Contractor by the Employer, or as named in Part-II Special Conditions of Contract to act as Engineer.
  - (iv) "Engineer's Representative" means any official, person or firm duly appointed from time to time by the Employer or the Engineer to perform the duties set forth in Clause 2 (Duties and Powers of Engineer and Engineer's Representative) hereof, whose authority shall be notified in writing to the Contractor by the Engineer.
  - (b) (i) "Tenderer" means a prequalified Tenderer or bidder, being a firm, joint venture, joint operation, corporation or association submitting a Tender for the Works following an invitation by the Employer, and includes the Tenderer's legal personal representatives, successors and permitted assigns.
  - (ii) "Successful Tenderer" means the Tenderer whose Tender has been accepted by the Employer for the execution, completion and repair of the Works and includes the Successful Tenderer's legal personal representatives, successors and permitted assigns.

- (iii) **"Tender"** means the offer of a Tenderer to execute, complete and repair the Works, and **"Tender Documents"** means the documents submitted by the Tenderer for the purpose of tendering.
- (iv) **"Documents for Tendering"** means the documents issued by the Employer for the purpose of tendering.
- (c) (i) **"Contract"** means the agreement between the Employer and the Contractor including the Tender and all appendices thereto, Conditions of Contract, Specification, Drawings, Bill of Quantities, Performance Security, Addenda and other documents named in the Contract Agreement.
- (ii) **"Contractor"** means the Successful Tenderer who has already signed the Contract.
- (iii) **"Contract Price"** means the sum(s) named in the Letter of Acceptance subject to such additions thereto or deductions therefrom as may be made under the provisions of the Contract.
- (iv) **"Specification"** means the specification referred to in the Contract and any modification thereof or addition thereto as may from time to time be notified in writing to the Contractor by the Engineer subject to the provisions of Clause 2. (1) (Duties and Powers of the Engineer) hereof.
- (v) **"Drawings"** means the drawings referred to in the Specification and any modification(s) of such drawings approved by the Engineer and such other drawings as may from time to time be furnished or approved by the Engineer.
- (vi) **"Construction Plant and Equipment"** means all appliances or things of whatsoever nature required in or about the execution, completion or repair of the Works but

does not include materials or other things intended to form or forming part of the Permanent Works.

- (d) (i) **"Sub-contractor"** means any party or parties having a direct contract with the Contractor for the performance of any parts of the Works to be performed under the Contract.
- (ii) **"Other Contractor"** means any party or parties having a direct contract with the Employer for work outside the scope of the Contract.
- (e) (i) **"Works"** means the works to be executed, completed and repaired in accordance with the Contract and shall include both Permanent Works and Temporary Works.
- (ii) **"Permanent Works"** means the works to be executed, completed and repaired in accordance with the Contract.
- (iii) **"Temporary Works"** means all temporary works of every kind required in or about the execution, completion or repair of the Works.
- (iv) **"Site"** means the lands and other places on, under, in or through which the Works are to be executed and any other lands and places provided by the Employer for the purposes of the Contract together with such other places as may be specifically designated in the Contract as forming part of the Site.
- (f) (i) **"Commencement Date"** means the date upon which the Contractor receives the Notice to Proceed.
- (ii) **"Substantially completed Works"** means Works or any part thereof that have satisfactorily passed any final test that may be prescribed by the Contract, and can be put to use by the Employer for the purpose for which the Works were constructed and without interruption by the Contractor completing outstanding works.

- (iii) **"Day"** means calendar day of the Gregorian calendar.
- (g) (i) **"Approved"** or **"Directed"** means approved or directed in writing by the Engineer including subsequent written confirmation of previous Engineer's verbal approval, and **"Approval"** or **"Direction"** means approval or direction by the Engineer in writing including as aforesaid.
- (ii) **"Writing"** means any hand-written, type written or printed communication, including telex, cable, facsimile transmission and the like.
- (h) (i) **"Lending Agency"** means the international or foreign institution or agency having partly financed the performance of the Works under the terms of an agreement with the Government of Indonesia, named in Part II-Special Conditions of Contract.
- (ii) **"Surety"** means a state owned Bank or other Bank or other financial or insurance institution, approved by the Minister of Finance of the Republic of Indonesia, which is issuing the Performance or Advance Payment Security for the Contract, and for a foreign Contractor includes the Foreign Exchange Bank acceptable to Bank Indonesia which is issuing the Performance or Advance Payment Guarantee for the Contract.
- (iii) **"Rupiah"** means the Indonesian currency.

**Singular and Plural** 1. (2) Words importing the singular only also include the plural and vice versa where the context requires.

**Headings or Notes** 1. (3) The headings including chapter headings, marginal and other notes in the Conditions of Contract shall not be deemed to be part thereof nor be taken into consideration in the interpretation or construction thereof or of the Contract.

**Cost**

1. (4) The word "cost" shall be deemed to include overhead costs whether on or off the Site.

**ENGINEER AND ENGINEER'S REPRESENTATIVE**

**Duties and Powers of the Engineer**

2. (1) The Engineer will perform such duties and shall issue such certificates, decisions and orders as are specified in the Contract. The Engineer's approvals, decisions, instructions, directions or orders which involve the following matters shall not be valid except with the approval by the Employer which shall be notified to the Contractor by the Engineer in respect of :
  - (a) extension of time for completion,
  - (b) additional cost on the part of the Employer,
  - (c) variation orders causing additional obligations on the part of the Employer or the Contractor or which involve an increase or decrease above any limit in the Contract as specified in Part II - Special Conditions of Contract in Clause 60 (Contract Price) thereof, or which modify or cause modifications or additions to the Specifications,
  - (d) agreement regarding rates and prices as provided for in the following : Clauses 6.(2) (Documents Mutually Explanatory); 9.(3) (Delays of Drawings); 12.(2) (Adverse Physical Conditions and Artificial Obstructions); 13 (Work to be in Accordance with the Contract); 18 (Boreholes and Exploratory Excavation); 30.(2) (Special Loads); 31 (Opportunities for Other Contractors); 42.(1) (Possession of Site); 46 (Rate of Progress); 52.(1) (Valuation of Variations); 52.(5) (Claims) and 67 (Settlement of Disputes).

All matters relating to the Contract shall be disposed of between the Employer and the Contractor through the Engineer.

Additions to or limits on any duties of the Engineer shall be set out in Part II - Special Conditions of Contract in Clause 2. (1)(Duties

and Powers of Engineer) thereof. Any written approvals, decisions, instructions, directions or orders given by the Engineer to the Contractor within the terms of delegation of the Engineer as specified in this sub-clause, shall be carried out and bind the Contractor and the Employer as though it had been given by the Employer.

**Duties and Powers of the Engineer's Representative**

2. (2) The Engineer's Representative shall be responsible to the Engineer and his duties are to watch and supervise the Works and to test and examine any materials to be used or workmanship employed in connection with the Works. He shall have no authority to relieve the Contractor of any of his duties or obligations under the Contract nor, except as expressly provided hereunder or elsewhere in the Contract, to order any work involving delay or any extra payment by the Employer, nor to make any variation of or in the Works.

Where any of the powers of the Engineer described in the Contract are to be executed by the Engineer's Representative, they shall be set out in Part II - Special Conditions of Contract in Clause 2.(2) thereof. Notwithstanding, the Engineer may delegate further powers and authorities as provided hereunder.

The Engineer may from time to time in writing delegate to the Engineer's Representative any of the powers and authorities vested in the Engineer and shall furnish to the Contractor and to the Employer a copy of all such written delegations of powers and authorities. Any written instruction or approval given by the Engineer's Representative to the Contractor within the terms of such delegation, but not otherwise, shall bind the Contractor and the Employer as though it had been given by the Engineer. Provided that :

- (a) failure of the Engineer's Representative to disapprove any work or materials shall not prejudice the power of the Engineer thereafter to disapprove such work or materials and to order the pulling down, removal or breaking up thereof;

- (b) if the Contractor shall be dissatisfied with any decision of the Engineer's Representative, he shall be entitled to refer the matter to the Engineer, who shall thereupon confirm, reverse or vary such decision.

**Emergency  
Power of the  
Engineer and  
the Engineer's  
Representative**

2. (3) Provided that, if in the opinion of the Engineer's Representative an emergency occurs affecting the safety of life or of the Works or of adjoining property he may direct the Contractor to carry out all such work or to do all such things as may be necessary in the opinion of the Engineer's Representative to abate or reduce the risk. The Contractor shall forthwith comply without appeal with any such direction of the Engineer's Representative. Notwithstanding the provisions of Sub-clause 2. (1) hereof the Engineer after consultation with the Employer shall determine the amount, if any, of extra payment to which the Contractor may be entitled in accordance with the Contract in respect of work done pursuant to the provisions of this sub-clause.

**ASSIGNMENT AND SUB-LETTING**

**Assignment**

3. The Contractor shall not assign the Contract or any part thereof, or any benefit or interest therein, other than by a charge in favour of the Contractor's bankers of any monies due or to become due under the Contract, without the prior written consent of the Employer.

**Sub-letting**

4. The Contractor shall not sub-let the whole of the Main Works, if any, named as Main Works or a certain percentage of Work stated in Part II - Special Conditions of Contract in Clause 4 (Sub-letting) thereof. Except as otherwise provided by the Contract, the Contractor shall not sub-let any part of the Work without the prior written approval of the Engineer, which shall not be unreasonably withheld, and such consent, if given shall not relieve the Contractor from any liability or obligation under the Contract and he shall be responsible for the acts, defaults or neglects of any Sub-contractor, his agents, servants or workmen as fully as if they were the acts, defaults or neglects of the Contractor, his agents, servants or workmen. Provided that the provision of labour on a piecework basis and purchase of materials shall not be deemed to be a

sub-letting under this Clause.

## CONTRACT DOCUMENTS

### Contract Agreement

5. The successful Tenderer and the Employer shall enter into and execute a formal Contract Agreement, within thirty (30) days from the receipt of the Letter of Acceptance. The successful Tenderer shall be responsible for the payment of stamp duty required by the Contract Agreement as provided by the Laws of the Republic of Indonesia. The Contract Documents shall be prepared in accordance with the Form of Contract and its attachment (s) as prescribed in Volume I of this Tender Document and to be printed by the successful Tenderer at his own cost, in two (2) originals and ten (10) signed copies and ten (10) conforming copies.

### Language and Units of Measurement

6. (1) (a) The English language and/or Bahasa Indonesia will be used in Contract Documents and in all communications whether written or verbal. The ruling language shall be English, except as may otherwise be stated in the Part II - Special Conditions of Contract in Clause 6.(1)(a) (Language).
- (b) Metric units of measurement (mks - Metre Kilogram Second) will be used in the Contract unless otherwise specified in the Contract Documents or agreed upon with the Engineer.

### Documents Mutually Explanatory

6. (2) The several documents forming the Contract are to be taken as mutually explanatory of one another, but in case of ambiguities or discrepancies the same shall be explained and adjusted by the Engineer who shall thereupon issue to the Contractor instructions. Provided that in the event of conflict the order of precedence of documents shall be as stated in the Contract Agreement. Provided that if, in the opinion of the Engineer, compliance with any such instructions shall involve the Contractor in any cost, which by reason of any such ambiguity or discrepancy could not reasonably have been foreseen by the Contractor, the Engineer shall certify and the Employer shall pay



such additional sum as may be reasonable to cover such costs, subject to the provisions of Clause 2.(1) (Duties and Powers of the Engineer) hereof.

- Specification and Drawings**      6.    (3)    Anything mentioned in the Specification and not shown on the Drawings, or shown on the Drawings and not mentioned in the Specification, shall be of like effect as if shown or mentioned in both. In case of any difference between Drawings and the Specification, the Specification shall prevail.
- Performance Security**      7.    (1)    The successful Tenderer, within thirty (30) calendar days from the receipt of Letter of Acceptance, at his own expense, furnish the Employer with a Performance Security in the amount stated in Part II-Special Conditions of Contract in Clause 7. (1) (Performance Security) thereof from an insurance company or bank, the said insurance company or bank and the terms of the said security shall be such as approved by the Employer. The Security shall be maintained in full force and effect by the Contractor from the date of signing of the Contract up to the issue of the Certificate of Satisfaction for the whole of the Works or as provided for in Part II - Special Conditions of Contract in Clause 7. (1) (Performance Security) thereof.
- Failure to Provide Security**      7.    (2)    In the event that the successful Tenderer does not furnish the Security under Sub-clause 7. (1) of this Clause within the fixed date, the Employer shall have the right to cancel the award of the Contract without any liability to the successful Tenderer and to encash the Tender Security of the successful Tenderer and to take such actions as he may deem best.
- Additional, Other and Supplementary Security**      7.    (3)    The Contractor shall furnish such additional, other or supplementary security as the Employer may require if :
- (a)    the Surety becomes unacceptable to the Employer, or
  - (b)    if the Contract Price has been or appears to be substantially increased after the Security is furnished.

**Advance  
Payment  
Security**

7. (4) If the Contractor requests an Advance Payment and such Advance Payment is provided for in the Contract, the Contractor shall furnish an Advance Payment Security equal to the advance payment amount, and the Security may be changed from time to time equal to the remaining amount of the Advance Payment after a part has been recovered from progress payments. The Security shall be maintained in force until the Advance Payment has been fully recovered in accordance with Part II- Special Conditions of Contract in Clause 60.(3) (d) (Repayment of Advance Payment).

The Security shall be in terms and from an insurance company or bank, all to the approval of the Engineer and shall be executed in the forms of Advance Payment Security (Bank Guarantee and Bond) provided for that purpose in Volume I- Documents for Tendering.

**Custody of  
Drawings**

8. (1) The Drawings shall remain in the sole custody of the Engineer, but two (2) copies thereof shall be furnished to the Contractor free of cost.

The Contractor shall provide and make at his own expense any further copies required by him for the Works. At the completion of the Contract, the Contractor shall if required by the Engineer return all drawings provided under the Contract.

The Contractor shall give adequate notice in writing to the Engineer of any further drawing or specification that may be required for the execution of the Permanent Works or otherwise under the Contract.

**One Copy of  
Drawings to be  
Kept on Site**

8. (2) One copy of the Drawings and Specifications shall be kept by the Contractor on the Site and shall be available for inspection and use by the Engineer and by any other person authorized by the Engineer in writing.

**Further  
Drawings and  
Instructions**

9. (1) The Engineer will supply to the Contractor from time to time during the progress of the Works, such further drawings, except the Contractor's working drawings, and instructions as are

necessary for the proper and adequate execution, completion and repair of the Permanent Works, and the Contractor shall carry out and be bound by them.

**Disruption  
of Progress**

9. (2) The Contractor shall give written notice to the Engineer whenever planning or progress of the Works is likely to be delayed or disrupted unless any further drawing or order, including a direction, instruction or approval, is issued by the Engineer within a reasonable time.

The notice shall include details of the drawing or order required and of why and by when it is required and of any delay or disruption likely to be suffered if it is late.

**Delays of  
Drawings**

9. (3) If, by reason of any failure of the Engineer to issue within a time reasonable in all the circumstances any drawing or order in accordance with sub-clause (2) of this Clause, the Contractor suffers delay then the Engineer shall take such delay into account in determining any extension of time to which the Contractor is entitled under Clause 44 (Extension of Time for Completion) hereof subject to the provisions of Clause 2.(1) (Duties and Powers of the Engineer) hereof.

**GENERAL OBLIGATIONS AND RESPONSIBILITIES**

**Contractor's  
General  
Responsibilities**

10. (1) The Contractor shall, subject to the provisions of the Contract, with due care and diligence, execute, complete and repair the Works and provide all labour including the supervision thereof, materials, Construction Plant and Equipment, transport to or from the Site, and in and about the Works and all other things, whether of a temporary or permanent nature, required for such execution, completion and repair as specified in or reasonably to be inferred from the Contract.

**Safety**

10. (2) The Contractor shall take full responsibility for the adequacy, stability, and safety of all site operations and methods of construction, provided that the Contractor shall not be responsible,

except as may be expressly provided in the Contract, for the design or specification of the Permanent Works, or for the design or specification of any Temporary Works prepared by the Employer or the Engineer.

**Inspection  
of Site**

11. The Employer will have made available to the Contractor with the Documents for Tendering such data, if any, on hydrological and sub-surface conditions obtained by or on behalf of the Employer from previous investigations, but the Contractor shall be deemed to have inspected and examined the Site and its surroundings and information available in connection therewith. In dredging work, provision made in Clause 11.(Inspection of Site) stipulated in Part II - Special Conditions of Contract shall be referred.

For all other Works, the Contractor shall be deemed to have satisfied himself, so far as is practicable, before submitting his Tender, as to the form and nature thereof, including the sub-surface conditions, the hydrological and climatic conditions, the extent and nature of work and materials necessary for the completion of the Works, the means of access to the Site and the accommodation he may require and, in general, shall be deemed to have obtained all necessary information as to risks, contingencies and all other circumstances which may influence or affect his Tender.

**Sufficiency  
of Tender**

12. (1) The Contractor shall be deemed to have satisfied himself before tendering as to the correctness and sufficiency of his Tender and of the prices stated in the Bill of Quantities, which prices shall, except in so far as it is otherwise provided in the Contract, cover all his obligations necessary for the proper execution, completion and repair of the Works.

**Adverse  
Physical  
Conditions and  
Artificial  
Obstructions**

12. (2) If, however, during the execution of the Works the Contractor shall encounter physical conditions, other than climatic conditions on the Site, or artificial obstructions, which conditions or obstructions would, in his opinion, not have been reasonably allowed for by an experienced Contractor, he shall within thirty (30) days of the day he encounters such physical conditions or artificial obstructions give written notice thereof to the Engineer. If the

Engineer concurs with the Contractor's notice, he will certify it, subject to the provisions of Clause 2.(1) (Duties and Powers of the Engineer) hereof, and the Employer will pay the additional reasonable cost which the Contractor incurred:

- (a) of complying with any instruction which the Engineer may issue to the Contractor in connection therewith, and
- (b) of any proper and reasonable measures approved by the Engineer which the Contractor may take in the absence of specific instructions from the Engineer,

as a result of such conditions or obstructions being encountered.

**Work to be  
in Accordance  
with the  
Contract**

13. Except as legally or physically impossible, the Contractor shall execute, complete and repair the Works in strict accordance with the Contract and accepted by the Engineer subject to the provisions of Clause 62 (Certificate of Satisfaction) hereof, and shall comply and adhere strictly to the Engineer's instructions and directions on any matter concerning the Works whether mentioned in the Contract or not.

Subject to the provisions of Clause 2.(1) (Duties and Powers of the Engineer) hereof, the Contractor shall take instructions and directions only from the Engineer or, subject to the limitations referred to in Clause 2.(2) (Duties and Powers of Engineer's Representative) hereof, from the Engineer's Representative.

**Programme  
to be  
Furnished**

14. (1) Within sixty (60) days after receipt of the Letter of Acceptance, the Contractor shall submit to the Engineer for his approval a programme by CPM (Critical Path Method) or in another approved form, showing the method in which he proposes to carry out the Works, and shall, whenever required by the Engineer, furnish for his information particulars in writing of the Contractor's arrangements for executing the Works and of the Construction Plant and Equipment and Temporary Works which the Contractor intends to supply, use or construct, as the case may be.

The submission to and approval by the Engineer of such programmes or the furnishing of such particulars, shall not relieve the Contractor of any of his duties or responsibilities under the Contract.

**Revised Programme**

14. (2) If at any time it should appear to the Engineer that the actual progress of the Works does not conform to the approved programme referred to in sub-clause (1) of this Clause, the Contractor shall produce, at the request of the Engineer, a revised programme showing the modifications to the approved programme necessary to ensure completion of the Works within the time for completion as defined in Clause 43 (Time for Completion) hereof.

**Records Relating to the Works**

14. (3) The Contractor shall at all times keep complete and accurate records in accordance with sound engineering practice and to the satisfaction of the Engineer. All records relating to the Works shall be available to the Employer and the Engineer at all times.

**Contractor's Superintendence**

15. (1) The Contractor shall give or provide all necessary superintendence during the execution, completion and repair of the Works and as long thereafter as the Engineer may consider necessary for the proper fulfilling of the Contractor's obligations under the Contract.

The Contractor, or a competent and authorized representative approved by the Engineer, which approval may at any time be withdrawn, is to be constantly on the Works and shall give his whole time to the superintendence of the Works.

If approval of such representative shall be withdrawn by the Engineer, the Contractor shall, as soon as is practicable, after receiving written notice of such withdrawal, remove such representative from the Works and shall not thereafter employ him again on the Works in any capacity and shall replace him by another representative approved by the Engineer.

Such authorized representative shall receive, on behalf of the Contractor, directions and instructions from the Engineer.

- Contractor's Staff** 15. (2) An adequate number of the Contractor's staff at all levels of responsibility shall communicate both in English and Bahasa Indonesia fluently.
- Local Professional Staff** 15. (3) The Contractor shall employ professional staff from Indonesia to the maximum extent that suitably qualified, experienced and capable staff are obtainable and available for employment on the Works.
- Approval of Expatriate Staff** 15. (4) Details of the full professional and technical qualifications and experience of each expatriate professional or skilled technical member of the Contractor's staff to be employed on the Works shall be submitted by the Contractor through the Engineer to the Employer, in such form as may be required, for registration and approval by the appropriate Authorities for employment on the Works.
- Contractor's Employees** 16. (1) The Contractor shall provide and employ on the Site in connection with the execution, completion and repair of the Works :
- (a) only such technical assistants as are skilled and experienced in their respective callings and such supervisors, foremen and leading hands as are competent to give proper supervision to the work they are required to supervise,
  - (b) such skilled, semi-skilled and unskilled labour as is necessary for the proper and timely execution, completion and repair of the Works, and
  - (c) such training staff as are necessary and approved by the Engineer to provide for transfer of technology to Indonesian personnel of the Contractor, if applicable.

**Removal of Contractor's Employees**

16. (2) The Engineer shall be at liberty to object to and require the Contractor to remove forthwith from the Works any person employed by the Contractor in or about the execution, completion or repair of the Work who, in the opinion of the Engineer, misconducts himself, or is incompetent or negligent in the proper performance of his duties, or whose employment is otherwise considered by the Engineer to be undesirable and such person shall not be again employed upon the Works without the written permission of the Engineer. Any person so removed from the Works shall be replaced as soon as possible by a competent substitute approved by the Engineer.

**Setting-out**

17. The Contractor shall be responsible for the true and proper setting-out of the Works in relation to original points, lines, and levels of reference given by the Engineer in writing and for the correctness, subject as above mentioned, of the position, levels, dimensions and alignment of all parts of the Works and for the provision of all necessary instruments, appliances, and labour in connection therewith and shall cooperate and provide all facilities required by the Engineer to enable him to check the setting-out performed by the Contractor.

If, at any time during the progress of the Works, any error shall appear or arise in the position, levels, dimensions, or alignment of any part of the Works, the Contractor, on being required to do so by the Engineer shall, at his own cost rectify such error in accordance with the Contract and/or acceptable to the Engineer, but if such error is based on incorrect data supplied in writing by the Engineer, the expense of rectifying the same shall be borne by the Employer. The checking of any setting-out or of any line or level by the Engineer shall not in any way relieve the Contractor of his responsibility for the correctness thereof and the Contractor shall carefully protect and preserve all bench-marks, sight-rails, pegs and other things used in setting out the Works.

**Boreholes and Exploratory Excavation**

18. If, at any time during the execution of the Works, the Engineer shall require the Contractor to make boreholes or to carry out exploratory excavation, subject to the provisions of Clause 2. (1) ( Duties and Powers of the Engineer ) hereof, such requirement shall be ordered in writing and shall be deemed to be an addition ordered under provisions



of Clause 51.(1) (Variations) hereof, unless an item or a provisional sum in respect of such anticipated work shall have been included in the Bill of Quantities.

**Safety,  
Security and  
Protection  
of the  
Environment**

19. (1) The Contractor shall, throughout the execution and completion of the Works and the remedying of any defects therein :
- (a) have full regard for the safety of all persons entitled to be upon the Site and keep the Site (so far as the same is under his control) and the Works (so far as the same are not completed or occupied by the Employer) in an orderly state appropriate to the avoidance of danger to such persons, and
  - (b) provide and maintain at his own cost all lights, guards, fencing, warning signs and watching, when and where necessary or required by the Engineer or by any duly constituted authority, for the protection of the Works or for the safety and convenience of the public or others, and
  - (c) take all reasonable steps to protect the environment on and off the Site and to avoid damage or nuisance to persons or to property of the public or others resulting from pollution, noise or other causes arising as a consequence of his methods of operation.

**Employer's  
Responsibilities**

19. (2) If under Clause 31 , the Employer shall carry out work on the Site with his own workmen he shall, in respect of such work :
- (a) have full regard to the safety of all persons entitled to be upon the Site, and
  - (b) keep the Site in an orderly state appropriate to the avoidance of danger to such persons.

If under Clause 31, the Employer shall employ other contractors on the Site, he shall require them to have the same regard for safety and avoidance of danger.

**Care of  
Works**

20. (1) From the commencement of the Works until the date stated in the Certificate of Completion for the whole of the Works pursuant to Clause 48.(1) (Certification of Completion of Works) hereof, the Contractor shall take full responsibility for the care thereof and of all Temporary Works.

In the event that any damage, loss or injury should happen to the Works or to any part thereof or to any Temporary Works from any cause whatsoever, except the excepted risks as defined in Sub-clause 20. (2) of this Clause, the Contractor shall at his own cost, repair and make good the same so that at completion, the Works shall be in good order and condition and in conformity in every respect with the requirements of the Contract and the Engineer's instructions.

In the event of any such damage, loss or injury happening from any of the excepted risks, the Contractor shall, to the extent required by the Engineer after consultation with the Employer, and subject always to the provisions of Clause 65 (Special Risks) hereof, repair and make good the same as aforesaid at the cost of the Employer. The Contractor shall also be liable for any damage to the Works occasioned by him in the course of any operations carried out by him for the purpose of complying with obligations under Clauses 49 and/ or 50 (Defects and Repair) hereof, and during suspension of work or while remedying any defects.

**Excepted  
Risks**

20. (2) The term "excepted risks" is hereby deemed to be the collective and comprehensive term for uninsurable risks as follows:

- (a) war, hostilities (whether war be declared or not);
- (b) invasion, act of foreign enemies;
- (c) riot, commotion or disorder, unless solely restricted to employees of the Contractor or of his Sub-contractors and arising from the conduct of the Works;
- (d) insurrection, rebellion, revolution;

- (e) military or usurped power, civil war;
- (f) ionising radiation or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, radio-active toxic explosive, or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
- (g) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds;
- (h) risks arising solely due to faulty design of the Works by the Employer;
- (i) actual use and/or occupation by the Employer of any portion of the Works for which a Certificate of Completion has been issued, excluding responsibilities of the Contractor in the Defects Liability Period; and
- (j) damage by forces of nature that an experienced Contractor having reasonable foresight and ability could not foresee or reasonably make provision for or insure against.

**Insurance of Works, etc.**

21. Without limiting his obligations and responsibilities under Clause 20. (1) (Care of Works) hereof, the Contractor shall insure in the joint names of the Employer and the Contractor against all loss or damage from whatever cause arising, other than the excepted risks, for which he is responsible under the terms of the Contract and in such manner that the Employer and the Contractor are covered for the period stipulated in Clause 20.(1) (Care of Works) hereof and are also covered during the Defects Liability Period for loss or damage arising from a cause, occurring prior to the commencement of the Defects Liability Period and for any loss or damage occasioned by the Contractor in the course of any operations carried out by him for the purpose of complying with his obligations under Clauses 49 and 50 (Defects and Repair) hereof ;
- (a) The Works for the time being executed to the estimated current

contract value thereof or such sum subject to additional sums as may be specified in Part II - Special Conditions of Contract in Clause 21 (Insurance of Works, etc.) thereof, together with the materials for incorporation in the Works at their replacement value.

- (b) The materials, Construction Plant and Equipment and other things brought on to the Site by the Contractor to the replacement value of such materials, Construction Plant and Equipment and other things.

Such insurance shall be effected with an insurer and in terms approved by the Employer, which approval shall not be unreasonably withheld, and the Contractor shall, whenever required, produce to the Engineer the policy or policies of insurance and the receipts for payment of the current premiums.

**Damage to  
Persons and  
Property**

- 22. (1) The Contractor shall, except as the Contract provides otherwise, indemnify the Employer against all losses and claims in respect :
  - (a) death of or injury to any person, or
  - (b) loss or damage to any property (other than the Works or surface or other damage to land or crops on the Site suffered by tenants or occupiers),

which may arise out of or in consequence of the execution and completion of the Works and the remedying of any defects therein, and against all claims, proceedings, damages, costs, charges and expenses whatsoever in respect thereof or in relation thereto, subject to the exceptions defined in Sub-clause 22. (2) hereof.

Provided that for the purposes of this Clause, the expression "the Site" shall be deemed to be limited to the area defined in the Specification or shown on the Drawings in which land and crops will be disturbed or damaged as a consequence of the execution of the Works.

**Exceptions**

22. (2) The "exceptions" referred to in sub-clause (1) hereof, are:

- (a) the permanent use or occupation of land by the Works, or any part thereof,
- (b) the right of the Employer to execute the Works, or any part thereof, on, over, under, in or through any land,
- (c) damage to property which is the unavoidable result of the execution and completion of the Works, or the remedying of any defects therein, in accordance with the Contract,
- (d) death of or injury to persons or loss of or damage to property resulting from any act or neglect of the Employer, his agents, servants or other contractors, not being employed by the Contractor, or in respect of any claims, proceedings, damages, costs, charges and expenses in respect thereof or in relation thereto or, where the injury or damage was contributed to by the Contractor, his servants or agents, such part of the said injury or damages as may be just and equitable having regard to the extent of the responsibility of the Employer, his servants or agents or other contractors for the injury or damage.

**Indemnity by Employer**

22. (3) The Employer shall indemnify the Contractor against all claims, proceedings, damages, costs, charges and expenses in respect of the matters referred to in the exceptions defined in sub-clause (2) hereof.

**Third Party Insurance**

23. (1) Before commencing the execution of the Works the Contractor, but without limiting his obligations and responsibilities under Clause 22.(1) (Damage to Persons and Property) hereof, shall insure against his liability for any material or physical damage, loss or injury which may occur to any property, including that of the Employer, or to any person, including that of the Employer, by or arising out of the execution, completion or repair of the Works.

**Minimum  
Amount of  
Third Party  
Insurance**

23. (2) Such insurance shall be effected with an insurer and in terms approved by the Employer, and for at least the amount stated in Part II-Special Conditions of Contract in Sub-clause 23. (2) (Minimum Amount of Third Party Insurance). The Contractor shall, whenever required, produce to the Engineer the policy or policies of insurance and the receipt for payment of the current premiums.

**Provision to  
Indemnify  
Employer**

23. (3) The terms shall include a provision whereby in the event of any claim in respect of which the Contractor would be entitled to receive indemnity under the policy being brought or made against the Employer, the insurer will indemnify the Employer against such claims and any costs, charges and expenses in respect thereof.

**Accident or  
Injury to  
Workmen**

24. (1) The Employer shall not be liable for or in respect of any damages or compensation payable at law in respect or in consequence of any accident or injury to any workman or other person in the employment of the Contractor or any Sub-contractor, except an accident or injury resulting from any act or default of the Employer, his agents or servants. The Contractor shall indemnify and keep indemnified the Employer against all such damages and compensation, except as aforesaid, and against all claims, demands, proceedings, costs, charges and expenses whatsoever in respect thereof or in relation thereto.

**Insurance  
against  
Accident, etc.  
to Workmen**

24. (2) The Contractor shall insure against accident to workmen with an insurer approved by the Employer, and shall continue such insurance during the entire time that any persons are employed by him on the Works and shall, when required, produce to the Engineer such policy of insurance and the receipt for payment of current premium. Provided that, for persons employed by any Sub-contractor, the Contractor's obligation to insure as aforesaid under this sub-clause shall be satisfied if the Sub-contractor shall have insured against the liability in respect of such persons so that the Employer is indemnified under the policy, but the Contractor shall require such Sub-contractor to produce to the Engineer, when required, such policy of insurance and the receipt for payment of the current premium.

The insurance described above shall in all respects satisfy the provisions of Decree No.07/Men/1984 of the Ministry of Manpower and Decree No. 30/KPTS/1984 of the Ministry of Public Works for the implementation of Indonesian Government Regulation No. 33 (1977) concerning labour social insurances (ASTEK).

**Contractor's Insurances**

25. (1) (a) The Contractor shall use an Indonesian insurance which may cooperate with the foreign insurance market for any and all insurance policies to be provided and maintained by the Contractor.
- (b) The Contractor shall provide evidence to the Employer prior to the start of the Work at the Site that the insurances required under the Contract have been effected and shall, within ninety (90) days of the Commencement Date, provide the insurance policies to the Employer. When providing such evidence and such policies to the Employer, the Contractor shall notify the Engineer of so doing. Such insurance policies shall be consistent with the general terms agreed prior to the issue of the Letter of Acceptance. The Contractor shall effect all insurances for which he is responsible with insurers and in terms approved by the Employer.

Provided that, should the Employer or the agreement between Financing Agency and the Government so require, any special conditions regarding insurers, reinsurance obligations, if any, or other matters related to the Contractor's insurance obligations shall be as specified in Part II - Special Conditions of Contract in Clause 25.(1) thereof.

**Approval by Employer**

25. (2) The form and limits of insurance, together with the under writer thereof, must in each case be acceptable to the Employer, but regardless of such acceptance it shall be the responsibility of the Contractor to maintain adequate insurance coverage at all times. Failure of the Contractor to maintain adequate coverage

shall not relieve him of any contractual responsibility or obligation. Satisfactory certificates, or copies of the policies of insurance shall be filed with the Engineer, or if directed, the Engineer's Representative, prior to starting any activity or work under the Contract. The certificates shall state that sixty (60) days advance written notice will be given to the Employer with a copy to the Engineer before any policy covered thereby is changed, canceled or expires.

**Consequences  
on Contractor's  
Failure to Insure**

25. (3) If the Contractor shall fail to effect and keep in force the insurances referred to in Clause 21 ( Insurance of Works, etc.), Clause 23.(1) (Third Party Insurance), and Clause 24 (Accident or Injury to Workmen; Insurance against Accident, etc. to Workmen) hereof, or any other insurance which he may be required to effect under the terms of the Contract, the Employer may withhold the payment of any monies due or which may become due to the Contractor, until the Contractor pays such premium or premiums as may be necessary for that purpose.

**Giving of  
Notices and  
Payment of  
Fees**

26. (1) The Contractor shall give all notices and pay all fees required to be given or paid by any National or State Statute, Ordinance or other Law, or any Regulation, or bye-law of any local or other duly constituted authority in relation to the execution of the Works and by the rules and regulations of all public bodies and companies whose property or rights are affected or may be affected in any way by the Works.

Provided that the Employer will repay or allow to the Contractor all such sums as the Engineer shall certify to have been properly payable and paid by the Contractor in respect of such fees.

**Compliance  
with Statutes,  
Regulations,  
etc.**

26. (2) The Contractor shall conform with the provisions of any such Statute, Ordinance, etc. or Law and the Regulations or bye-law of any local or other duly constituted authority which may be applicable to the Works and with such rules and regulations of public bodies and companies as aforesaid and shall keep the Employer indemnified against all penalties and liabilities of every kind for breach of any such provisions.



**Fossils, etc.** 27. (1) All fossils, coins, articles of value of antiquity and archaeological structures and other remains or things of geological or archaeological interest discovered on the Site shall as between the Employer and the Contractor be deemed to be the absolute property of the Employer. The Contractor shall take such reasonable precautions to prevent his workmen or any other persons from removing or damaging any such article or thing and shall immediately upon discovery thereof, and before removal, acquaint the Engineer of such discovery who will after consultation with the Employer direct the Contractor as to the disposal of the same, and if such removal shall incur additional cost to the Contractor the same shall be at the expense of the Employer.

**Valuable Minerals** 27. (2) All valuable minerals found upon the Site or discovered by reason of the execution of the Works shall be and shall remain the property of the Employer. The Contractor or his employees shall deliver all such valuable minerals to the Engineer.

**Patent Rights and Royalties** 28. The Contractor shall save harmless and indemnify the Employer from and against all claims and proceedings for or on account of infringement of any patent rights, design trademark or name or other protected rights of any techniques, Construction Plant and Equipment, machine, work, or material used for or in connection with the Works or any part thereof and from and against all claims, demands, proceedings, damages, costs, charges, and expenses whatsoever in respect thereof or in relation thereto.

Except where otherwise specified, the Contractor shall pay all tonnage and other royalties, rent and other payments or compensation, if any, for getting stone, sand, gravel, clay or other materials required for the Works. The Employer on his part warrants that any design or instructions furnished or given by him will not cause the Contractor to infringe any letters patent, registered design, trade mark, or copyright in the performance of the Contract.

**Interference  
with Traffic  
and Adjoining  
Properties**

29. All operations necessary for the execution, completion and repair of the Works shall, so far as compliance with the requirement of the Contract permits, be carried on so as not to interfere unnecessarily or improperly with the public convenience, or the access to, use and occupation of public or private roads and footpaths whether in the possession of the Employer or of any other person. The Contractor shall save harmless and indemnify the Employer in respect of all claims, demands, proceedings, damages, costs, charges and expenses whatsoever arising out of, or in relation to, any such matters in so far as the Contractor is responsible therefor.

**Extraordinary  
Traffic**

30. (1) The Contractor shall use every reasonable means to prevent any of the highways or bridges connecting with or on the routes to the Site from being damaged or injured by any traffic of the Contractor or any of his Sub-contractors. He shall select routes, choose and use vehicles and restrict and distribute loads so that any such extraordinary traffic as will inevitably arise from the moving of plant and material from and to the Site shall be limited, as far as reasonably possible, and so that no unnecessary damage or injury may be occasioned to such highways and bridges.

**Special Loads**

30. (2) Should it be found necessary for the Contractor to move any Construction Plant and Equipment, machinery or preconstructed units or parts of units of work and such moving is likely to damage any highway or bridge unless special protection or strengthening is undertaken, then the Contractor shall before such load is moved give notice to the Engineer in writing advising the weight and other particulars thereof and his proposals for protecting or strengthening such highway or bridge and such strengthening or movement of Construction Plant and Equipment may not be executed until approved by the Engineer.

Provided that, the cost and expenses thereof shall be paid by the Contractor unless otherwise specified in Part II - Special Conditions of Contract in Clause 30. (2) thereof.

**Settlement of  
Extraordinary  
Traffic Claims**

30. (3) If during the execution of the Works or at any time thereafter the Contractor shall receive any claim arising out of the execution, completion or repair of the Works in respect of damage or injury to highways or bridges, he shall immediately report the same to the Engineer. If any such claim or part thereof shall in the opinion of the Engineer be due to any failure on the part of the Contractor to observe and perform his obligations under sub-clauses (1) and (2) of this Clause, then the Contractor shall be required to repair immediately at his own cost such damage or injury in accordance with the Engineer's instruction. Provided that if such damage or injury is due to the failure of the Employer, his agent or servant the cost will be borne by the Employer and thereafter the Employer shall negotiate the settlement of and pay all sums due in respect of such claim and shall indemnify the Contractor in respect thereof and in respect of all claims, proceedings, damages, costs, charges and expenses in relation thereto.

**Waterborne  
Traffic**

30. (4) Where the nature of the Works requires the use by the Contractor of waterborne transport the foregoing provisions of this Clause shall be construed as though "highway" included a lock, dock, sea wall, or other structure related to a waterway and "vehicle" included craft, and shall have effect accordingly. Nothing herein before contained shall exempt the Contractor or any of his Sub-contractors from complying with state laws regulating traffic on highways, bridges or waterways.

**Opportunities  
for Other  
Contractors**

31. The Contractor shall, in accordance with the requirements of the Engineer, afford reasonable opportunities for carrying out their work to any other contractors employed by the Employer and their workmen and to the workmen of the Employer and of any other duly constituted authorities who may be employed in the execution on or near the Site any work under any contract which the Employer may enter into in connection with or ancillary to the Works. If, however, the Contractor shall on the written request of the Engineer after consultation with the Employer, make available to any such other contractor, or to the Employer or any such authority, any roads or ways for the maintenance of which the Contractor is responsible, or permit the use by any such of the Contractor's scaffolding or other plant on the Site, or provide any

other service of whatsoever nature, the Employer shall pay to the Contractor in respect of such use or service such sum or sums as shall, in the opinion of the Engineer, be reasonable. Any differences or conflicts which may arise between the Contractor and others in regard to the respective work, will be referred to the Engineer who will use his best endeavors to resolve the situation and instruct the Contractor accordingly, subject to the provisions of Clause 2.(1) (Duties and Powers of the Engineer) hereof. Should the Engineer be unable to resolve the differences or conflict or lack the powers to enforce a solution upon the others concerned, he will refer the matter to the Employer who will take such actions as he deems appropriate and advise the Engineer to instruct the Contractor accordingly.

**Contractor to  
Keep the Site  
Clear**

32. The Contractor shall during the execution, completion and repair of the Works keep the Site free from obstruction and shall, at any time if directed by the Engineer, store or dispose of any Construction Plant and Equipment and surplus materials and clear away and remove from the Site any wreckage or rubbish or the Temporary Works no longer required.

**Clearance of  
Site on  
Completion**

33. On the completion of the Works, the Contractor shall, except as otherwise specifically provided, clear away and remove from the Site all Construction Plant and Equipment, the Temporary Works, surplus materials, wreckage and rubbish of every kind and shall reinstate and leave the whole of the Site and the Works clear and in a workmanlike condition to the satisfaction of the Engineer.

#### **CONTRACTOR'S EMPLOYEES**

**Engagement  
of Employees**

34. (1) (a) The Contractor shall make his own arrangements for the engagement of all labour and supervisory staff, local or otherwise, in accordance with all laws, regulations, notices and decrees issued by the Government of Indonesia and, except insofar as the Contract otherwise provides, for the transport, housing, feeding and payment thereof. The Contractor shall not recruit or attempt to recruit persons in

the service of the Employer or the Engineer.

- (b) The Contractor is encouraged to the extent practicable to use indigenous labour. The Contractor shall only import foreign technicians for the Works with the recommendation of the Engineer in writing which shall be granted by the Engineer only if in his opinion such importation is necessary and in accordance with the relevant laws and regulations of Indonesia. The Contractor shall be required to obtain the necessary working permits and visas for non-Indonesian employees employed by him or his Sub-contractors to work in Indonesia for the execution, completion and repair of the Works, in accordance with the relevant laws and regulations of Indonesia. The Employer will extend all possible assistance to the Contractor in obtaining the necessary working permits and visas.

**Repatriation  
of Employees**

34. (2) The Contractor shall be responsible for the return to the place where they were recruited or to their normal place of residence of all such employees as he recruited and employed for the purposes of or in connection with the Contract and shall maintain such persons as are to be so returned in a suitable manner until they shall have left Indonesia or the Site, as the case may be.

**Living  
Quarters of  
Employees**

34. (3) (a) Except as may be otherwise specifically stated, the Contractor shall provide and maintain such housing accommodation and amenities, as he may consider necessary for all his employees employed for the purposes of or in connection with the Contract, including all fencing, water (both for drinking and other purposes), electricity, sanitations, cook-houses, fire prevention and fire-fighting equipment and other requirements in connection with such accommodation or amenities.

- (b) The Contractor shall supply clean potable water for the workers at each work site. For this purpose, water shall be analyzed by the Contractor for potability whenever requested by the Engineer. The Contractor shall provide on

the Site, after consultation with the Engineer, fixed or portable toilets for the use of the Contractor's staff and work people.

(c) After the Works are completed, the Contractor shall dismantle the housing accommodation and related appurtenances located at the Site and restore the Site to its original state in so far as it is reasonably possible, unless the Contract provides that such housing will not necessarily be dismantled but will be the property of the Employer.

**Safety and  
Accident  
Prevention**

34. (4) The Contractor shall in regard to safety provisions, furnish and cause to be used such additional safeguards, safety devices and protective equipment as the Engineer or any competent authority may determine to be reasonably necessary to protect the life and health of employees of the Contractor or his Sub-contractors. Nothing in this Clause shall be construed to relieve the Contractor from compliance with applicable local safety, health and sanitation laws or ordinances.

**Health**

34. (5) The Contractor shall, in collaboration with and to the requirements of any duly constituted medical or sanitary authority, ensure that suitable arrangements are made on the Site for the maintenance of health, the prevention and overcoming of epidemics and for adequate first aid, welfare and hygiene services. Such first aid services shall be provided to the Employer and the Engineer, at no cost, for their employees at the Site.

**Festivals and  
Religious  
Customs**

34. (6) The Contractor shall, in all dealings with persons in his employment have due regard to all recognized festivals, days of rest and religious or other customs in accordance with the calendar issued by the Government of or observed in the Republic of Indonesia. He shall make special arrangements with the approval of the Engineer, whenever the exigencies of the construction programme demand that work shall proceed during such festivals and days of rest.

**Alcoholic  
Liquor or  
Drugs**

34. (7) The Contractor shall not, in accordance with the Statutes, Ordinances and Regulations or Orders import, sell, give, barter or otherwise dispose of any alcoholic liquor, or drugs, or permit or suffer any such importation, sale, gift, barter or disposal by his Sub-contractors, agents or employees. The Contractor's personnel are also prohibited from drinking or using such things during working hours.

**Arms and  
Ammunition**

34. (8) The Contractor shall not, in accordance with the Statutes, Ordinances and other official regulations or orders, give, use, barter or otherwise dispose of to any person or persons, any arms or ammunition of any kind or permit or suffer the same as aforesaid.

**Disorderly  
Conduct, etc.**

34. (9) The Contractor shall, at all times, take all reasonable precautions to prevent any unlawful, riotous or disorderly conduct by or amongst his employees and for the preservation of peace and protection of persons and property in the neighbourhood of the Works. The Contractor shall establish contact and cooperation with local law and order Authorities.

**Observance  
by Sub-  
contractors**

34. (10) The Contractor shall be responsible for the observance by his Sub-contractors of the foregoing provisions, which shall apply to all persons employed by his Sub-contractors, in connection with the Contract.

**Payrolls,  
Wages and  
Fees**

34. (11) (a) The time books, payroll records or records of similar nature of the Contractor and all Sub-contractors shall be open to the inspection of the Engineer at all times.
- (b) The wages of Indonesian labour shall be paid in Rupiah in cash.
- (c) No fee of any kind shall be asked or accepted by the Contractor or any of his agents from any person as a condition of employment on the Works.
- (d) Every employee on the Works shall be permitted to lodge,

board and trade where and with whom he elects and neither the Contractor nor his agents, nor his employees shall directly or indirectly require, as a condition of employment, that an employee shall board, lodge or trade at a particular place or with a particular person, except insofar as the nature of an employee's duties may necessitate his residence in accommodation to be provided by the Employer at a particular location on or adjacent to the Site.

- (e) No charge shall be made to any person employed on the Works for any transportation furnished by the Contractor or his agents.
- (f) No money earned by any employee of the Contractor shall be retained or withheld even with the consent of the employee, except as required by the laws of the Republic of Indonesia.
- (g) Before payment of any amount to the Contractor, the Contractor shall furnish to the Employer a statement that employees employed on the Works by the Contractor or by his Sub-contractors have been paid all wages due to them. The Employer has the right to request the Contractor to show evidence of such payments, and the Employer may withhold payment of any amount due or to become due to the Contractor if the Contractor or his Sub-contractors, without any reasonable cause, fails to pay or withholds any payment to his employees until such evidence has been supplied to the satisfaction of the Employer.

**Cost of  
Facilities**

34. (12) Payment will not be made for the cost and maintenance of any of the facilities specified in this Clause, unless specifically included in the Bill of Quantities, but the cost thereof shall be deemed to be included in the various unit prices or items of the Contract.



**Reports on  
Employees and  
Construction  
Plant**

35. The Contractor shall, if required by the Engineer, deliver to the Engineer a report in detail and in such form and at such intervals as the Engineer may prescribe, showing the supervisory staff and the several classes of workmen in Indonesia from time to time employed by the Contractor in the performance of the Contract and such information respecting Construction Plant and Equipment as the Engineer may require.

### **MATERIALS AND WORKMANSHIP**

**Quality of  
Materials  
and  
Workmanship  
and Tests**

36. (1) All materials and workmanship shall be of respective kinds described and specified in the Contract and in accordance with the Engineer's instructions and shall be subjected from time to time to such tests as the Engineer may direct at the place of manufacture or fabrication, or on the Site or at all or any of such places.

The Contractor shall provide such assistance, instruments, machines, labour and materials as are normally required for examining, measuring and testing any work and the quality, weight or quantity of any material used and shall supply, on his own initiative, samples of materials as may be selected and required by the Engineer for testing before incorporation in the Works.

**Cost of  
Samples**

36. (2) All samples shall be supplied by the Contractor at his own cost if the supply thereof is clearly intended by the Contract, but if not, then at the cost of the Employer.

**Cost of Tests**

36. (3) The cost of making any test shall be borne by the Contractor if such test is clearly intended by or provided for in the Contract and, in the case only of a test under load or of a test to ascertain whether the design of any finished or partially finished work is appropriate for the purposes which it was intended to fulfill, which is particularized in the Contract in sufficient detail to enable the Contractor to have priced or allowed for the same in his Tender.

**Cost of Tests  
not Provided  
for, etc.**

36. (4) If any test is ordered by the Engineer which is either:
- (a) not so intended by or provided for in the Contract, or
  - (b) is not so particularized, or
  - (c) though so intended or provided for is ordered by the Engineer to be carried out by an independent person at any place, other than the Site or the place of manufacture or fabrication of the materials tested,

then the cost of such test shall be borne by the Contractor, if the test shows the workmanship or materials are not in accordance with the provisions of the Contract or the Engineer's instructions, but otherwise by the Employer.

**Access to  
Site**

37. The Engineer and any person authorised by him shall at all times have access to the Works and to the Site and to all workshops and places where work is being prepared or materials manufactured, or articles or machinery are being obtained for the Works.

The Contractor shall afford every facility for and every assistance in obtaining the right to such access.

**Examination  
of Work  
before  
Covering up**

38. (1) No work shall be covered up or put out of view without the approval of the Engineer. The Contractor shall afford full opportunity for the Engineer to examine and measure any work which is about to be covered up or put out of view and to examine foundations before Permanent Work is placed thereon.

The Contractor shall give due notice to the Engineer whenever any such work or foundations is or are ready or about to be ready for examination and the Engineer shall without unreasonable delay, unless he considers it unnecessary and advises the Contractor accordingly, attend for the purpose of examining such foundations.

If, however, the Contractor should cover up any work without

complying with the above, the Engineer may, at his option, require the work to be opened up for examination and the Contractor shall have no recourse for compensation.

**Uncovering  
and Making  
Openings**

38. (2) The Contractor shall uncover any part or parts of the Works or make opening in or through the same as the Engineer may from time to time direct and shall reinstate and make good such part or parts in accordance with the Contract and/or accepted by the Engineer. If any such part or parts have been covered up or put out of view after compliance with the requirements of sub-clause (1) of this Clause and are found to be executed in accordance with the Contract, the expenses of uncovering, making openings in or through, reinstating and making good the same shall be borne by the Employer. In case that the work is found not to be executed in accordance with the Contract all such expenses shall be borne by the Contractor.

**Removal of  
Improper  
Work and  
Materials**

39. (1) The Engineer shall during the progress of the Works have power to order in writing from time to time:
- (a) the removal from the Site, within such time or times as may be specified in the order, of any materials which in the opinion of the Engineer are not in accordance with the Contract,
  - (b) the substitution of proper and suitable materials, and
  - (c) the removal and proper re-execution, notwithstanding any previous test thereof, or interim payment thereof, of any work or portion thereof which in respect of materials or workmanship is not, in the opinion of the Engineer, in accordance with Contract.

If any final tests prove or indicate the existence of any fault or defect in the Work or any part thereof the Engineer shall give the Contractor notice stating particulars of such fault or defect and the Contractor shall at his own expense forthwith re-execute or replace the defective or faulty work or alter the same to make it

comply with the requirements of the Contract.

**Default of  
Contractor in  
Compliance**

39. (2) In case of default on the part of the Contractor in carrying out such order, the Employer shall be entitled to employ other persons to carry out the same. All expenses consequent thereon or incidental thereto shall be recoverable from the Contractor and the Employer may withhold the payment of any monies due or which may become due to the Contractor, if the Contractor should fail to incur such expenses.

**Suspension  
of Work**

40. (1) The Contractor shall on the written order of the Engineer, hereinafter referred to as a "Suspension Order", suspend the progress of the Works or any part thereof for such time or times and in such manner as the Engineer may consider necessary and shall during such suspension properly protect and secure the work, so far as is necessary in the opinion of the Engineer.

The extra cost including all wages to be paid on the Site, salaries, depreciation and maintenance of the Construction Plant and Equipment, on-site costs and general overhead costs of the Contract incurred by the Contractor in giving effect to the Engineer's instructions under this Clause shall be borne and paid by the Employer unless such suspension is:

- (a) otherwise provided for in the Contract, or
- (b) necessary for the proper execution of work or by reason of weather conditions affecting the safety or quality of the Works or by some default on the part of the Contractor, or
- (c) necessary for the safety of the Works or any part thereof.

Provided that the Contractor shall not be entitled to recover any such extra cost unless he gives notice in writing of his intention to claim to the Engineer within thirty (30) days of the Suspension Order.

The Engineer shall settle and determine such extra payment and/or

extension of time under Clause 44 (Extension of Time for Completion) hereof and subject to the provisions of Clause 2.(1) (Duties and Powers of the Engineer) hereof, to be made to the Contractor in respect of such claim as shall, in the opinion of the Engineer, be fair and reasonable.

**Suspension  
Lasting  
more than  
90 days**

40. (2) If on any Suspension Order, the progress of the Works or any part thereof shall be suspended for a period of more than ninety (90) days, or if the Engineer having previously issued a Suspension Order for a period which has lasted less than ninety (90) days, shall within less than ninety (90) days from the expiration of that period of suspension, issue a further Suspension Order, so that the periods of suspension amount in all to more than ninety (90) days, then, unless such suspension is within paragraph (a), (b), or (c) of sub-clause (1) of this Clause, the Contractor may serve a written notice on the Engineer requiring permission within twenty eight (28) days from the receipt thereof, to proceed with the Works or that part thereof, in regard to which progress is suspended. If such permission is not granted within that time, the Contractor by a further written notice may elect to treat the suspension where it affects only part of the Works as an omission under the Clause 51.(1) (Variations) hereof, or where it affects the whole Works as an abandonment of the Contract by the Employer pursuant to Clause 69 (Default of Employer) hereof.

#### **COMMENCEMENT TIME AND DELAYS**

**Commence-  
ment of  
Works**

41. (1) The Contractor shall commence the Works on Site within the period named in Part II-Special Conditions of Contract in Clause 41. (1) (Commencement of Works) thereof after the receipt by him of Notice to Proceed in writing from the Engineer, which will be issued only after the Contract Agreement has been signed and become effective. The Contractor shall acknowledge its receipt by signing and returning the attached receipt. This receipt will be part of the Contract. The Contractor shall proceed without delay, except as may be expressly sanctioned or ordered by the Engineer or be wholly beyond the Contractor's control.