

Notice to
Proceed not
Issued

41. (2) In the event that the Notice to Proceed is not issued to the Contractor within sixty (60) days after signing of the Contract, or ninety (90) days after receipt by the Contractor of the Letter of Acceptance, or within any other period mutually agreed upon by the Employer and the Contractor, the Contract may become null and void at the discretion of the Contractor, and the Contractor shall be entitled to reimbursement by the Employer of reasonable actual expenses incurred by him in the preparation only of the Contract Documents including the provision of the Performance Security and work programme as specified in Clause 14.(1) (Programme to be Furnished) hereof, from the date of issue of the Letter of Acceptance to the date the Contract becomes null and void.

Contractor's
Site Office

41. (3) Within two (2) months from the date of the Engineer's Notice to Proceed, the Contractor shall establish at or in an approved location adjacent to the Site an office duly equipped to accommodate his managerial personnel. The Site office shall be the legal address of the Contractor for the purpose of Clause 15.(1) (Contractor's Superintendence) hereof.

As soon as possible the Contractor shall report to the relevant authorities on the establishment of the office. The Contractor shall maintain this office throughout the execution and completion of the whole of the Works and for such portion of the Defects Liability Period as the Engineer shall approve.

All correspondence sent to this office shall be deemed to have been sent to the Contractor's Head Office, but without prejudice to Clause 68.(1) (Service of Notices on Contractor) hereof. The location of this office will be deemed to be part of the Site as provided for in Clause 1. (1) (e) (iv) (Definitions) hereof.

Possession
of Site

42. (1) The Employer will, with the Engineer's written Notice to Proceed, give to the Contractor possession of so much of the Site as may be required to enable the Contractor to commence and proceed with the execution of the Works in accordance with the programme

referred to in Clause 14.(1)(Programme to be Furnished) hereof, and otherwise in accordance with such reasonable proposals of the Contractor, as he shall give by notice in writing to the Engineer.

The Employer will from time to time as the Works proceed, give to the Contractor possession of such further portions of the Site as may be required to enable the Contractor to proceed with the execution of the Works with due despatch in accordance with the said programme or proposals. Possession of the Site will be given subject to the provisions of Clause 31. (Opportunities for Other Contractors) hereof and such other provisions, if any, as may be specified in the Contract.

As soon as possible after the granting to the Contractor of possession of the Site or of any part thereof, the Contractor and the Engineer shall conduct a mutual check to ascertain that the Site and the features thereof are in agreement with the details provided in the Specification and on the Drawings. Such mutual check shall wherever practicable be combined with the surveys of existing ground levels and features referred to in Clause 56.(3) (Surveys) hereof.

If the Contractor suffers delay from failure on the part of the Employer to give possession in accordance with the terms of this Clause, the Employer shall grant an extension of time for the completion of the Works subject to the provisions of Clause 2.(1) (Duties and Powers of the Engineer) hereof.

Wayleaves,
etc.

42. (2) The Contractor shall bear all costs for any special or temporary wayleaves, rights of way and licenses, required by him in connection with access to the Site, in addition to those which are specifically mentioned in the Contract or shown on the Drawings. The Contractor shall also provide at his own cost any additional accommodation outside the Site required by him for the purposes of the Works.

Time for
Completion

43. Subject to any requirement in the Contract as to completion of any portion or portions of the Works before completion of the whole, the

whole of the Works shall be completed within the time stated in the Contract, calculated from the receipt of the Notice to Proceed (Commencement Date) named in Part II-Special Conditions of Contract in Clause 43 thereof, or such extended time as may be allowed under Clause 44 (Extension of Time for Completion) hereof.

**Extension
of Time for
Completion**

44. Should the amount of extra additional works of any kind, or any cause of delay referred to in these Conditions, or exceptional adverse climatic conditions, or other special circumstances of any kind whatsoever, other than through a default of the Contractor, be such as fairly to entitle the Contractor to an extension of time for the completion of the Works, the Engineer will notify the Employer and the Employer shall determine the amount of such extension and notify the Contractor accordingly.

Provided that the Employer shall not take into account any extra or additional work or other special circumstances unless the Contractor has within twenty eight (28) days after such work has been commenced, or such circumstances have arisen, or as soon thereafter as is practicable, submitted to the Engineer full and detailed particulars of any extension of time to which he may consider himself entitled in order that such submission may be investigated at the time.

**No Night or
Sunday Work**

45. Subject to any provision to the contrary contained in the Contract, none of the Permanent Works shall, except as hereinafter provided, be carried on during the night or on Sundays or official holidays, without the permission in writing of the Engineer except when the work is unavoidable or absolutely necessary for the saving of life or property or for the safety of the Works, in which case the Contractor shall immediately advise the Engineer. Provided that this Clause shall not be applicable to work which is customarily carried out by rotary or double shifts.

**Rate of
Progress**

46. If for any reason, which does not entitle the Contractor to an extension of time, the rate of progress of the Works or any section is at any time in the opinion of the Engineer, too slow to ensure completion by the prescribed time or extended time for completion, subject to the provisions of Clause 2.(1) (Duties and Powers of the Engineer) hereof,

the Engineer shall so notify the Contractor in writing.

The Contractor shall thereupon take such steps as are necessary and the Engineer may approve to expedite progress so as to complete the Works or such section by the prescribed time or extended time. The Contractor shall not be entitled to any additional payment for taking such steps.

If, as a result of any notice given by the Engineer under this Clause, the Contractor shall seek the Engineer's permission to do any work at night or on Sundays, or official holidays, such permission shall not be unreasonably refused. Provided that, if the Engineer gives his permission for the Contractor to do any work at night or on Sunday or official holiday, the Contractor shall be liable for all extra costs in staffing for supervision of the Works incurred by the Engineer at a mutually agreed rate.

**Liquidated
Damages for
Delay**

47. (1) (a) If the Contractor shall fail to complete the Works within the time prescribed in the Contract, or extended time, then the Contractor shall pay to the Employer the sum stated in Part II-Special Conditions of Contract in Clause 47. (1) (a) (Liquidated Damages for Delay) thereof as liquidated damages for such default, and not as a penalty, for every day or part of a day which shall elapse between the time prescribed in the Contract or extended time as the case may be, and the date of completion of the Works.

The Employer may, without prejudice to any other method of recovery, deduct the amount of such damages from any monies in his hands due or which may become due to the Contractor. The payment or deduction of such damages shall not relieve the Contractor from his obligation to complete the Works, or from any other of his obligations and liabilities under the Contract.

- (b) If the total calculated amount of liquidated damages relating to the actual delays in completing the Works exceeds the specified maximum liquidated damages in Part II-Special Conditions of Contract in Clause 47.(1)(b) (Maximum

Amount of Liquidated Damages) thereof and the Engineer considers that despite previous warnings the Works cannot be completed by the Contractor within a reasonable time, the Employer may invoke Clause 63.(1) (Termination on Default of Contractor).

If however, the Employer allows the Contractor to complete the Works, then no other liquidated damages will be paid in addition to the maximum liquidated damages already paid by the Contractor.

**Reduction of
Liquidated
Damages**

47. (2) (a) If, before the completion of the whole of the Works any part or section of the Works has been certified by the Engineer as completed pursuant to Clause 48.(2) (Certification of Completion by Stages) hereof, and a Certificate of Completion issued to cover such portion of the Works, the liquidated damages for delay shall, for any period of delay after such certification, be reduced in the proportion which the value of the part so certified bears to the value of the whole of the Works.
- (b) If the Works have been substantially completed as described in Clause 48.(1) (Certification of Completion of Works) hereof and if after such certification any outstanding works are completed beyond the date ascertained from the Time for Completion or extended time, then the liquidated damages for delay of such outstanding works shall, for any period of delay, be reduced in the proportion which the value of the outstanding works bears to the value of the whole of the Works.

**Certification
of Completion
of Works**

48. (1) Except as otherwise provided for in Part II - Special Conditions of Contract in Clause 48. (1) thereof, when the whole of the Works have been substantially completed and have satisfactorily passed any final test that may be prescribed by the Contract, the Contractor may give a notice to that effect to the Engineer accompanied by an undertaking to finish any outstanding work. Such notice and undertaking shall be in writing and shall be

deemed to be a request by the Contractor for the Engineer to issue a Certificate of Completion in respect of the Works. The Engineer shall, within twenty-one (21) days of the date of delivery of such notice either:

- (a) issue to the Contractor, with a copy to the Employer, a Certificate of Completion stating the date on which, in his opinion, the Works were substantially completed in accordance with the Contract, or
- (b) give instructions in writing to the Contractor specifying all the work which, in the Engineer's opinion, is required to be done by the Contractor before the issue of such Certificate.

The Engineer shall also notify the Contractor of any defects in the Works affecting substantial completion that may appear after such instructions and before completion of the works specified therein.

The Contractor shall be entitled to receive such Certificate of Completion, within twenty-one (21) days of completion, subject to acceptance by the Engineer, of the works so specified and remedying any defect so notified.

The Works or any part thereof shall not be deemed substantially completed until in the opinion of the Engineer they can be put to use by the Employer for the purpose for which they were constructed and without interruption by the Contractor completing outstanding works.

**Certification
of Completion
by Stages**

48. (2) Except as otherwise provided for in Part II - Special Conditions of Contract in Clause 48.(2) thereof, similarly, in accordance with the procedure set out in sub-clause (1) of this Clause, the Contractor may request and the Engineer shall issue a Certificate of Completion for :

- (a) any section of the Permanent Works in respect of which a separate time for completion is provided in the Contract,

and

- (b) any substantial part of the Permanent Works which has been both completed and accepted by the Engineer whether occupied or used, or not by the Employer.

**Substantial
Completion of
Parts**

48. (3) Except as otherwise provided for in Part II - Special Conditions of Contract in Clause 48.(3) thereof, if any part of the Permanent Works shall have been substantially completed and shall have satisfactorily passed any final test that may be prescribed by the Contract, the Engineer may issue a Certificate of Completion accompanied by a defects list for that part of the Permanent Works before completion of the whole of the Works. Upon the issue of such Certificate, the Contractor shall be deemed to have undertaken to complete any outstanding work and to remedy any defect in that part of the Works during the Defects Liability Period. Provided that a Certificate of Completion given for any section or part of the Permanent Works before completion of the whole of the Works, shall not be deemed to certify completion of any ground or surfaces requiring reinstatement, unless such Certificate shall expressly so state.

**As-built
Drawings**

48. (4) A Certificate of Completion will not be issued for any part or section of the Permanent Works until the Contractor has supplied, in accordance with the Specification, "as-built" drawings of those parts of the Works to which the Certificate relates and those drawings have been approved by the Engineer, except as otherwise specified in Part II - Special Conditions of Contract in Clause 48.(4) (As-built Drawings) thereof.

DEFECTS AND REPAIR

**Definition of
"Defects
Liability
Period"**

49. (1) The expression "Defects Liability Period" shall mean the defects liability period named in Part II- Special Conditions of Contract in Clause 49.(1) (Defects Liability Period) thereof calculated from the date of completion of the Works, certified by the Engineer in accordance with Clause 48.(1) (Certification of

Completion of Works) hereof, or, in the event of more than one certificate having been issued by the Engineer under the said Clause, from the respective dates so certified.

- Execution of Work of Repair, etc.** 49. (2) After the expiration of the Defects Liability Period the Works shall be delivered up to the Employer in the condition required by the Contract, fair wear and tear excepted, to the satisfaction of the Engineer. The Contractor shall execute all such work of repair, amendment, reconstruction, rectification and making good of defects, imperfections, shrinkages or other faults as may be required in writing by the Engineer during the Defects Liability Period or within fourteen (14) days after its expiration or such extended time as approved by the Engineer, as a result of an inspection made by or on behalf of the Engineer prior to its expiration.
- Cost of Execution of Work of Repair, etc.** 49. (3) All such work shall be carried out by the Contractor at his own expense if the necessity thereof shall, in the opinion of the Engineer, be due to the use of materials or workmanship not in accordance with the Contract, or to neglect or failure on the part of the Contractor to comply with any obligation, expressed or implied, under the Contract. If in the opinion of the Engineer, such necessity shall be due to any other cause, the value of such work shall be ascertained and paid for as if it were additional work.
- Remedy on Contractor's Failure to Perform Work Required** 49. (4) If the Contractor shall fail to perform any work required by the Engineer under sub-clause (2) of this Clause, the Employer shall be entitled to employ other persons to carry out such work. All expenses consequent thereon or incidental thereto shall be born by the Contractor, the Employer may withhold the payment of any monies due or which may be due to the Contractor, until the Contractor fulfills his obligation to pay such expenses.
- Contractor to Search** 50. The Contractor shall, if required by the Engineer in writing, search for the cause or existence of any defect, imperfection or fault under the directions of the Engineer. Unless such defect, imperfection or fault shall be the Contractor's liability under the Contract, the cost of the work

carried out by the Contractor in searching shall be borne by the Employer. If such defect, imperfection or fault shall be the Contractor's liability, the cost of the work carried out in searching as aforesaid shall be borne by the Contractor and he shall in such case repair, rectify and make good such defect, imperfection or fault at his own expense in accordance with the provisions of Clause 49.(1) (Definition of Defects Liability Period) hereof.

ALTERATIONS, ADDITIONS AND OMISSIONS

Variations

51. (1) Within the limitations imposed by Clause 2 (Engineer and Engineer's Representative), the Engineer will make any variation of the form, quality or quantity of the Permanent Works or any part thereof that may, in his opinion, be necessary or desirable, and shall have power to order the Contractor to do and the Contractor shall do any of the following:

- (a) increase or decrease the quantity of any work included in the Contract,
- (b) omit any such work (but not if the omitted work is to be carried out by the Employer or by another contractor),
- (c) change the character or quality or kind of any such work,
- (d) change the levels, lines, positions and dimensions of any part of the Works,
- (e) execute additional work of any kind necessary for the completion of the Works, and
- (f) change any specified sequence or timing of construction of any part of the Works.

No such variation shall in any way vitiate or invalidate the Contract but the value, if any, of all such variations shall be taken into account in ascertaining the amount of the Contract Price. Provided that where the issue of an instruction to vary the Works

is necessitated by some default of or breach of Contract by the Contractor or for which he is responsible, any additional cost attributable to such default shall be borne by the Contractor.

**Orders for
Variations
to be
in Writing**

51. (2) No variations shall be made by the Contractor without an order in writing from the Engineer. Provided that no order in writing shall be required for increase or decrease in the quantity of any work which is not the result of an order given under this Clause, but is the result of the quantities exceeding or being less than those stated in the Bill of Quantities.

Provided also that if for any reason the Engineer shall consider it desirable to give any such order verbally, otherwise than in accordance with Clause 2.(3) (Emergency Power of the Engineer and the Engineer's Representative) hereof, with a statement in it that the Employer has given approval pursuant to Clause 2.(1) (Duties and Powers of the Engineer) hereof, the Contractor shall comply with such order in writing within the meaning of this Clause.

Provided further that if the Contractor shall within seven (7) calendar days confirm in writing to the Engineer and such confirmation shall not be contradicted in writing within fourteen (14) calendar days by the Engineer, it shall be deemed to be an order in writing by the Engineer.

**Valuation of
Variations**

52. (1) The Engineer shall determine the amount, if any, which in his opinion should be added to or deducted from the sum named in the Contract for any extra or additional work done or work omitted by his order subject to the provisions of Clause 2.(1) (Duties and Powers of the Engineer) hereof. All such work shall be valued at the rates set out in the Contract if in the opinion of the Engineer they are applicable. If the Contract shall not contain any rates applicable to the extra or additional work, then suitable prices shall be agreed upon between the Engineer and the Contractor, subject to the provisions of Clause 2.(1) (Duties and Powers of the Engineer) hereof. In the event of a disagreement, the Employer shall fix such prices as are in his opinion, reasonable and proper.

Until such time as rates or prices are agreed or fixed, the Engineer shall determine provisional rates or prices to enable on-account payments to be included in certificates issued in accordance with Clause 60. Such provisional rate to enable on-account payments to the Contractor will be specified in Part II- Special Conditions of Contract in Clause 52.(1).

Power of the Engineer to fix Rates

52. (2) If in the opinion of the Engineer, the rate or price contained in the Contract for any item of the Works is rendered unreasonable or inapplicable because of any extra or additional work done or work omitted, then a suitable rate or price shall be agreed upon between the Engineer and the Contractor. No increase or decrease of the Contract Price under sub-clause (1) of this Clause or variation of rates or prices under sub-clause (2) of this Clause shall be made unless, as soon after the date of the order as is practicable and, in the case of extra or additional work, before the commencement of the Works or as soon thereafter as practicable, notice shall have been given in writing:

- (a) by the Contractor to the Engineer of his intention to claim extra payment or varied rate, or price, or
- (b) by the Engineer to the Contractor of his intention to vary a rate or price.

Variations Exceeding Ten percent

52. (3) If, on certified completion of the whole of the Works it shall be found that a reduction or increase greater than ten (10) percent of the sum named in the Letter of Acceptance, excluding all fixed sums, Provisional Sums, allowance for dayworks, the aggregate effect of all Variation Orders for which applicable rates or prices were not contained in the Contract, if any, results from:

- (a) the aggregate effect of all Variation Orders for which applicable rates or prices are contained in the Contract, and
- (b) all adjustments upon measurement of the estimated quantities set out in the Bill of Quantities, excluding all Provisional Sums, allowance for dayworks and adjustments

of price made under Clause 70. (1) (Increase or Decrease of Cost) hereof,

but not from any other cause, the amount of the Contract Price shall be adjusted by such sum as specified in Part II - Special Conditions of Contract in Clause 52.(3) thereof.

Daywork

52. (4) The Engineer may, if, in his opinion it is necessary or desirable, order in writing that any additional or substituted work shall be executed on a daywork basis. The maximum allowable value for daywork, together with the method of measurement and payment will be specified in Part II - Special Conditions of Contract in Clause 52.(4) (Daywork) thereof.

Claims

52. (5) The Contractor shall send to the Engineer once in every month, an account giving as full and detailed particulars as possible of all claims for any additional expense and of all extra or additional work ordered by the Engineer, which he has executed during the preceding month and except as provided below no claim for any such work will be considered which has not been included in such particulars. If the Engineer shall agree with such claims, and after consultation with the Employer if so required under Clause 2.(1) (Duties and Powers of Engineer) hereof, he shall certify payment to be made for such expense or work.

Notwithstanding the Contractor's failure to comply with the above condition, if the Contractor has, within thirty (30) calendar days of commencement of the work, notified the Engineer in writing that he intends to make a claim for such expense and has submitted the entire claim in writing to the Engineer within ninety (90) calendar days of submission of notification of intent to claim, the Engineer shall consider such a claim and if he agrees shall authorize payment after consultation with the Employer as set out above.

Such claims shall be discussed between the Engineer and the Contractor in the subsequent monthly Site meetings.

Failure of the Contractor to submit the entire claim or the

notification of intent to claim in writing to the Engineer within the specified period shall constitute a waiver by the Contractor of the claim, provided that extended time for such submission shall be granted to the Contractor upon submission of a properly supported request therefor by the Contractor, unless the Engineer gives good reason why such extended time for submission should not be granted.

PLANT, TEMPORARY WORKS AND MATERIALS

**Plant, etc.
Exclusive
Use for
the Works**

53. (1) All Construction Plant and Equipment, Temporary Works and materials provided by the Contractor shall when brought on to the Site, be deemed to be exclusively intended for the construction and completion of the Works. The Contractor shall not remove the same or any part thereof, except to move it from one part of the Site to another, or return hired plant or equipment to its legal owner in case of failure to meet rental obligations, without the consent, in writing, of the Engineer, which shall not be unreasonably withheld.

The Contractor shall enter into formal written agreement with the Sub-contractors, Nominated Sub-contractors, or any persons from whom the Contractor may hire plant or equipment to ensure that all provisions of this Clause shall apply to all such plant or equipment regardless of ownership.

**Removal of
Plant, etc.**

53. (2) Upon completion of the Works, the Contractor shall remove from the Site all the Construction Plant and Equipment and Temporary Works remaining thereon and any unused materials provided by the Contractor.

**Employer not
Liable for
Damage to
Plant, etc.**

53. (3) The Employer shall not at any time be liable for the loss or damage to any of the Construction Plant and Equipment, Temporary Works or materials except as mentioned in Clause 20.(2) (Excepted Risks) and Clause 65.(1) (No Liability for Special Risks) hereof.

Landing Charges 53. (4) The Contractor shall bear all expenses in connection with the shipment and landing of any plant, materials or other things brought into or despatched from the Republic of Indonesia by him for the purpose of the Contract. The Employer will assist the Contractor, where required, in obtaining clearance through Customs of Construction Plant and Equipment, materials and other things required for the Works.

Transfer of Goods, Equipments, etc. 53. (5) The Contractor shall not, without the written permission of the Employer, sell, let or transfer any goods, equipment or other property designated for the Works.

Re-export of Construction Plant and Equipment 53. (6) In respect of any Construction Plant and Equipment which the Contractor shall have imported for the purpose of the Works, the Employer will assist the Contractor, where required, in processing any necessary Government consent to the re-export of such Construction Plant and Equipment by the Contractor upon the removal thereof as aforesaid.

Approval of Materials, etc. not Implied 54. The operation of Clause 53. (1) (Plant, etc. Exclusive Use for the Works) hereof shall not be deemed to imply any approval by the Engineer of the materials or other matters referred to therein nor shall it prevent the rejection of any such materials at any time by the Engineer.

MEASUREMENT

Quantities 55. The quantities set out in the Bill of Quantities are the estimated quantities of the works, but they are not to be taken as the actual and correct quantities of the works to be executed by the Contractor in fulfillment of his obligations under the Contract.

Work to be Measured 56. (1) The Engineer shall with the assistance of the Contractor ascertain and determine by measurement the value in terms of the Contract of work done in accordance with the Contract.

Method of Measurement 56. (2) For the purpose of ascertaining the amount of work done, the work shall be measured in accordance with the method of measurement set out or specified in the Contract, or, if for any part

of the Works no applicable method of measurement is set out in the Contract, such work shall be measured as directed by the Engineer.

Surveys 56. (3) Where necessary for the measurement of any part of the Works, the Contractor shall survey and the Engineer shall check any existing ground levels or features on the site of such work prior to execution of the work and shall make further surveys and checks as and when necessary during the course of the Works and on completion thereof.

Measurement by Records 56. (4) For the purpose of measuring such Permanent Works as is to be measured by records and drawings, the Contractor shall prepare records and drawings month by month of such work and shall submit the same to the Engineer, who shall examine such records within seven (7) calendar days and if he agrees shall sign the same as correct.

Remeasurement 56. (5) Notwithstanding the measurement of any work or any part thereof for the purpose of inclusion of such measurement in a monthly statement of account, the Engineer may direct that such work or part thereof be remeasured or the measurement recalculated at any time prior to the submission of the completion statement referred to in Clause 60.(7) (Completion Statement) hereof.

Works to be Measured Net 57. (1) Except as provided otherwise in the Contract, the Works shall be measured net to the lines and dimensions shown on the Drawings, including any instructions as to their interpretation or application or any further drawings issued in accordance with Clause 9.(1) (Further Drawings and Instructions) hereof or any drawings or instructions issued in connection with any variation ordered under Clause 51 (Variations) hereof.

Unless items are specifically provided in the Bill of Quantities, the Temporary Works and work beyond the limits shown on the Drawings shall not be measured. Incomplete works shall be measured to the extent executed from time to time for the purpose

of monthly statements of account. If work of lesser dimensions than described in the Specification or shown on the Drawings is acceptable to the Engineer, such variation shall be accepted as if so ordered under Clause 51 (Variations) hereof.

- Procedures for Measurement** 57. (2) The methods, procedures and equipment employed for measuring the Works shall be approved by the Engineer.
- Personnel, etc. for Measurement** 57. (3) The Contractor shall furnish all personnel, equipment and material required to make such surveys and measurements as are necessary to determine the quantities of work performed or in place.
- Check by the Engineer** 57. (4) All such surveys and measurements shall be subject to check and verification by the Engineer. The Contractor shall notify the Engineer in writing not less than twenty-four (24) hours beforehand of the approximate time he proposes to make such measurements, and viceversa for the purpose of Clause 56.(1) (Work to be Measured) hereof.
- Field Notes and Other Records** 57. (5) All original field notes and other records taken and computations made by the Contractor for the purpose of surveys and quantity surveys for monthly statements of account shall be furnished to the Engineer as provided for in Clause 60.(5) (Monthly Statement of Account) and shall become the property of the Employer and shall be used to the extent necessary in determining payments due to the Contractor under the Contract.
- Units of Measurement** 57. (6) Except as otherwise provided for in the method of measurement set out in the Contract or described in the Bill of Quantities, the units of measurement shall be as provided for in Clause 6.(1) (Language and Units of Measurement) hereof.
- Cost of Measurement** 57. (7) The cost of measurement and the provision of all personnel, equipment and materials therefor shall be deemed to be included in the Contractor's prices for the Works, except where otherwise specifically described in the Contract.

**Progress
Records**

57. (8) If the Contract so specifies, the Contractor shall submit progress photos and movies and other records of the progress of the Works to the Engineer in the manner and at the frequency specified under Clause G4.4 Vol. III, Specifications, Part I - General Specifications. Unless an item is included in the Bill of Quantities to cover the cost of such photographs, movies and records, the cost thereof shall be deemed to be included in the Contractor's prices and no separate payment shall be made therefor.

PROVISIONAL SUMS

**Definition of
"Provisional
Sum"**

58. (1) "Provisional Sum" means a sum included in the Contract and so designated in the Bill of Quantities for the execution of a certain work or the supply of goods, materials, or services, which sum may be used, in whole or in part, or not at all, at the direction of the Engineer after consultation with the Employer.

The Contract Price shall include only such amounts in respect of the work, supply or services to which such Provisional Sums relate as the Engineer shall approve or determine in accordance with this Clause.

**Use of
Provisional
Sums**

58. (2) In respect of every Provisional Sum the Engineer shall have power to order:
- (a) work to be executed, including goods, materials or services to be supplied by the Contractor or his Sub-contractors. The Contract Price shall include the value of such work executed or such goods, materials or services supplied determined in accordance with Clause 52.(1) (Valuation of Variations) hereof;
 - (b) work to be executed or goods, materials or services to be supplied by a Nominated Sub-contractor as hereinafter defined. The sum to be paid to the Contractor therefor shall be paid in accordance with Clause 59.(4) (Payments to Nominated Sub-contractors) hereof.

- Production of Vouchers, etc.** 58. (3) The Contractor shall, when required by the Engineer, produce all quotations, invoices, vouchers and accounts or receipts in connection with expenditure for the Provisional Sum items.

NOMINATED SUB-CONTRACTORS

- Nominated Sub-contractors** 59. (1) All specialists, merchants, tradesmen and others executing any work or supplying any goods, materials or services for which Provisional Sums are included in the Contract, who are nominated or selected by the Employer or the Contractor with prior approval by the Employer, and all persons to whom the Contractor is required to sublet any work or enter into a contract for the supply of goods or materials or services, shall be deemed to be Sub-contractors employed by the Contractor for such purpose and are hereinafter referred to as "Nominated Sub-contractors".

- Employment of Nominated Sub-contractors** 59. (2) The Contractor shall not be required by the Employer or the Engineer, or be deemed to be under any obligation to employ any Nominated Sub-contractor, against whom the Contractor may raise reasonable objection or who shall decline to enter into a sub-contract with the Contractor containing provisions :

- (a) that in respect of the work, goods, materials or services which are the subject of the sub-contract, the Nominated Sub-contractor will undertake towards the Contractor the same obligations and liabilities as are imposed upon the Contractor towards the Employer by the terms of the Contract and will save harmless and indemnify the Contractor from and against the same and from all claims, demands, proceedings, damages, costs, charges and expenses whatsoever arising out of or in connection therewith or arising out of or in connection with any failure to perform such obligations or to fulfill such liabilities, and
- (b) that the Nominated Sub-contractor will save harmless and indemnify the Contractor from and against any negligence by the Nominated Sub-contractor, his agents, workmen and

servants, and from and against any misuse by him or them of any Construction Plant and Equipment or Temporary Works provided by the Contractor for the purposes of the Contract, and from all claims as aforesaid.

Design Requirement to be Expressly Stated

59. (3) If in connection with any Provisional Sum the services to be provided include any matter or design or specification of any part of the Permanent Works or of any equipment or plant to be incorporated therein, such requirement shall be expressly stated in the Contract and shall be included in any Nominated Sub-contract. The Nominated Sub-contract shall specify that the Nominated Sub-contractor providing such services will save harmless and indemnify the Contractor from and against the same and from all claims, proceedings, damages, costs, charges and expenses whatsoever arising out of or in connection with any failure to perform such obligations and/or to fulfill such liabilities.

Payments to Nominated Sub-contractors

59. (4) For all work executed or goods, materials or services supplied by any Nominated Sub-contractor there shall be included in the Contract Price :
- (a) the actual price paid or due to be paid by the Contractor, on the direction of the Engineer, and in accordance with the Sub-contract,
 - (b) the sum, if any, entered in the Bill of Quantities for labour supplied by the Contractor in connection therewith, or if ordered by the Engineer pursuant to Clause 59.(2)(b) hereof, as may be determined in accordance with Clause 53 (Plant, Temporary Works and Materials) hereof,
 - (c) in respect of all other charges and profit, a sum being a percentage rate of the actual price paid or due to be paid calculated, where provision has been made in the Bill of Quantities for a rate to be set against the relevant Provisional Sum, at the rate inserted by the Contractor against that item or, where no such provision has been made, at the rate specified in Part II-Special Conditions of

Contract in Clause 59.(4) (c) thereof and repeated where provision for such is made in a special item provided in the Bill of Quantities for such purpose.

Certification of Payments to Nominated Sub-contractors

59. (5) Before issuing, under Clause 60 (Certificates and Payment) hereof, any certificate which includes any payment for work done or goods, materials or services supplied by any Nominated Sub-contractor, the Engineer shall be entitled to demand from the Contractor reasonable proof that all payments included in previous certificates for the work or goods, materials or services have been paid or discharged by the Contractor, in default whereof unless the Contractor shall:

- (a) inform the Engineer in writing that he has reasonable cause for withholding or refusing to make such payment, and
- (b) produce to the Engineer reasonable proof that he has so informed such Nominated Sub-contractor in writing,

the Employer shall be entitled to withhold any sums due to the Contractor in respect of such payments until the Contractor has paid all payments which the Contractor has failed to make to the Nominated Sub-contractor.

Assignment of Nominated Sub-contractor's Obligations

59. (6) If a Nominated Sub-contractor has undertaken for the Contractor any continuing obligation extending for a period exceeding that of the Defects Liability Period under the Contract, the Contractor shall at any time, after the expiration of the Defects Liability Period assign to the Employer, at the Employer's request and cost, the benefit of such obligation for the unexpired duration thereof.

CERTIFICATES AND PAYMENT

60. (1) The Contract Price shall be the sum named in the Letter of Acceptance subject to such additions thereto or deductions therefrom as may be made under the provisions of the Contract.

Currency

60. (2) Unless provided otherwise in the Contract the following provisions regarding currency will apply:

- (a) The currency(ies) in which payment will be made shall be the currency(ies) named in the Tender. Payments shall be made in foreign currency(ies) and/or in Rupiahs so named in the respective items in the Bill of Quantities or under any variation order issued under Clause 51.(Variations) hereof in respect of which payment is certified. If not otherwise specified payment in respect of Dayworks and Provisional Sums shall be in Rupiahs;
- (b) The currency(ies) for payment from Sureties under Security may be part foreign currency(ies) and part Rupiahs, the foreign currency proportion being the percentage of the whole representing the maximum allowable foreign currency specified in Part II-Special Conditions of Contract in Clause 60.(2) (b) thereof;
- (c) The currency for payment of liquidated damages shall be Rupiahs;
- (d) The benefits from policies for the Insurance of the Works as mentioned in Clause 21 (Insurance of Works, etc.) hereof, shall be payable as for payments from Sureties under Security, but from all other insurances shall be payable in Rupiahs.

**Advance
Payment**

60. (3) If an Advance Payment is payable by the Employer to the Contractor under the Contract, provisions for the making of such Advance Payment and for the repayment thereof shall be as set out in Part II-Special Conditions of Contract in Clause 60.(3)(Advance Payment) thereof and the maximum amount shall be as specified in Part II-Special Conditions of Contract in Clause 60.(3) (Advance Payment) thereof.

**Certification
by the
Engineer**

60. (4) All payments under the Contract shall be made against the invoices and statements of the Contractor duly certified, corrected (if necessary), and approved by the Engineer. Payment in respect of work done and services provided under the Contract during the execution of the Works and on completion thereof shall be made on the basis of the measurement and valuation of the work done under the Contract as determined under Clause 56 (Works to be Measured) hereof.

**Monthly
Statement of
Account**

60. (5) The Contractor shall submit once for every month unless otherwise specified in the Contract, to the Engineer, in such form and number of copies as the Engineer may prescribe, a statement of account of the Works, excluding Daywork, executed during the preceeding month.

(a) The statement shall include:

- (i) the quantities of works and the amount thereof computed by unit prices as itemized in the Bill of Quantities or in any variation orders issued under Clause 51 (Variations) hereof carried out during the month, checked and approved by the Engineer as being in compliance with the Contract,
- (ii) amounts on account of the progress of lump-sum items, calculated as described in the Contract,
- (iii) evidence of any payment properly made by the Contractor to Nominated Sub-contractors,

The sum of amounts as stated in paragraphs (i) and (ii) above, if any, shall be the monthly total amount due to the Contractor.

(b) The monthly total amount due to the Contractor under paragraph (a) of this sub-clause, will be subject to the following deductions by the Employer:

- (i) repayment of the Advance Payment (if any), in the amount, time and manner as provided for in sub-clause (3) (Advance Payment) of this Clause,
- (ii) retention at the percentage of the monthly total amount due to the Contractor as stated in Part II - Special Conditions of Contract in Clause 60.(5) (b) (ii) thereof, hereinafter called the "retention money",
- (iii) other deductions as required by the Contract, if any,
- (iv) liquidated damages for delay of completion as stipulated in Clause 47.(1) (Liquidated Damages for Delay) hereof, if any.

If so provided for in the Bill of Quantities the net payment due under paragraphs (a) and (b) (i) to (iii) of this sub-clause shall be enhanced by the amount of Value Added Tax chargeable thereon.

- (c) Within twenty-eight (28) calendar days after receiving each statement of account, the Engineer will examine the statement and forward it to the Employer if approved, or return it to the Contractor for any adjustment or correction, if not approved. Any correction or adjustment made in the statement by the Contractor shall be resubmitted as necessary until it is approved by the Engineer.

**Monthly
Payment**

- 60. (6) The Engineer shall promptly issue a payment certificate in Rupiahs and foreign currency (ies), based on the examined and approved monthly statement described in sub-clause (5) of this Clause. Any payment certificate for Daywork as prescribed under Clauses 52.(4) and (5) (Daywork and Claims) hereof may be issued separately.

Payment shall be made after certification and approval by the Engineer within the time specified in Part II-Special Conditions of Contract in Clause 60. (6) thereof.

Provided that the Engineer shall not be bound to certify any payment under this Sub-clause if the net amount thereof, after all retentions and deductions, would be less than the Minimum Amount of Interim Certificates stated in Attachment-1 to the Contract Agreement-Summary of Specific Provisions.

**Completion
Statement**

60. (7) The completion statement shall be prepared by the Contractor in such form and number of copies as the Engineer may prescribe, and submitted to the Engineer within sixty (60) calendar days after the date of issue of the Certificate of Completion of the whole of the Works in accordance with Clause 48.(1) (Certification of Completion of Works) hereof.

The completion statement includes:

- (a) the Contract Price entered in the Contract,
- (b) a statement setting out the final valuation of the Works as measured in accordance with Clauses 56 and 57 (Works to be Measured and Method of Measurement) hereof.

Such statement shall set out the final quantities and the value thereof in their respective currencies for each item in the Bill of Quantities, and all additions or amendments covered by variation orders issued under Clause 51. (1) (Variations) hereof and valued under Clause 52.(1) and (2) (Valuation of Variations) hereof and Daywork certified under Clause 52.(4) (Daywork) hereof, including expended Provisional Sums (or parts thereof);

- (c) a statement setting out the net algebraic effect of adjustments to the total in paragraph (b) above arising from:
 - (i) deductions for the total valuation of liquidated damages, if any, payable under Clause 47 (Liquidated Damages for Delay) hereof;

- (ii) additions or deductions arising from increase or decrease of cost under Clause 70.(1) (Increase or Decrease of Cost) hereof and addition or deduction due to Clause 52.(3) (Variations Exceeding ten percent) hereof, if applicable;
- (iii) additional payments or deductions certified by the Engineer arising from claims agreed or payments due under the Contract and not accounted for elsewhere under paragraphs (b) and (c) (i) and (ii) hereof.
- (d) any subsequent adjustment arising from payments agreed in respect of claims outstanding at the time of preparation of the completion statement or arising prior to the issue of the Certificate of Satisfaction.

The total of the final valuation as in (b) above and the net effect of adjustments as in (c) and (d) above after enhancement for Value Added Tax shall be the final Contract Price.

**Balance of
Completion
Statement**

60. (8) The balance of the Completion Statement shall be:
- (i) the final Contract Price as specified in Sub-clause 60. (7) above,
 - (ii) less all Advances paid under Sub-clause 60. (3) above,
 - (iii) less half of total retention money as specified in sub-clause (5) (b) (ii) above, unless otherwise provided for in Part-II Special Conditions of Contract in Clause 60.(8) (iii) thereof,
 - (iv) less the net total of payments, including Value Added Tax, made under monthly statements of account valued and certified under Sub-clauses 60. (5) and 60. (6) hereof. The statement shall be accompanied by a table listing each monthly payment showing separately the sums due and deductions therefrom under the respective heads set out in

paragraphs (a) and (b) of Sub-clause 60. (5) hereof,

(v) less payments for Daywork made under Clause 52.(4) hereof,

(vi) less all other payments, if any, made by the Employer to the Contractor.

**Payment of
Balance of
Completion
Statement**

60. (9) The balance of the completion statement due to the Contractor subject to any subsequent adjustment under Sub-clause 60. (12) hereof shall be examined and approved and payment shall be made in the same manner and within the same time limits as prescribed for the monthly statement of account if the Completion Statement is certified as correct by the Engineer in writing, subject to his satisfaction regarding execution of any works outstanding at the time of issue of the Certificate of Completion for the whole of the Works.

**Payment of
the Final Half
of the Retention
Money**

60. (10) The final half of the retention money shall be paid to the Contractor within the same time limit as prescribed for the monthly statement of account after the expiration of the Defects Liability Period, or if different Defects Liability Periods shall become applicable to different parts of the Works, the expiration of the latest such period. Provided that if at such time, there remain to be executed by the Contractor any works ordered during such period pursuant to Clauses 49 and 50 (Defects and Repair) hereof, the Engineer shall be entitled to notify the Employer to withhold payment, until the completion of such works, of that part of the final half of the retention money, representing the cost of works remaining to be executed. Provided further that outstanding deductions by the Employer, if any, shall be deducted from the final half of the retention money. Should the final half of retention money be insufficient to be deducted by the Employer, he shall have power to recover the deficiency by any means which he deems appropriate.

Correction and Withholding of Certificates 60. (11) The Engineer may, by any subsequent certificate, make any correction or modification of any previous certificate which shall have been issued by him, and shall have the power to withhold any certificate if the Works or any part thereof are not being carried out in accordance with the Contract. Notwithstanding anything in the Contract, the Engineer may notify the Employer to withhold the whole or any part of any amount due to the Contractor to protect the Employer from loss.

Payment of Adjustment of Balance of Completion Statement 60. (12) In the event of payments becoming due under Sub-clause 60. (7) hereof, the Contractor, at the expiration of the Defects Liability Period, shall submit to the Engineer an adjusted completion statement to include the amounts due under Sub-clause 60. (7) (d) hereof which shall be examined and approved by the Engineer and upon his certification thereof payment shall be made in the same manner and within the same time limits as prescribed for the monthly statement of account.

Approval only by Certificate of Satisfaction 61. No certificate, other than Certificate of Satisfaction referred to in Clause 62. (1) (Certificate of Satisfaction) hereof, shall be deemed to constitute approval of any work or other matter for which it is issued, or shall be taken as an admission of the due performance of the Contract or any part thereof, or of the accuracy of any claim or demand made by the Contractor, or of additional or varied work having been ordered by the Engineer, nor shall any other certificate supersede or prejudice any of the powers of the Engineer.

Certificate of Satisfaction 62. (1) The Contract shall not be considered as completed until a Certificate of Satisfaction is signed by the Engineer after consultation with the Employer and delivered to the Contractor with a copy to the Employer stating that the Works have been completed and repaired in accordance with the Contract. The Certificate of Satisfaction shall be given by the Engineer within twenty-eight (28) days after the expiration of the Defects Liability Period or if different Defects Liability Periods become applicable to different parts of the Works, the expiration of the latest such period, or as soon thereafter as any works ordered during such period, pursuant to Clauses 49 and 50 (Defects and Repair)

hereof, have been completed and accepted by the Engineer. Full effect shall be given to this Clause, notwithstanding any previous entry on the Works or the taking possession, working or using thereof or any part thereof by the Employer. Provided that the issuance of the Certificate of Satisfaction shall not be a condition precedent to payment to the Contractor of the final half of the retention money.

**Cessation of
Employer's
Liability**

62. (2) The Employer shall not be liable to the Contractor for any matter or thing arising in connection with the Contract or the execution of the Works unless the Contractor shall have made a claim in writing in respect thereof before the giving of the Certificate of Satisfaction under this Clause.

**Unfulfilled
Obligations**

62. (3) Notwithstanding the issuance of the Certificate of Satisfaction, the Contractor and, subject to sub-clause (2) of this Clause, the Employer shall remain liable for the fulfillment of any obligation incurred under the provisions of the Contract prior to the issue of the Certificate of Satisfaction which remains unperformed at the time such certificate is issued, and for the purpose of determining the nature and extent of any such obligation, the Contract shall be deemed to remain in force between the parties hereto.

DEFAULT OF CONTRACTOR, REMEDIES AND POWERS

**Termination
on Default of
Contractor**

63. (1) If the Contractor:

- (a) shall become bankrupt, or have a receiving order made against him, or shall present his petition in bankruptcy, or
- (b) shall make an arrangement with or assignment in favour of his creditors, or
- (c) shall agree to carry out the Contract under a committee of inspection of his creditors, or
- (d) being a corporation, shall go into liquidation, other than a voluntary liquidation for the purposes of amalgamation or

reconstruction, or

- (e) without the consent in writing of the Employer shall assign the Contract, or
- (f) being a partnership, association, joint operation or joint venture shall change the membership thereof, or
- (g) shall have an execution levied on his goods, or
- (h) if the Engineer shall certify in writing to the Employer, that in his opinion the Contractor:
 - (i) has abandoned the Contract, or
 - (ii) without reasonable excuse has failed to commence the Works or has suspended the progress of the Works for thirty (30) days after receiving the Engineer's written Notice to Proceed, or
 - (iii) has failed to remove materials from the Site or to pull down and replace work for thirty (30) days after receiving the Engineer's written notice that the materials or work had been condemned and rejected by the Engineer under these conditions, or
 - (iv) despite previous warnings by the Engineer in writing is not executing the Works in accordance with the Contract or is persistently or flagrantly neglecting to carry out his obligations under the Contract, or
 - (v) despite previous warnings the Works can not be completed by the Contractor within a reasonable time, pursuant to Sub-clause 47. (1)(b) (Liquidated Damages for Delay), or
 - (vi) has to the detriment of good workmanship, or in defiance of the Engineer's instructions, sub-let any

part of the Contract, or

(vii) has failed to satisfy the provisions as specified in Sub-clause 63. (1) (h) (vii) in Part II - Special Conditions of Contract, if any,

then the Employer may, irrespective of Clause 1266 of the Indonesian Civil Law (Kitab Undang-undang Hukum Perdata), terminate the Contract after giving fourteen (14) days notice in writing to the Contractor. Fourteen (14) days after such notice has been given, the Contract shall terminate and the Contractor shall with all reasonable despatch, remove from the Site:

- all Construction Plant and Equipment,
- unused or surplus materials and goods, including all materials and goods already disapproved by the Engineer, which should have been removed from the Site,
- all employees, staff and labour,

except as otherwise directed by the Employer in writing to the Contractor.

These stipulations shall also be applied to Sub-contractor's Construction Plant and Equipment, materials and goods, staff, employees and labour which are on the Site at the time of termination.

**Valuation at
Date of
Termination**

63. (2) The Engineer shall, as soon as practicable after such termination by the Employer, fix and determine "ex parte", or after reference to the parties, or after investigation or enquiries,

- (a) the value of all works executed and approved by the Engineer before the date of termination,

- (b) the value of any works valued in Sub-clause 63. (2) (a), which have to be removed or rebuilt or reconstructed, whether directly or indirectly attributable to or consequent upon or the result of or in any way whatsoever connected with the termination of the Contract as invoked under Sub-clause 63. (1) of this Clause.

**Employer's
Act after
Contract
Terminated**

63. (3) If the Contract is terminated on the default of the Contractor as specified in this Clause, the Employer shall have the right to encash the Performance Security and the Advance Payment Security as specified in Clause 7.(4) (Advance Payment Security) hereof, to recover the whole or the remaining Advance Payment.

Other sanctions, if any, will be specified in Part-II Special Conditions of Contract in Clause 63.(3) (Employer's Act after Contract Terminated) thereof.

**Failure to
Remove
Construction
Plant, etc,
from Site**

63. (4) If the Contractor shall fail or refuse or neglect to remove from the Site all Construction Plant and Equipment or part thereof, unused or surplus materials or goods, except that which will be used by the Employer and informed in writing by the Engineer to the Contractor as stipulated in sub-clause (1) hereof, the Employer shall be entitled to employ and pay a third party to carry out the same. All expenses consequent thereon or incidental thereto shall be deducted by the Employer from any monies due to the Contractor.

**Payment after
Contract
Terminated**

63. (5) If the Contract is terminated under this Clause, the Employer shall not be liable to pay to the Contractor any money on account of the Contract until all matters and/or obligations mentioned in the previous Sub-clauses in this Clause have been settled or fulfilled and the method of continuing or reconstructing the Works has been settled and a new Contract has been signed, then the Employer shall pay to the Contractor :

- (a) all payments already certified and due to the Contractor,

- (b) the total retention money retained by the Employer,
- (c) all works valued in accordance with Sub-clause 63. (2) (a) reduced by the value of works valued in accordance with Sub-clause 63. (2) (b) of this Clause, and
- (d) additional payments relating to the escalation of prices, if any.

This payment shall be reduced by:

- (i) the total valuation of liquidated damages, if any, payable under Clause 47.(1) (Liquidated Damages for Delay) hereof, or the remaining liquidated damages under Clause 47.(2) (Reduction of Liquidated Damage), provided that if the termination occurs:
 - before the expiration of the Time for Completion of the Works or a part or section thereof, no liquidated damages shall be deducted.
 - before the expiration of the time specified for the maximum liquidated damages, the liquidated damages shall be calculated proportionally.
 - after the expiration of the time specified for the maximum liquidated damages, the liquidated damages shall be the maximum amount of liquidated damages.
- (ii) all expenses incurred by the Employer arising from the failure of the Contractor to fulfill his obligation under Sub-clause 63. (4) of this Clause.
- (iii) the negative escalation of prices, if any.
- (iv) other debt of the Contractor under the Contract.

Prior Notice before Encashing Security 64. (1) The Employer shall not encash any Security furnished by the Contractor without having first given at least twenty eight (28) days written notice of his intention to the Contractor.

Urgent Repair 64. (2) If by reason of any accident, or failure, or other event occurring in connection with the Works, or any part thereof, either during the execution of the Works, or during the Defects Liability Period any remedial or other work or repair shall, in the opinion of the Engineer, be urgently necessary for security and the Contractor is unable or unwilling at once to do such work or repair, the Employer may by his own or other workmen do such work or repair. If the work on repair so done by the Employer is work which, in the opinion of the Engineer, the Contractor was required to do at his own expense under the Contract, all costs and charges properly incurred by the Employer in so doing shall on demand be paid by the Contractor to the Employer, or may be deducted by the Employer from any monies due or which may become due to the Contractor. Provided that the Engineer, shall, as soon after the occurrence of any such emergency as may be reasonably practicable, notify the Contractor thereof in writing.

SPECIAL RISKS

No Liability for Special Risks 65. (1) The Contractor shall be under no liability whatsoever in consequence of any of the special risks referred to in Sub-clause 65. (2) of this Clause, whether by way of indemnity or otherwise, for or in respect of :

- (a) destruction of or damage to the Works, except to work condemned under the provisions of Clause 39.(1) (Removal of Improper Work and Materials) prior to the occurrence of any of the said special risks, or
- (b) destruction of or damage to property, whether of the Employer or third parties, or
- (c) injury or loss of life.

Special Risks 65. (2) The special risks are:

- (a) (i) war, hostilities (whether war be declared or not), invasion, act of foreign enemies,
 - (ii) ionising radiations, 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,
 - (iii) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds,
 - (iv) 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,
- (b) rebellion, revolution, insurrection, or military or usurped power, or civil war, insofar as these relate to the Republic of Indonesia.

Damage to Works, etc., by Special Risks

65. (3) If the Works or any materials or other things intended to form or forming part of the Permanent Works, on or near or in transit to the Site, or any of the Construction Plant and Equipment used or intended to be used for the purposes of the Works, sustain destruction or damage by reason of any of the said special risks, the Contractor shall be entitled to payment in accordance with the Contract for any Permanent Works duly executed and for any materials or other things intended to form or forming part of the Permanent Works, so destroyed or damaged and, so far as may be required by the Engineer or as may be necessary for the completion of the Works, to payment for:

- (a) rectifying any such destruction or damage to the Works, and

- (b) replacing or rectifying such materials or Construction Plant and Equipment

and the Engineer shall determine an addition to the Contract Price in accordance with Clause 52.(2) (Power of the Engineer to fix Rates) (which shall in the case of the cost of replacement of Construction Plant and Equipment include the fair market value thereof as determined by the Engineer) and shall notify the Contractor accordingly, with a copy to the Employer.

**Projectile,
Missile, etc.**

65. (4) Destruction, damage, injury or loss of life caused by the explosion or impact, whenever and wherever occurring, of any mine, bomb, shell, grenade, or other projectile, missile, munition, or explosive of war, shall be deemed to be a consequence of the said special risks.

**Increased
Costs Arising
from
Special Risks**

65. (5) Except to the extent that the Contractor is entitled to payment under any other provision of the Contract, the Employer shall repay to the Contractor any cost of the execution of the Works, other than such as may be attributable to the cost of reconstructing work condemned under the provisions of Clause 39.(1) (Removal of Improper Work and Materials) prior to the occurrence of any special risk, which is howsoever attributable to or consequent on or the result of or in any way whatsoever connected with the said special risks, subject however to the provisions in this Clause hereinafter contained in regard to outbreak of war, but the Contractor shall, as soon as any such cost comes to his knowledge, forthwith notify the Engineer thereof. The Engineer shall, after due consultation with the Employer and the Contractor, determine the amount of the Contractor's costs in respect thereof which shall be added to the Contract Price and shall notify the Contractor accordingly, with a copy to the Employer.

**Outbreak of
War**

65. (6) If, during the currency of the Contract, there is an outbreak of war, whether war is declared or not, in any part of the world which, whether financially or otherwise, materially affects the execution of the Works, the Contractor shall, unless and until the Contract is terminated under the provisions of this Clause, continue to use his

best endeavors to complete the execution of the Works.

Provided that the Employer shall be entitled, at any time after such outbreak of war, to terminate the Contract by giving notice to the Contractor and, upon such notice being given, the Contract shall, except as to the rights of the parties under this Clause and to the operation of Clause 67 (Settlement of Disputes), terminate, but without prejudice to the rights of either party in respect of any antecedent breach thereof.

**Removal of
Construction
Plant and
Equipment
on Termination**

65. (7) If the Contract is terminated under the provisions of Sub-clause 65. (6) of this Clause, the Contractor shall, with all reasonable dispatch, remove from the Site all Construction Plant and Equipment and shall give similar facilities to his Sub-contractors to do so.

**Payment if
Contract
Terminated**

65. (8) If the Contract is terminated as aforesaid, the Contractor shall be paid by the Employer, insofar as such amounts or items that have not already been covered by payments on account made to the Contractor, for all work executed prior to the date of termination at the rates and prices provided in the Contract and in addition:

(a) The amounts payable in respect of any preliminary items referred to in the Bill of Quantities, so far as the work or service comprised therein has been carried out or performed, and a proper proportion of any such items which have been partially carried out or performed.

(b) The cost of materials, other things intended to form or forming part of the Permanent Works or goods reasonably ordered for the Works which have been delivered to the Contractor or of which the Contractor is legally liable to accept delivery, such materials, other things intended to form or forming part of the Permanent Works or goods becoming the property of the Employer upon such payments being made by him.

- (c) A sum being the amount of any expenditure reasonably incurred by the Contractor in the expectation of completing the whole of the Works insofar as such expenditure has not been covered by any other payments referred to in this sub-clause.
- (d) Any additional sum payable under the provisions of Sub-clauses (3) and (5) of this Clause.
- (e) Such proportion of the cost as may be reasonable, taking into account payments made or to be made for work executed, of removal of Construction Plant and Equipment under Sub-clause 65. (7) of this Clause and, if required by the Contractor, return thereof to the Contractor's main plant yard in his country of registration or to other destination, at no greater cost.
- (f) The reasonable cost of repatriation of all the Contractor's staff and workmen employed on or in connection with the Works at the time of such termination.

Provided that against any payment due from the Employer under this Sub-clause, the Employer shall be entitled to be credited with any outstanding balances due from the Contractor for advances in respect of the Construction Plant and Equipment, materials and other things intended to form or forming part of the Permanent Works and any other sums which, at the date of termination, were recoverable by the Employer from the Contractor under the terms of the Contract. Any sums payable under this sub-clause shall, after due consultation with the Employer and the Contractor, be determined by the Engineer who shall notify the Contractor accordingly, with a copy to the Employer.

RELEASE FROM PERFORMANCE

Payment in Event of Release from Performance

66. If any circumstance outside the control of both parties arises after the signing of the Contract which renders it impossible or unlawful for either party to fulfill further contractual obligations, or under the law governing the Contract the parties are released from further performance, then the sum payable by the Employer to the Contractor in respect of the works executed shall be the same as that which would have been payable under Clause 65 (Special Risks) if the Contract had been terminated under the provisions of Clause 65 hereof.

SETTLEMENT OF DISPUTES

Settlement of Disputes

67. Any dispute or difference of any kind between the Employer or the Engineer and the Contractor, arising out of or relating to the Contract or the execution of the Works (whether during the progress of the Works or after their completion and whether before or after the termination, abandonment or breach of the Contract), shall be settled by negotiation and mutual agreement.

If the Employer or the Engineer and the Contractor fail to reach agreement regarding the dispute or difference, or if the Employer does not approve an agreement between the Engineer and the Contractor relating to a matter for which approval of the Employer is required under the Contract, the dispute or difference shall be settled by the Engineer, subject to the provisions of Clause 2.(1) (Duties and Powers of the Engineer), or the Employer, who shall give written notice to the Contractor of his decision, within thirty (30) calendar days of the termination of the aforementioned negotiations between the parties. Such termination shall be deemed to have occurred upon receipt by the Contractor or the Employer, as the case may be, of a written notice to that effect from the other.

If the Engineer or the Employer, as the case may be, has given written notice of his decision to the Contractor and no claim to arbitration has been communicated to him by the Contractor within thirty (30) calendar

days from receipt of such notice, the said decision shall remain final and binding upon the Employer and Contractor and shall forthwith be given effect to by the Employer and by the Contractor who shall proceed with the Works with all due diligence whether or not he or the Employer requires arbitration as hereafter provided.

If the Engineer or the Employer, as the case may be, shall fail to give notice of his decision within the period of thirty (30) calendar days as aforesaid, or if the Contractor is dissatisfied with any such decision, then the Contractor may, within thirty (30) calendar days of receipt of such decision or (as the case may be) within ninety (90) calendar days of the termination of negotiations as aforesaid, if no decision has been notified, require that the matter or matters in dispute be referred to a board of arbitration, who will settle the dispute or difference under the following rules :

- (a) the arbitration, except as otherwise provided for in Part II - Special Conditions of Contract in Clause 67.(a), shall be governed by the United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules ;
- (b) the place of arbitration, unless otherwise agreed, shall be Jakarta;
- (c) the language of the arbitration, unless otherwise agreed, shall be the language of the Contract;
- (d) the number of arbitrators shall be three (3).

The expenses for the arbitrator appointed by or for the Contractor will be for the account of the Contractor, and the expenses for the arbitrator appointed by or for the Employer will be for the account of the Employer. Expenses for the presiding arbitrator and other expenses incurred by the arbitration will be divided equally between the two (2) parties.

The decision of the board of arbitration shall be final and binding on the Employer and the Contractor. Provided that pending the final award of the arbitrators, the Contractor shall comply with the instructions of the

Engineer and proceed with due diligence in the manner directed by the Engineer.

Service of Notices on Contractor

68. (1) All certificates, notices or written orders to be given by the Employer or by the Engineer to the Contractor under the terms of the Contract shall be sent or delivered to the Contractor at the registered address of his Head Office as named in the Contract or such other address as the Contractor shall nominate for the purpose in Indonesia in accordance with Sub-clause 68. (3) hereof.

Service of Notices on Employer or Engineer

68. (2) All notices to be given to the Employer or the Engineer under the terms of the Contract, shall be sent or delivered to the respective addresses nominated for that purpose in the Contract Agreement.

Change of Address

68. (3) Either party may change a nominated address to another address in Indonesia by prior written notice to the other party.

DEFAULT OF EMPLOYER

Default of Employer

69. (1) If the Employer :
- (a) fails to pay to the Contractor the amount due under any certificate of the Engineer; or
 - (b) interfering with or obstructing the issue of any such certificate without due reason;

the Contractor may give notice in writing to the Engineer of the default and if such default of the Employer is not remedied within a period of ninety (90) days after the giving of such notice the Contractor shall be entitled to seek the termination of Contract by reference to a board of arbitration as described in Clause 67 hereof.

Additional Payment for Loss and Damage

69. (2) In the event of an arbitration ruling in support of the Contractor's demand for the cancellation of the Contract, as a consequence of the Sub-clause 69. (1) herein, the Employer shall be under the same obligations to the Contractor in regard to payment as if the

Contract had been terminated under the provisions of Clause 65. (8) hereof, the Employer shall pay to the Contractor an amount of any loss or damage to the Contractor arising out of or in connection with or by consequence of such termination as may have been awarded by such arbitration.

**Removal of
Plant on
Termination**

69. (3) If the Contract shall be terminated under the provisions of Sub-clause 69. (1) herein, the Contractor shall, with all reasonable despatch, remove from the Site and the Works all of his Construction Plant and Equipment and shall give similar facilities for his Sub-contractors to do the same.

**Contractor's
Rights**

69. (4) Nothing in this Clause contained shall prejudice the right of the Contractor to exercise either in lieu of or in addition to the rights and remedies specified in this Clause or any other rights or remedies to which the Contractor may be entitled.

MISCELLANEOUS

**Increase or
Decrease of
Cost**

70. (1) Adjustment of the Contract Price on account of fluctuation in cost, if applicable, shall be made in accordance with the conditions set out in Part II- Special Conditions of Contract in Clause 70.(1) thereof.

**Subsequent
Legislation**

70. (2) If, after the date thirty (30) calendar days prior to the latest date for submission of tenders for the Works there occur changes to any Indonesian Statute, Ordinance, Decree or other Law or any regulation or bye-law of any local or other duly constituted authority, or the introduction of any such State Statute, Ordinance, Decree, Law, regulation or bye-law which causes additional or reduced cost to the Contractor, other than under sub-clause (1) of this Clause, in the execution of the Works, such additional or reduced cost shall be certified by the Engineer after consultation with the Employer and shall be paid by or credited to the Employer and the Contract Price adjusted according to the Government regulation dealing with this matter.

**Law and
Regulations**

71. (1) The Contractor shall familiarize himself with the rules and regulations of the Republic of Indonesia with regard to customs, immigration, duties, taxes, clearing of goods, import and export of goods and commodities, manpower requirements for non-Indonesian personnel, importation, storage and use of explosives, detonators, fuses and any and all ancillary devices, and the like, and the Contractor shall follow the required procedures. The Employer will provide prompt and effective assistance wherever possible.

**Duties and
Taxes**

71. (2) Notwithstanding the above provisions, if the Employer refers to or summarizes any existing regulations with regard to duties and taxes in Part II - Special Conditions of Contract in Clause 71.(2) thereof, or elsewhere in the Contract or in any supplementary information issued with the Documents for Tendering such references or summaries shall be deemed to have been provided for information only without warranty on the part of the Employer.

The Contractor will be deemed to be aware of and to have provided for compliance with all existing Government regulations which are necessary to be considered or included for in the preparation and calculation of the unit or lump sum prices in the Bill of Quantities.

Any change in taxes and duties following tender opening will be subject to equitable adjustment. Subject to such adjustment no reimbursement shall be due to the Contractor for any payment made by him for corporation or income tax on his company or personnel, or any other personal taxes or charges, or for customs duties, port charges, wharfage, bonded warehouse charges or the like on the importation or re-export of Construction Plant and Equipment, goods and materials, or for taxes on vehicles, goods or services, and the like, or for any other duties and taxes except as otherwise specifically stated in the Contract.

Visas

71. (3) The Employer will, upon request from the Contractor and recommendation of the Engineer, issue necessary statements

required by the Contractor to apply for entrance visas for approved non-Indonesian employees to be assigned by the Contractor for the Works on the Project.

Bribes

72. If the Contractor or any of his Sub-contractors, agents or employees shall offer or agree to offer or give to the Engineer or any employee of the Employer or the Engineer or any other person, any bribe, gift, gratuity or commission as an inducement or reward for doing or for bearing to do any action in relation to the Contract or any other Contract with the Employer, or for showing or forbearing to show favour or disfavour to any person in relation to the Contract or any other Contract with the Employer, then the Employer may terminate the Contract and the provisions of Clause 63 (Default of Contractor, Remedies and Powers) hereof, shall apply as if such termination had been made pursuant to that Clause.

Secrecy

73. The Contractor, his employees, agents and Sub-contractors shall not give to unauthorised persons any information, verbal or otherwise, about the Project and shall not allow unauthorised persons to inspect the Works, Drawings and Contract Documents without the written consent of the Employer.

Governing Law

74. This Contract shall in all respects be read and be construed and shall operate as an Indonesian Contract in conformity with the Law of the Republic of Indonesia. The Contractor shall be considered to be familiar with all laws and regulations of the Republic of Indonesia that in any manner may affect or apply to the operations and activities of the Contractor under the Contract, or in any connection therewith.

All terms and conditions stated in the documents forming the Contract, as specified in the Contract Agreement are binding and valid as special law for both parties to the Contract in accordance with Article No. 1338 (1) of the Civil Law. In consequence, in the event that either party shall fail to perform under the terms and conditions stated in the Contract, the provisions of Article 1266 of the Civil Law shall not be applicable. Any foreign Contractor who participates in whatever manner in this Contract consents to be sued in any court or tribunal or competent jurisdiction within the Republic of Indonesia on any question or matter arising from

the documents, award, and implementation of the Contract. For this purpose any officer, agent or representative of the said foreign Contractor present in the territory of the Republic of Indonesia is authorized to receive and process summons on behalf of the foreign Contractor notwithstanding any restriction or limitation imposed by the said foreign Contractor upon its officers, agents or representatives.

**Clauses
in Special
Conditions**

75. The Conditions of Contract contained in Part II - Special Conditions of Contract hereof are deemed to be additional Clauses and Sub-clauses to the Clauses of Part I- General Conditions of Contract and shall take precedence in interpreting or construing the Clauses in Part I - General Conditions of Contract.

PART II : SPECIAL CONDITIONS OF CONTRACT

PART II - SPECIAL CONDITIONS OF CONTRACT

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PART II - SPECIAL CONDITIONS OF CONTRACT

DEFINITION AND INTERPRETATION

- Definitions**
1. (1)
 - (a) (ii) "Employer" means the Government represented by the Directorate General of Human Settlements, Ministry of Public Works.
 - (iii) "Engineer" means the Project Manager of the Urban Drainage Project Executing Agency, Local Public Works, DPU DKI Jakarta, Indonesia or any authorized officer duly appointed from time to time by the Employer and notified in writing to the Contractor to act as Engineer for the purpose of the Contract in place of the Engineer so designated.
 - (e) (i) "Main Works" mean excavation, fill, embankment and concrete works.
 - (h) (i) "Lending Agency" means "the International Financing Agency (to be named)....." hereinafter called the Fund.

ENGINEER AND ENGINEER'S REPRESENTATIVE

- Duties and Powers of the Engineer**
2. (1) Delete the following sentence of the third paragraph of Clause 2. (1) : "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."
- Duties and Powers of the Engineer's Representative**
2. (2) Delete the following sentence of the second paragraph of Clause 2. (2) : "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."

ASSIGNMENT AND SUB-LETTING

- Sub-letting** 4. The percentage of the Main Works not allowed to be sub-let shall be more than ninety (90%) percent of the Contract Price. When the Amendment of the Contract will be approved, the sub-letting work of the Amendment of the Contract shall be clearly notified to the Engineer with a ratio of less than five (5%) percent of the Amendment amount of the Contract Price.

CONTRACT DOCUMENTS

- Language and Units of Measurement** 6. (1) (a) The sentence of the Sub-clause 6. (1) (a) shall be replaced with the following sentence :

"The English language shall be used in the Contract Documents and in the written communication. Both the languages, i.e., English and Bahasa Indonesia will be used in the verbal communication. The ruling language shall be English".

- Performance Security** 7. (1) The sentence of the third and fifth lines of Clause 7.(1), "stated in Part II-Special Conditions of Contract in Clause 7. (1) (Performance Security)" shall be replaced with the sentence "of not less than ten (10 %) percent of the Total Contract Price in Rupiah and foreign currency(ies) based on the T/T selling exchange rate of Bank Indonesia at thirty (30) calendar days prior to the Opening of Tender".

Delete the last sentence of the Sub-clause 7. (1), "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.", and the following sentence shall be inserted:

"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."

**Failure to
Provide
Security**

7. (2) Add the following sentence to the Sub-clause 7.(2).

"Furthermore, the Employer shall have the right to make a new award to another Tenderer or to cancel the Tendering. In both cases, the Employer will be entitled to cash the Tender Security of the Successful Tenderer and to take such actions as the Employer may deem in his best interest".

GENERAL OBLIGATIONS AND RESPONSIBILITIES

**Inspection
of Site**

11. Delete the last sentence of the first paragraph, "In dredging works, provision made in Clause 11. (Inspection of Site) stipulated in Part II - Special Conditions of Contract shall be referred" and the following sentence shall be inserted :

"In the dredging work, the said data shall be considered as only information to the Tenderer and the Employer shall bear no responsibility thereon even if interpretation is made on the said data when the same were made available to the Tenderer. The Tenderer shall also be deemed to have inspected and examined the Site and its surroundings and all other information in connection therewith and to have satisfied himself, so far as is practicable, before submitting his Tender, as to the form and nature thereof, but he shall not normally be called upon to satisfy himself as to the quantities of materials to be dredged more accurately than he can deduce from the Tender Documents and inspection of the Site only".

**Adverse
Physical
Conditions
and Artificial
Obstructions**

12. (2) In dredging work, the words "other than climatic condition on the Site" in Sub-clause (2) of Clause 12 shall be deleted.

Program to be Furnished 14. (1) Following provisions shall be added to Sub-clause 14.(1) :
"In preparing such programme, the Contractor shall take due allowances for possible delays which may be caused by floods, inclement weather, all types of holiday periods, local working conditions, problems relating to maintaining equipment and to obtaining materials, and similar items. Under no circumstances shall the programme show a completion in excess of the "Period of Completion from Notice to Proceed" stated in Attachment I to the Tender (Summary of Specific Provisions). The Contractor shall give careful consideration in preparing the programme since he will be required to maintain the rates of progress thus proposed, unless modified with approval of the Engineer. Upon acceptance by the Employer of the Contractor's programme, it shall be referred to as the "Approved Construction Programme" and shall form part of the Contract".

Boreholes and Exploratory Excavation 18. "Exploratory excavation "shall be deemed to include dredging work.

Safety, Security and Protection of the Environment 19. (1) In dredging work, following sub-clauses shall be added after Sub-clause 19. (1) (c) :
"(d) plan and execute the dredging work so that the danger to the fishing areas are kept to a minimum, and
(e) plan and execute the dredging work taking into due consideration the results of Water Quality Analysis presented at Tables 11 to 12 of Vol. III, Part I - General Specifications".

Care of Works 20. (1) The following provision shall be added to Sub-clause 20. (1) :
"In dredging work, where arrangements are made for sections of the Works to be taken over as they are completed, the Contractor's responsibility for any such section as defined in

Sub-clause 20.(1) shall cease forthwith upon its acceptance".

**Insurance of
Works, etc.**

21. (a) The sentence of the Sub-clause 21.(a) shall be replaced with the following sentence:

"The Contractor shall effect his insurance with an Indonesian Insurer according to KEPPRES 65/69 and S.K. Men. Keuangan N 678/MK/III/1969. The Works for the time being executed to the estimated current contract value thereof, together with the materials for incorporation in the Works at their replacement value."

Following provisions shall be added to Clause 21:

"In dredging work, the Contractor's obligation to insure under Clause 21 shall be limited, unless otherwise specifically agreed, to the insurance against normal water risks of all Construction Plant and Equipment (including ships) supplied by the Contractor for use on the Works whether owned or taken on hire by the Contractor. Such insurance shall be affected with an insurer and in term approved by the Employer (which approval shall not be unnecessarily held)".

**Minimum
Amount of
Third Party
Insurance**

23. (2) Delete the sentence of second and fourth lines of Sub-clause 23.(2) "for at least the amount stated in Part II - Special Conditions of Contract in Sub-clause 23. (2) (Minimum Amount of Third Party Insurance)" and insert the following in its place : "minimum amount of third party insurance for any one accident shall be as given below :

(a). Body injury (including death)

Rp.(two) 2.0 million/person and Maximum of Rp.(ten) 10.0 million

(b). Property Damage

Rp.(fifty) 50.0 million/accident (number of accidents shall be unlimited)"

**Contractor's
Insurances**

25. (1). Delete the last paragraph of the Clause 25.(1) :

"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."

**Patent Rights
and Royalties**

28. In dredging work, following provision shall be added at the end of second paragraph :

"The Contractor shall also be liable for all payments or compensation, if any, levied in relation to dumping of part or all of any such materials arising out of dredging/dumping operations."

Special Loads

30. (2) Delete the last sentence of Sub-clause 30.(2) :

"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.";

and insert the following sentence in its place :

"Provided that, the cost and expenses thereof shall be paid by the Contractor".

CONTRACTOR'S EMPLOYEES

**Engagement
of
Employees**

34. (1) Add the following sentences to Sub-clause 34.(1) :

(c) The Contractor shall, as far as practicable, employ local labour for the various functions out of the affected region and nationals of the Republic of Indonesia on the basis of competence, efficiency and skill in their respective callings.

(d) The Contractor shall not employ any workmen who are

suffering from an infectious disease or are known to be carriers of an infectious disease and shall, if so required, have all the workmen engaged on the construction of waterworks certified by the medical officer acceptable to the Engineer, as a non-carrier of any water borne disease.

- (e) The Contractor shall, when required, furnish to the Ministry of Manpower/Transmigration such detailed information and evidence as the Ministry may deem necessary in order to satisfy them that the provisions under this Clause and under the laws of Indonesia have been duly complied with.

**Safety and
Accident
Prevention**

34. (4) Add the following sentence to the Sub-clause 34.(4):

"The Contractor shall have on his staff at the Site an officer dealing only with questions regarding the safety and protection against accidents of all staff and labour. This officer shall be qualified for this work and shall have the authority to issue instructions and shall take protective measures to prevent accidents."

Health

34. (5) Add the following sentences to the Sub-clause 34.(5) :

"Due precautions shall be taken by the Contractor, and at his own cost, to ensure the safety of his staff and labour and, in collaboration with and to the requirements of the local health authorities, to ensure that first aid equipment and suitable ambulance service are available at the camps, housing and on the Site at all times throughout the period of the Contract and that suitable arrangements are made for the prevention of epidemics and for all necessary welfare and hygiene requirements.

In the event of any outbreak of illness of an epidemic nature, the Contractor shall comply with and carry out such regulations, orders and requirements as may be made by the Government, or the local medical or sanitary authorities, for the purpose of

dealing with and overcoming the same."

MATERIALS AND WORKMANSHIP

- Suspension of Work** 40. (1) In dredging work, following provision shall be added in Sub-clause 40.(1) :
- (i) In the event of suspension of work by either the Engineer or the Employer as stipulated in Sub-clause 40.(1), the extra cost to be borne by the Employer shall, in case of the Construction Plant and Equipment chartered by the Contractor, include the bare boat charter hire of such plant in lieu of its depreciation.
 - (ii) The words in item (b) of Sub-clause 40.(1), "or by reason of weather conditions affecting the safety or quality of the Works" shall be deleted.

COMMENCEMENT TIME AND DELAYS

- Commencement of Works** 41. (1) The word / sentence of the second and third lines of Clause 41.(1), "named in Part II - Special Conditions of Contract in Clause 41.(1) (Commencement of Works) thereof" shall be replaced with the word/sentence "thirty (30) calendar days".
- Time for Completion** 43. Delete the sentence of second and sixth lines of Clause 43: "the whole of the Works shall be completed within the time stated in the Contract, calculated from the receipt of the Notice to Proceed (Commencement Date) named in Part II - Special Conditions of Contract in Clause 43 thereof "; and insert the following sentence in its place: "the whole of the Works covered under the Contract shall be completed in all respects within one thousand four hundred and sixty one (1,461) days from the date of Notice to Proceed is received by the Contractor,"
- No Night or Sunday Work** 45. In dredging work, following provision shall be added at the end of Clause 45 :

"Subject to any provisions to the contrary contained in the Contract, the Contractor shall have the option to work continuously by day and by night and on holidays or days of rest".

Rate of Progress

46. The following paragraph shall be added under Clause 46 :

"If in the opinion of the Engineer the rate of progress of the work is not such as to ensure its completion within the completion time, or the Contractor is not proceeding with the work diligently or expeditiously, or is not performing all or any part of the work according to the progress schedule approved by the Engineer, the Engineer shall have the right to order the Contractor to do any one or more or all of the following : to increase his working force ; to increase his plant, machinery and equipment ; to work with additional shifts ; to perform overtime work ; and to take whatever other steps which may be necessary to ensure proper performance in accordance with the Approved Construction Programme as well as to ensure completion of the entire work within the Contract time, and the Contractor shall forthwith comply with such orders at his own expenses."

Liquidated Damages for Delay

47. (1) (a) The sentence of the third and fifth lines of Sub-clause 47.(1) (a), "stated in Part II - Special Conditions of Contract in Clause 47.(1) (a) (Liquidated Damages for Delay) thereof" shall be replaced with the sentence "of zero point one (0.1%) percent per day of delay".

Maximum Amount of Liquidated Damages

47. (1) (b) The sentence of the third and fifth lines of Sub-clause 47. (1) (b), "in Part II-Special Conditions of Contract in Clause 47.(1) (b) (Maximum Amount of Liquidated Damages) thereof" shall be replaced with the sentence "of ten (10%) percent of the Contract Price".

Certification of Completion of Works

48. (1) Delete the following sentence of the first and fourth lines of the Sub - clause 48. (1), "Except as otherwise provided for in Part II - Special Conditions of Contract in Clause 48.(1) thereof, when the whole of the Works have been substantially completed and have satisfactorily passed any final test that may be prescribed by the Contract", and in its place insert the

following sentence :

"When the whole of the Works have been substantially completed within allowable tolerance of dimension of all works and have satisfactorily passed any final test that may be prescribed by the Contract including final field running test,"

**Certification
of Completion
by Stages** 48. (2)

Delete the following sentence of the first and third lines of the Sub - clause 48. (2), "Except as otherwise provided for in Part II - Special Conditions of Contract in Clause 48.(2) thereof, similarly, in accordance with the procedure set out in Sub-clause (1) of this Clause", and in its place insert the following sentence: "In accordance with the similar procedure set out in the Sub-clause 48.(1)".

**Substantial
Completion of
Parts** 48. (3)

Delete the following sentence of the first and third lines of the Sub - clause 48.(3), "Except as otherwise provided for in Part II - Special Conditions of Contract in Clause 48.(3) thereof, if any part of the Permanent Works shall have been substantially completed", and in its place insert the following sentence:

"If any part of the Permanent Works shall have been substantially completed within allowable tolerance of dimension of the works".

**As-built
Drawings** 48. (4)

Delete the following sentence of the sixth and seventh lines of Sub-clause 48. (4), "except as otherwise specified in Part II - Special Conditions of contract in Clause 48.(4) (As-built Drawings) thereof".

DEFECTS AND REPAIR

**Definition of
"Defects
Liability
Period"** 49. (1)

The sentence of the second and third lines of Sub - clause 49. (1), "named in Part II - Special Conditions of Contract in Clause 49. (1) (Defect Liability Period) thereof" shall be replaced with the sentence "of one hundred and eighty (180)

calendar days".

**Contractor to 50.
Search**

In dredging work, following provision shall be added :

"Notwithstanding Clause 50 of the General Conditions of Contract, the Contractor shall have no responsibility to bear the cost of searching for any defect, shrinkage or other fault in respect of dredging work after the date stated in the Final Completion Certificate".

ALTERATIONS, ADDITIONS AND OMISSIONS

Variations 51. (1) In dredging work, following provision shall be added at the end of Clause 51.(1) of General Conditions of Contract :

"Provided also that the Contractor shall be under no obligation to execute any variation of dredging work which can not be executed by the Contractor's equipment being used on the work".

**Valuation of 52. (1)
Variations** Delete the following sentence at the end of the Sub-clause 52.(1) : "Such provisional rate to enable on-account payments to the Contractor will be specified in Part II-Special Conditions of Contract in Clause 52.(1)" and insert the following sentence in its place :

"Provisional rate for on-account payment shall be seventy (70%) percent of payment certificate of sub-clause 60.(6)."

**Power of the 52. (2)
Engineer
to fix Rates** Add the following sentence at the end of final sentence (b) of Sub-clause 52.(2):

"The agreement of fixing of any rates or prices as aforesaid shall include any foreign currency and the proportion hereof. Provided further that no change in the rate or price for any item contained in the Contract shall be considered unless such items account for an amount more than two (2%) percent

of the Contract Price, and the actual quantity of work executed under the item exceeds or falls short of the quantity set out in the Bill of Quantities by more than twenty five (25%) percent."

**Variations
Exceeding
Ten Percent**

52. (3) Delete the whole of Sub-clause 52. (3) of the General Conditions of Contract.

Daywork

52. (4) Delete the whole of Sub-clause 52. (4) of the General Conditions of Contract and in its place substitute the following :

(a) The Engineer may, if in his opinion it is necessary or desirable, issue an instruction that any additional or substituted work shall be executed on a Daywork basis. The Contractor shall then be paid for such additional or substituted work under the terms set out in the Daywork schedule included in the Contract and at the rates and prices affixed thereto by him in the Tender.

The Contractor shall furnish to the Engineer such receipts or other vouchers as may be necessary to prove the amounts paid and, before ordering materials, shall submit to the Engineer quotations for the same for his approval.

(b) In respect of all works executed on a Daywork basis, the Contractor shall, during the continuance of such work, deliver each day to the Engineer an exact list in duplicate of the names, occupation and time of all workmen employed on such work and a statement, also in duplicate, showing the description and quantity of all materials and Construction Plant and Equipment which is included in the percentage addition in accordance with such Daywork schedule. One copy of each list and statement will, if correct, or when agreed, be signed by the Engineer and returned to the Contractor.

(c) At the end of each month, the Contractor shall deliver to the Engineer a priced statement of the labour, materials and

Construction Plant and Equipment used as aforesaid, and the Contractor shall not be entitled to any payment unless such lists and statements have been fully and punctually rendered. Provided always that if the Engineer considers that for any reason the sending of such lists or statements by the Contractor, in accordance with the foregoing provision, was impracticable, he shall nevertheless be entitled to authorize payment for such work, either as Daywork, on being satisfied as to the time employed and the labour, materials and Construction Plant and Equipment used on such work, or at such value therefor as shall, in his opinion, be fair and reasonable."

PLANT, TEMPORARY WORKS AND MATERIALS

**Plant, etc.
Exclusive Use
for the Works**

53. (1) In dredging work, the following provisions shall be added at the end of Sub-clause 53.(1) :

"Among the Construction Plant, "Essential Hired Plant" means the Construction Plant and Equipment and the withdrawal of which in the event of a termination on default of the Contractor under Clause 63.(1) might, having regard to the method of dredging employed prior to the termination, endanger the safety or stability of or result in serious disturbance to the execution of any part of the Works and which is held by the Contractor under any agreement for hire hereof."

NOMINATED SUB - CONTRACTORS

**Payments to
Nominated
Sub-contractors**

59. (4) (c) The sentence of the seventh and eighth lines "specified in Part II - Special Conditions of Contract in Clause 59.(4) (c) thereof" shall be replaced with the following sentence: "of zero (0%) percent".

CERTIFICATES AND PAYMENT

Currency 60. (2) (b) The sentence, "part foreign currency(ies) and part Rupiahs, the foreign currency proportion being the percentage of the whole representing the maximum allowable foreign currency specified in Part II-Special Conditions of Contract in Clause 60.(2) (b) thereof" shall be replaced with the sentence : "forty (40%) percent in Local Currency, sixty (60%) percent in Foreign Currency".

Advance Payment 60. (3) Replace the whole of Sub-clause 60. (3) of the General Conditions of Contract with the following :

"(a) For the purpose of assisting the Contractor to mobilize the construction equipment and labour, to provide the site facilities and camp and to arrange import of materials and equipment required under the Contract, the Employer may make upon request of the Contractor an Advance Payment. The Contractor's request for Advance Payment shall be accompanied by the Advance Payment Security in term and form approved by the Engineer to the full value of the Advance Payment, that may be changed from time to time, equal to the remaining amount after it has been recovered from bi-monthly payments and will be maintained in full force until the said Advance Payment has been fully recovered. The arrangement of which is set forth of Advance Payment, is the same prescribed in the Sub-clauses 60.(4) (Certification by the Engineer) to 60.(6) (Monthly Payment) of General Conditions of Contract.

(b) Contractor shall, if he desires to receive such Advance Payment, inform the Employer of his intention within thirty (30) days from the receipt of the Notice to Proceed. If the Contractor fails to apply for in the manner aforesaid, the Contractor shall be deemed to have abandoned his right to receive the Advance Payment.

(c) Advance Payment will be equal to or less than twenty (20%)

percent of the Contract Price.

- (d) Advance Payment shall be considered as an interest-free credit granted to the Contractor, against matching Bank Guarantee, which shall be repaid to the Employer. Repayment of the Advance Payment to the Employer shall be made by the Contractor in the following manner :

Repayment of advance shall be made in equal installments in the percentages defined hereof in the following manner until the whole of the Advance Payment is repaid :

- at the rate of twenty (20%) percent of the certified amount of every progress payment for the Local Currency, and
- at the rate of twenty five (25%) percent of the certified amount of every progress payment for the Foreign Currency.

Provided that the payment of advance shall be fully paid-off by the Contractor by the time :

- the item of work achieved is one hundred (100%) percent for the Local Currency, and
- the item of work achieved is eighty (80%) percent for the Foreign Currency.

- (e) Any balance remaining shall not be allowed at the time of issuance of the Final Certificate or in the event of termination of the Contract shall be recovered on the final payment. The validity of the Advance Payment Security shall cover the period until the Advance Payment shall have been fully repaid by the Contractor to the Employer."

**Monthly
Statement
of Account**

60. (5) The words "month" and "monthly" relating to total amount and payment due to the Contractor under Sub-clause 60. (5) shall be replaced with "bi-month" and "bi-monthly" with the consent of

the Contractor.

Retention Money 60. (5) (b) (ii) Substitute all the sentence of the Sub-clause 60. (5) (b) (ii) with the following paragraph :

"retention money of the by-monthly total amount due to the Contractor shall be five (5) percent of the respective total amount of the bi-monthly progress payment".

Monthly Payment 60. (6) The word "monthly" relating to statement of account and payment in this Sub-clause shall be replaced with the word "bi-monthly".

The sentence of the second paragraph, "the time specified in Part II-Special Conditions of Contract in Clause 60.(6) thereof" shall be replaced with the sentence, "thirty (30) calendar days".

Balance of Completion Statement 60. (8) The word "monthly" relating to statement of account and payment in this Sub-clause shall be replaced with the word "bi-monthly".

Delete whole of paragraph (iii) of the Sub-clause 60.(8), and insert the following paragraph :

"(iii) less half of total retention money as specified in Sub-clause 60.(5) (b) (ii) above. But, if the Contractor submits a security for defect liability at the amount, the half of total value of retention money is not to be deducted from the Balance of Completion Statement."

Payment of Balance of Completion Statement 60. (9) The word "monthly" relating to statement of account and payment shall be replaced with the word "bi-monthly".

Payment of the Final Half of the Retention Money 60. (10) The word "monthly" relating to statement of account and payment shall be replaced with the word "bi-monthly".

Payment of Adjustment of Balance of Completion Statement 60. (12) The word "monthly" relating to statement of account and payment shall be replaced with the word "bi-monthly".

Approval only by Certificate of Satisfaction 61. For the dredging work, "Certificate of Satisfaction" in Clause 61 shall be read by substituting with "Final Completion Certificate"

Certificate of Satisfaction 62. For the dredging work, the provisions of Clause 62 shall be read by substituting "Certificate of Satisfaction" by "Final Completion Certificate". The Final Completion Certificate shall be issued within thirty (30) days of completion of dredging works.

DEFAULT OF CONTRACTOR, REMEDIES AND POWERS

Termination on Default of Contractor 63. (1) (h) (vii) Substitute all the sentence of the Sub-Clause 63.(1) (h) (vii) with the following sentence :

" has failed to satisfy the provisions, if any".

In dredging work, the following provisions shall be added at the end of Clause 63.(1) of General Conditions of Contract :

"In the case of "Essential Hired Plant" as defined under Clause 53.(1) in Part - II Special Conditions of Contract hereof, the Employer shall not be entitled to remove from Site such Plant.

With the view to security, in the event of the Employer invoking the provisions of Clause 63 hereof, the continued availability for the purpose of executing the Works of any Essential Hired Plant, the Contractor shall not bring on the Site any Essential Hired Plant unless agreement for hire thereof is made which will allow the Employer to, on request

in writing made by the Employer within seven (7) days after the date on which any such termination on default of the Contractor has become effective and on the Employer's undertaking to pay all hire charges in respect thereof from such date, hire such Essential Hired Plant to the Employer on the same terms in all respects as the same was hired to the Contractor save that the Employer shall be entitled to permit the use thereof by any other contractor employed by him for the purpose of completing the Works under the terms of the said Clause 63.

The Contractor shall, upon written requirements made by the Engineer at any time in relation to any item of Essential Hired Plant, submit to the Engineer a certificate, officially certified by notary public to the satisfaction of the Engineer stating that the agreement for the hire thereof contains a provision in accordance with the requirements of Sub-clause 63.(1).

In the event of the Employer entering into any agreement for hire of Essential Hired Plant pursuant to the provisions of Sub-clause 63.(1) hereof, all sums properly paid by the Employer under the provisions of any such agreement and all expenses incurred by him (including stamp duty) in entering into such agreement shall be deemed for the purpose of Clause 63 hereof to be part of the cost of completing the Works."

Employer's Act after Contract Terminated 63. (3) Delete the second paragraph of the Sub-clause 63.(3) "Other sanctions, if any, will be specified in Part - II Special Conditions of Contract in Clause 63.(3) (Employer's Act after Contract Terminated) thereof."

SETTLEMENT OF DISPUTES

Settlement of Disputes 67. (a) Substitute all the sentence of the Sub-clause 67. (a) with the following sentence:

"the arbitration shall be governed by the United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules".

MISCELLANEOUS

Increase or
Decrease
of Cost

70. (1) Substitute all the sentence of Clause 70. (1) with the following sentences :

The Contract Price to be paid by the Employer to the Contractor upon the Interim Certificate issued by the Engineer pursuant to Clause 60 shall be adjusted in respect of increase or decrease in the cost of labour and materials except depreciation of equipment during the execution of the Works.

(a) Provided that the adjustment shall be start from the date of signing of the Contract and shall be made every six (6) months after the signing of the Contract in accordance with the average of the indices for "Cost-of-Living Index" and "Construction Material Index" within the period.

The amount of the price adjustment will be added or deducted from the Contract Price subject to the following provisions :

The "Cost-of-Living Index" is the monthly "Price Index of Nine (9) Essential Commodities" in the city of Jakarta shown in INDIKATOR EKONOMI (Monthly Statistical Bulletin), published by the Biro Pusat Statistik, Jakarta (Central Bureau of Statistics).

The "Construction Material Index" is the monthly "Wholesale Price Index" shown in INDIKATOR EKONOMI (Monthly Statistical Bulletin), published by the Biro Pusat Statistik for;

Cement Construction Materials, Indonesia
 Steel Construction Materials, Indonesia
 Fuel Manufacturing Sector
 Other materials Construction materials by type of
 Construction, Indonesia.

- (b) The Contract Price will be adjusted in the event that the increase or decrease of the amount which is calculated based on the price adjustment formula given in this provision is equal to or more than five percent (5%) of originally certified amount during each corresponding six (6) months.

The difference between the calculated amount and the original amount will be added to, in case of increase in the original amount or deducted from, in case of decrease in the original amount.

- (c) The Contract Price revision provided above, shall be calculated by the following formula :

$$P_n = P_o \left(N + L \frac{L_n}{L_o} + C \frac{C_n}{C_o} + S \frac{S_n}{S_o} + F \frac{F_n}{F_o} + M \frac{M_n}{M_o} \right)$$

Where,

P_n = adjusted amount calculated for each corresponding six (6) months

P_o = original amount certified by the Engineer in each corresponding six (6) months from the date thirty (30) days prior to Opening of Tenders

N = representing factor of non-adjustable portion

L = representing factor of labour

C = representing factor of cement

S = representing factor of steel materials

F = representing factor of fuel

M = representing factor of construction materials other than cement, steel and fuel

L_o = "Cost-of-Living Index" as published by the Central Bureau of Statistics in Jakarta thirty

(30) days prior to the Tender Opening.

- Ln = the same "Cost-of-Living Index" which will be obtained as an arithmetical mean of the "Index" during each corresponding six (6) months from the signing of the Contract.
- Co = "Construction Material Index" for cement as published by the Central Bureau of Statistics in Jakarta thirty (30) days prior to the Tender Opening.
- Cn = the same "Construction Material Index" for cement which will be obtained as an arithmetical mean of the "Index" during each corresponding six (6) months from the signing of the Contract.
- So = "Construction Material Index" for iron and steel basic industries by the Central Bureau of Statistics in Jakarta thirty (30) days prior to the Tender Opening.
- Sn = the same "Construction Material Index" above which will be obtained as an arithmetical mean of the "Index" during each corresponding six (6) months from the signing of the Contract.
- Fo = "Fuel Oil Index" for petroleum refineries as published by the Central Bureau of Statistics in Jakarta thirty (30) days prior to the Tender Opening.
- Fn = the same "Fuel Oil Index" which will be obtained as an arithmetical mean of the "Index" during each corresponding six (6) months from the signing of the Contract.
- Mo = "Construction Index" for the materials other than cement, iron and steel, and fuel and lubricants derived from "Other Constructions" as published by the Central Bureau of Statistics in Jakarta thirty (30) days prior to the Tender Opening.
- Mn = the same "Construction Index" for the

materials other than cement, iron and steel, and fuel and lubricants which will be obtained as an arithmetical mean of the "Index" during each corresponding six (6) months from the signing of the Contract.

- (d) The factors N,L,C,S,F and M to be applied have been assigned for principal items of the Works and are tabulated below :

Price Adjustment Factors

S. NO.	Application Item	Factor (%)					
		N	L	C	S	F	M
1	Earth Work	76.08	3.88	0.00	0.00	10.91	9.13
2	Concrete Work	27.04	6.78	16.56	21.19	2.99	25.44
3	Wet Masonry	17.22	20.09	51.19	0.00	0.20	11.30
4	Piling Work	24.25	2.09	1.27	58.92	0.84	12.63
5	Gabion	20.17	8.69	0.00	62.86	0.00	8.28
6	Gate and Other Metal Work	40.24	16.15	0.00	41.22	1.23	1.16
7	Road Work	21.06	0.67	0.00	0.00	0.88	77.39
8	Demolishing Work	84.82	6.04	0.00	0.00	8.40	0.74
9	Sand filling	26.29	10.08	0.00	0.00	0.99	62.64
10	Miscellaneous Work	16.70	23.78	0.00	0.00	0.00	59.52

- (e) No adjustment of the Contract Price will be made for any of the General Items and any other Lump Sum Items of Work.

- (f) The Contractor is allowed to receive escalation payment partly in Rupiah and partly in foreign currency. For escalation of foreign currency portion, following procedure shall be applied :

- Foreign currency portion will be converted into Indonesian Rupiah by using fixed conversion rate based upon the T/T selling rate of Bank Indonesia on the thirty (30) days prior to the Opening of Tenders.

- The escalated Rupiah amount of foreign currency portion calculated in accordance with the Price Adjustment Formula mentioned in Sub-clause 70.(1) (c) above shall be converted into foreign currency by using the prevailing exchange rate established by Bank Indonesia.

- (g) All works valued at the rates or prices for variation under Clauses 51 (Variations) and 52 (Valuation of Variations) of the General Conditions of Contract shall not be adjusted unless such rates or prices agreed upon or determined in accordance with the Contract are originally listed in the Bill of Quantities.
- (h) For the work done in the period of liquidated damages, the adjustment rate calculated from the formula will not exceed the corresponding rate of adjustment in the preceding period.
- (i) If there is any delay in the rate of progress from the construction schedule approved by the Engineer due to the Contractor's fault, then the rate of adjustment for the escalation for such delayed portion shall be those for the period in which such delayed portion would have been executed according to the construction schedule and those rates shall remain constant. No escalation is considered for the progress between the rate of progress from the Approved Construction Schedule and that for actually executed within a period of first twelve (12) months after the Contract signing.
- (j) Items in the Bill of Quantities applicable for Price Adjustment shall be as per list enclosed.

**Subsequent
Legislation**

70. (2)

Delete the words of the seventh and eighth lines of Clause 70.(2), "other than under Sub-clause 70.(1) of this Clause,"

**Duties and
Taxes**

71. (2)

In connection with the Sub -clause 71.(1), the Employer will mention some of the existing regulations with regard to duties and taxes in the following:

- (a) Surat Keputusan Menteri Keuangan R.I Nomor KEP-264/MK/IV/5/1970 tentang : Pemberian fasilitas atas pemasukan barang-barang impor dalam rangka project-aid yang sifatnya memberikan fasilitas berupa pembebasan pajak pada barang-barang yang diimpor dalam rangka Proyek aid. (Subject; Materials and equipment imported for projects with foreign aid free of tax).
- (b) Sk.Dirjen Bea dan Cukai No. Kep/ DDBT/PB/INC/6/757/1971; tanggal 14 Juni 1971 "Ketentuan-ketentuan Pelaksanaan Mengenai Keputusan Pembebasan Bea Masuk atas Impor Barang-barang Dalam Rangka Proyek-AID". (Subject; Regulation for executing free of tax materials and equipment imported for projects with foreign aid).
- (c) SK. Menteri Keuangan No. Kep. 298/MK/III/5/1971; tanggal 4 Mei 1971 "Pemberian Fasilitas Atas Pemasukan Barang-barang Dalam Rangka Proyek-AID". (Subject; Facilities for equipment imported for the projects with foreign aid).
- (d) Surat Menteri Keuangan No.B-329/MK/II/4/1972; tanggal 12April 1972 pada Menteri Luar Negeri RI "Pemungutan Pajak atas para Kontraktor dan Konsultan yang berkedudukan di luar negeri serta para pegawainya sehubungan dengan pelaksanaan Proyek-proyek yang dibiayai dengan bantuan resmi (Official AID)". (Subject; Tax collection from foreign Contractor and Consultant and also their personnel).
- (e) Perpanjangan-perpanjangan :
 - B-884/MK/II/12/1972 tanggal 5 December 1972.
 - B-1972/MK/II/3/1974 tanggal 20 Maret 1974.
 - B-07/MK/II/1/1975 tanggal 6 Januari 1975.

B-187/MK/II/3/1976 tanggal 31 Maret 1976.

B-331/MK/1977 tanggal 9 Juni 1977.

(Subject; Extension of Letters).

- (f) Surat Menteri Keuangan kepada Menteri Luar Negeri tanggal 20 April 1978 No.S-270/MK.04/1978 perihal : Fasilitas Perpajakan atas para Kontraktor dan Konsultan yang berkedudukan di Luar Negeri serta pegawai mereka sehubungan dengan pelaksanaan proyek-proyek yang dibayai dengan bantuan resmi (official-aid) dan fasilitas kredit ekspor/kredit komersial. (Subject; Tax facilities on foreign Contractor, Consultant and their personnel in executing the projects with foreign aid, and export credit facilities/commercial credit).
- (g) Surat Direktur Pajak Langsung pada :
- (i) Direktur TU Anggaran Dit. Jen. Anggaran;
 - (ii) Kepala Kantor Wilayah Dit. Jen. Anggaran Daerah Khusus Jakarta Raya "Perpajakan Atas Para Kontraktor dan Konsultan yang berkedudukan di Luar Negeri serta para pegawainya sehubungan dengan pelaksanaan Proyek-proyek yang dibiayai dengan bantuan resmi (Official-AID) dan fasilitas kredit ekspor/kredit komersial sebagai pelengkapanya juga dengan dana rupiah yang disediakan oleh Pihak Indonesia". (Subject; Tax facilities for foreign Contractor, Consultant and their personnel in executing the project financed by governmental budget (Rupiah portion)).
- (h) Surat Direktur Pabean : pada Sub. Dit. pembinaan Industri Konstruksi Dit. Jen. Bina Marga Deft. PURL No. S-3455/BC.2/78 tanggal 28 Juni 1978 "Permohonan Pembebasan Bea Masuk, PPN dan MPO Import Atas Pemasukan Barang-barang Kontraktor Takenaka Komatsu, Takenaka Dobuku, Nippon Habo Co. Ltd". (Subject; Request for free of import charge PPN and MPO for importing some

equipment by Takenaka, Komatsu, Takenaka Doboku, Nippon Habo Co, Ltd.).

- (i) Surat Direktur Pabean pada : Direktur Pembangunan Jalan, Dit. Jen. Bina Marga, No. S-7348/BC.23/1978 tanggal 21 December 1978; "Pemasukan spare parts/suku cadang oleh Kontraktor dalam Rangka Project - AID.(Subjec; Spare parts imported by Contractor for Project with foreign aid).
- (j) Surat Menteri Keuangan pada : Menteri Luar Negeri No.S-333/MK/04/79; tanggal 28 April 1979. "Fasilitas Perpajakan atas para Kontraktor dan Konsultan yang berkedudukan di Luar Negeri serta para pegawai mereka sehubungan dengan pelaksanaan proyek-proyek yang dibiayai dengan bantuan resmi (Official-AID) dan fasilitas kredit ekspor/kredit komersial sebagai pelengkap. (Subject; Tax on Facilities for foreign company, Consultant and their personnel in executing by official AID, and export credit facilities/commercial credit)
- (k) Surat Menteri Keuangan pada : Menteri Luar Negeri No.S-769/MK.04/1979 tanggal 18 September 1979. "Fasilitas Perpajakan atas para Kontraktor dan Konsultan yang berkedudukan di Luar Negeri serta para pegawai mereka sehubungan dengan pelaksanaan proyek-proyek yang dibiayai dengan bantuan resmi (Official AID) dan fasilitas kredit ekpor/kredit komersial sebagai pelengkapanya (pelaksanaan masa peralihan dari Surat Menteri Keuangan tanggal 28 April 1979, No.S-333/MK.004/1979). (Subject; Same as item (j)).
- (l) Surat Menteri Keuangan kepada Menteri Luar Negeri tanggal 9 Juni 1977 No. S-331/MK/1977 pokok : "Fasilitas Perpajakan atas para Kontraktor dan Konsultan yang berkedudukan di Luar Negeri serta para pegawai mereka sehubungan dengan pelaksanaan proyek-proyek yang dibiayai dengan bantuan resmi (Official-AID) dan fasilitas kredit ekspor/kredit komersial. (Subject; Same as item (j)).

- (m) Surat Edaran Direktur Peraturan Perpajakan tanggal 14 Juni 1977. No.SP-59/PJ.62/1977 pokok : "Fasilitas Perpajakan atas para Kontraktor dan Konsultan yang berkedudukan di Luar Negeri serta para pegawai mereka sehubungan dengan pelaksanaan proyek-proyek yang dibiayai dengan bantuan resmi (Official-AID) dan fasilitas kredit ekspor/kredit komersial. (Subject; Same as item (j))
- (n) Surat Direktur Jenderal Bea dan Cukai No.KBC/DJBC PB/IMP.II/76/5550 tanggal 11 Juni 1976.(Letter from Director General of Customs).
- (o) Surat Menteri Keuangan No. B-313/MK/III/6/1976. (Letter from Ministry of Finance)
- (p) Surat Direktur Jenderal Pajak kepada Indukseco Jalan Abdul Muis Jakarta tanggal 7 Maret 1979 No. S-335/PJ.22/1979. (Letter from Ministry of Finance)
- (q) Surat Edaran atas nama Direktur Jenderal Pajak yang ditanda tangani oleh Sekretaris Direktorat Jendral Pajak tanggal 30 April 1979 No. SE-9/PJ. 652/1979. (Letter from Secretary Director General of Tax)
- (r) Surat Direktur Pajak Langsung tanggal 15 September 1979 NO. S-1650/PJ. 241.1979 kepada Kepala Inspeksi Pajak Badan dan Orang Asing Pembebasan Pajak dan Bea atas nama Kontraktor Shimizu. (Letter from Director General of Direct Tax)
- (s) Undang-undang No. 7 tahun 1983 tentang Pajak Penghasilan dan Undang-undang No. 6 tahun 1983 tentang Ketentuan Umum dan Tata Cara Perpajakan beserta Peraturan Pelaksanaanya serta Peraturan-peraturan Pemerintah dan Keputusan Presiden, dan peraturan-peraturan lainnya yang berhubungan dengan Undang-undang tersebut.
- (t) Undang-undang No. 8 tahun 1983 tentang Pajak

Pertambahan Nilai 1984 serta Peraturan-peraturan Pemerintah dan Keputusan Presiden, dan peraturan-peraturan lainnya yang berhubungan dengan Undang-undang tersebut.

- (u) Surat Edaran Bersama Dirjen Pajak dan Dirjen Anggaran No. SE-24/PJ-3/1985-SE : 147/A/1985 tanggal 25 maret 1985 tentang masalah Bendaharawan dan pelaksanaan Undang-undang Pajak Pertambahan Nilai 1984.
- (v) Peraturan Pemerintah RI. No.22 tahun 1985 tanggal 13 Maret 1985 : tentang Pelaksanaan Pajak Pertambahan Nilai 1984
- (w) Exchange of Notes, if any, between the Government of Japan and the Republic of Indonesia during negotiations for allotment of the Fund for Urban Drainage Project.

Such regulation as set out in the Special Conditions of Contract shall be regarded only as an information and the Contractor shall be aware of all existing Government regulations which are deemed necessary to be considered or included in the preparation and calculation of the unit or lump sum prices in the Bill of Quantities. Any change in taxes and duties following Tender Opening, will be subject to equitable adjustment.

No reimbursement shall be due to the Contractor in respect of any payment made by him for Indonesian customs, duties, taxes, except as otherwise specifically stated in the Contract.

LIST OF ITEMS APPLICABLE FOR PRICE ADJUSTMENT

S. No.	Item of Work	Item No. in BOQ
1.	Earth work in excavation, backfilling, dyke embankment and road embankment	2.1/01; 2.2/02 to /05; 2.3/01 & /02; 2.5/02 & /03; 2.6/02 & /03; 2.7/02 & /05; 3.1/02 & /03; 3.2/02 & /03; 4.4/02, /03 & /13
2.	Concrete work	2.3/08 to /12; 2.5/11 to /14; 2.6/11 to /14; 2.7/09 to /13; 3.1/15 to /21; 3.2/06 to /13; 4.2/35 to /38; 4.3/13 to /17; 4.4/05 to /12,
3.	Wet cobble masonry	2.4/01; 2.5/07; 2.6/07; 3.1/07; 4.4/04
4.	Piling work including pre-cast RC piles, steel sheet piles and timber piles	2.3/04 to /07; 2.5/10; 2.6/10; 3.1/11 to /14; 4.2/01 to /34; 4.3/22 to /26
5.	Gabion mattress	2.2/08; 2.3/03; 2.5/08; 2.6/08; 2.7/08; 3.1/08
6.	Gate, steel bridge and other steel work including bearings	3.1/25 to /33, /35 & /42
7.	Road work	2.2/09 to /11; 4.3/29; 4.4/14 to 17
8.	Bridge work	4.3/01 to /12
9.	Demolishing of existing masonry and concrete structures	2.1/02 & /03; 4.1/02 & /03; 4.4/01
10.	Sand filling, gravel filling, gravel bedding, rubble mound, gravel filter, boulder filling	2.5/05 & /06; 2.6/05 & /06; 2.7/03 & /06; 3.1/05 & /06; 3.2/05

S. No.	Item of Work	Item No. in BOQ
11.	Miscellaneous works such as sod facing, PVC water stop, Rubber joint filler, PVC pipe for weep holes, palm fibre, Rubber flexible joint	2.2/06 & /07; 2.3/13 to /16; 2.5/15; 2.6/04, /09 & /15; 2.7/04, /07, /14 to /16; 3.1/04, /09, /10, /22 to /24; 3.2/04









