

FIDIC – International Best Practice



DRBF Conference, Bucharest 31 October, 2009

Enrico Vink
FIDIC Managing Director.



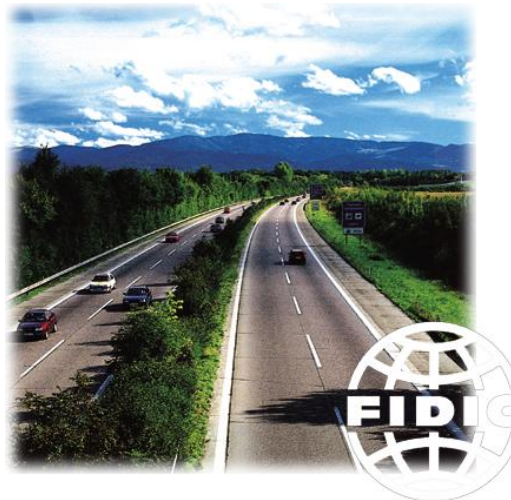
The global voice of the consulting engineering industry

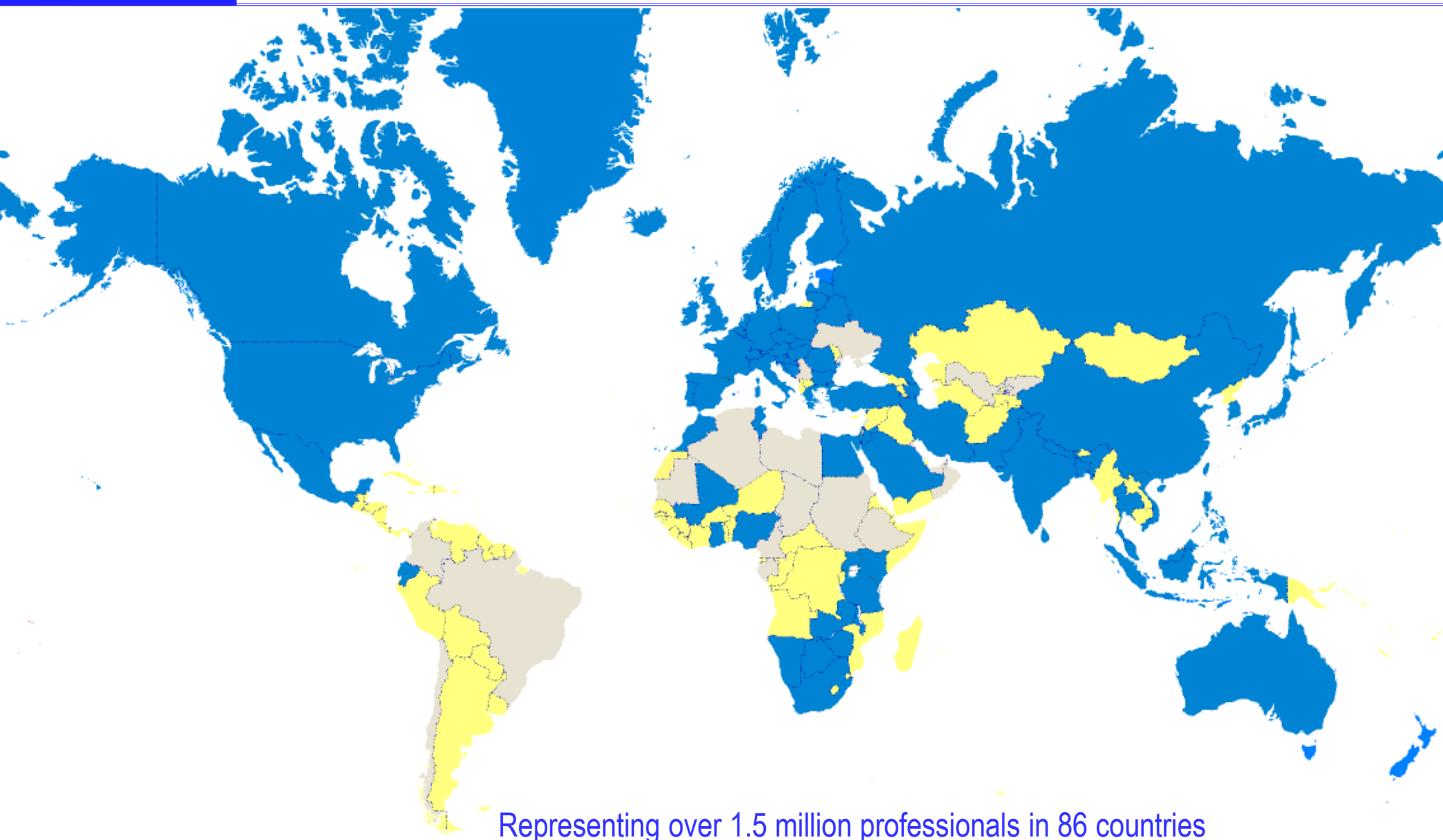
Collect and disseminate best practices worldwide

Promote the business interests of our industry internationally



Founded in 1913 with headquarters in Geneva





Representing over 1.5 million professionals in 86 countries

One member association per country



What FIDIC does

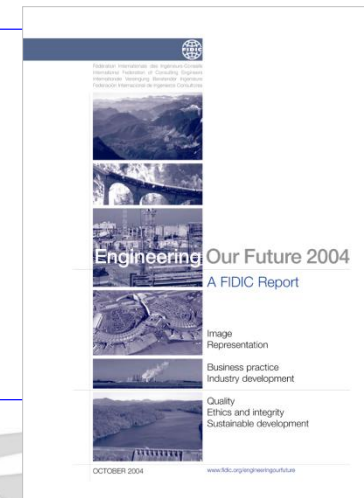
Represent globally the consulting engineering industry
Enhance the **image** of consulting engineers

What FIDIC offers the industry

Be the authority on issues relating to **business practice**
Promote the development of a **global** and viable consulting engineering industry

What are FIDIC's governing principles

Promote **quality**
Actively promote conformance to a code of **ethics** and to **integrity**
Promote commitment to **sustainable** development





Services agreements

- Client-Consultant Model Services Agreement (White Book)
 - White Book Guide
 - Joint Venture Agreement
 - Sub-consultancy Agreement
 - Model Representative Agreement
-

Works contracts

- 2007 Design-Build-Operate
 - 1999 series
 - Short Form
 - Dredgers
 - Construction
 - Plant & Design-Build
 - EPC/Turkey
 - 1992-95 series
 - Works of Civil Engineering Construction (Red Book)
 - Electrical & Mechanical Works (Yellow Book)
 - Design-Build & Turkey (Orange Book)
 - Standard Letters
 - Standard Prequalification Form
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FIDIC CONTRACTS

CONSTRUCTION

PLANT AND DESIGN-BUILD

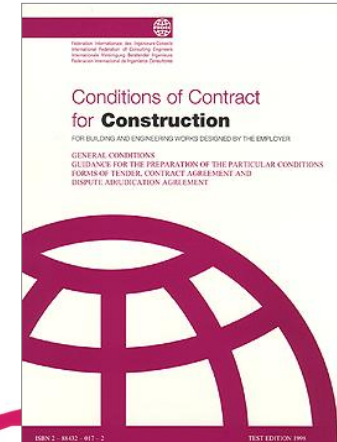
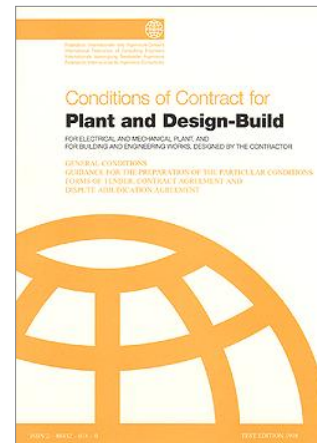
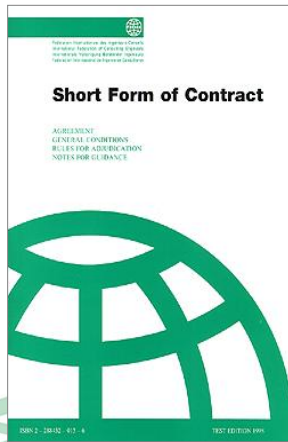
EPC/TURNKEY PROJECTS

SHORT FORM OF CONTRACT

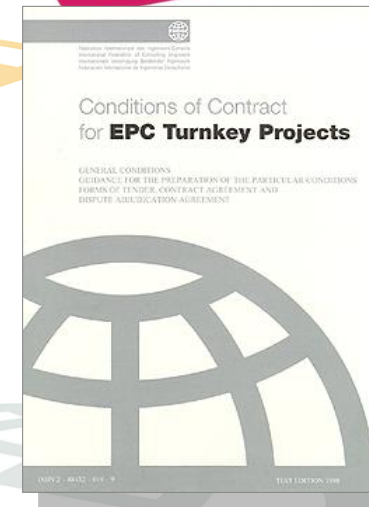
CLIENT/CONSULTANT MODEL SERVICES AGREEMENT

CONDITIONS OF CONTRACT

4th edition published 1999

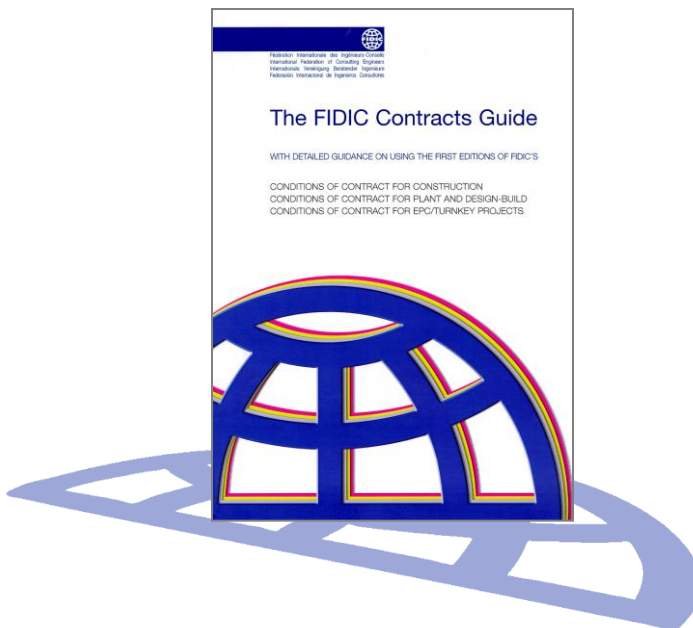
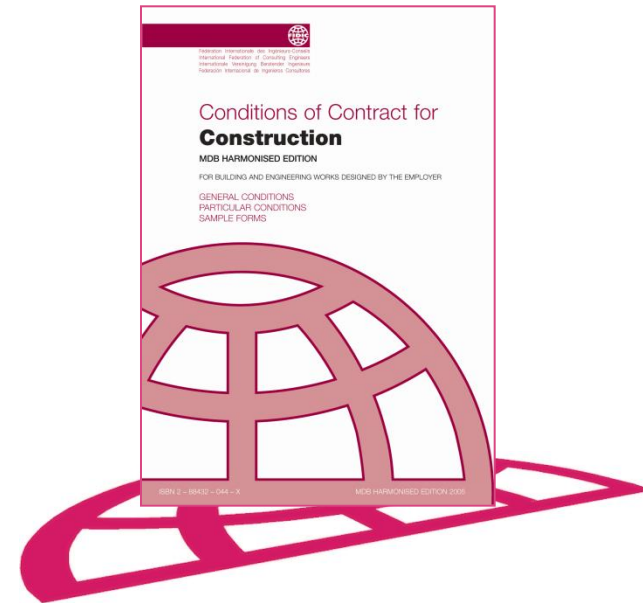


DBO
published 2008



Since May 2005

Multilateral Development Banks
use the Harmonised Construction
Contract



MDB Supplement to Contracts Guide
available



FEATURES AND ADVANTAGES

BALANCED

fair apportioning of risks, rights and obligations between the parties

WELL TRIED

long case history for earlier contracts

ACCEPTED

known and recognised; in **wide use** for international contracts

SUPPORTED

recommended or required by development banks, ISPA, etc.

EFFECTIVE

clear and complete **conditions**; **time limits**; provisions for **adjudication**

Dispute Adjudication Boards

- Standard provision in all FIDIC contracts
- Adopted by Development Banks
- Used since 1995
- Offers quick, cost effective solution
- Can be referenced later in arbitration etc

Dispute Adjudication Boards

- CI.20.2 Appointment of DAB
- One or three qualified people
- In Situ recommended
- Local or international selection
- Agreed selection process

DAB Applications

- CI.20.3 Failure to agree DAB
- Appointing Authority
- One or three qualified people
- Local or international selection
- Requests to FIDIC President

DAB Applications

- CI.20.3 Request to FIDIC President
- Last resort option
- Criteria:
 - FIDIC contract or bespoke?
 - Appointment eligibility ie DAB provisions?
 - Evidence of failure to appoint?
 - Nature of dispute (if any)
 - Appointment fee

DAB Appointments

- FIDIC Appointments
- Presidents List – carefully selected
- Background experience, country, type of project etc
- Nomination and consultation
- Appointment – broad powers

DAB Issues

- One party requests
- Failure to acknowledge
- Joint responsibility for costs
- Modification to contract terms
- Main areas: Europe (Central), Africa

DAB Results

- Quick results
- Often lead to settlement
- Does not hinder eventual arbitration
- More cost effective than arbitration
- Increased demand

WHY FIDIC CONTRACTS?

- The only true international standard
- Tried and tested over 50 years – thousands sold
- Trusted by thousands of clients, contractors, consultants, financiers (and lawyers) – balanced conditions
- Designed for Practical use – by practitioners

WHY FIDIC CONTRACTS?

- Flexible, and reflect market demand
- Good risk management tool
- Simple risk management processes
- Cost effective
- Reflect international best practice – for local application

International Federation of Consulting Engineers

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