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### 3 CONTRACT DOCUMENTATION

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Contract documentation in general terms refers to all of the correspondence, reports and paperwork generated in the development, procurement and construction of a project. However, for the purposes of this presentation contract documentation will be limited to the documents which make up and describe the works to be implemented by a Contractor and the conditions under which those works are to be undertaken and which form the Contract (see 2.1).

The several documents forming the Contract are taken as being mutually explanatory of one another. However, in the event that any discrepancies exist between these several documents an order of priority of the documents is defined. In general the documents and their order of priority are as follows (see Appendix 3-5 - FIDIC IV clause 5.2):

- The Form of Agreement
- The Letter of Acceptance
- The Tender
- The Conditions of Contract
- The Specifications
- The Drawings
- The Bill of Quantities
- Any Other Documents

#### 3.1 THE FORM OF AGREEMENT

The issue, by an Employer, of a Letter of Acceptance (see 3.2) to Tenderer is usually sufficient, in terms of law, to establish a binding contract between the Employer and the Tenderer for the implementation of the works. However, some countries, organisations and Funding Agencies require the signature of a formal contract agreement or Form of Agreement, usually to formalise the agreement, but sometimes to create a binding contract. ERA is one such organisation which does require the signing of a contract Agreement as can be seen from Clauses 33 and 36 of the ERA NCT and ICB Standard Documents respectively, which state the following:

- 33.1 *At the same time that the Employer notifies the successful Tenderer that its tender has been accepted, the Employer will send the Tenderer the Agreement in the form provided in the Tendering Documents, incorporating all agreements between the parties.*
- 33.2 *Within 28 days of receipt of the Agreement, the successful Tenderer shall sign the Agreement and return it to the Employer, together with the required performance security.*
- 33.3 *Upon fulfilment of Sub-Clause 33.2, the Employer will promptly notify the other Tenderers that their tenders have been unsuccessful and their Tender security will be returned as promptly as possible, in accordance with Clause 16.4..*

The ERA standard Form of Agreement has been included in this document as Appendix 3-1- ERA Standard Form of Agreement and it is only once this document has been signed by both parties that ERA can give full effect to the Contract i.e. hand over the site and make payments to the Contractor.

Further clarification of the GoE requirements is provided in the Federal Negarit Gazeta, Proclamation 430/2005 entitled "Determining Procedures of Public Procurement and Establishing its Supervisory Agency". (See 5.4.2 below for further details and comment on the requirements of GoE Procurement Proclamation 430/2005)

## 3.2 THE LETTER OF ACCEPTANCE

In its simplest form, a Contract is created by the acceptance of an offer. In the case of road projects it is the Employer's acceptance of a Contractor's offer to execute the works as described in the Tender Documents which establishes a contract.

Once the evaluation of Tenders has been completed and the preferred Tender selected and all necessary approvals to accept the tender obtained, the Employer issues a Letter of Acceptance.

The Letter of Acceptance is the formal advice that the Employer has accepted a Contractor's Tender. The date of this letter marks the start of the Contract and immediately commits both the Employer and the Contractor to fulfil their obligations as defined in the Contract and its various documents. It is therefore extremely important that the Employer ensures that it is able to meet all of its contractual obligations before issuing the Letter of Acceptance.

The Letter of Acceptance should include statements which draw the Contractor's attention to certain important matters viz.:

- Appointment of the Engineer
- Amount of Security
- Evidence of Insurance
- Date of Acceptance of the Tender
- Date for Practical Completion of the Works

ERA's standard Letter of Acceptance has been included in this document as Appendix 3-2- Letter of Acceptance.

This standard letter does not draw the Contractor's attention to all of the items which it should and it will therefore be necessary for ERA and or its Consultant to issue a second letter addressing the remaining items.

Finally, careful consideration of item (c) of this standard letter is required. Item (c) may appear to be a Notice to Commence the Works but this is not the case. It is an instruction to commence performance of the Contract in accordance with the Contract Documents, and reminds the Contractor of other pre-construction actions necessary, e.g. arranging performance security and insurance, as required by the Contract. Most of the standard contract forms only require the Employer to accept the Contractor's Tender. The instruction to commence the works is normally issued by the Supervising Engineer some time after the acceptance of the tender and when everything is in place to permit the works to continue.

## 3.3 THE TENDER

ERA's standard tendering documents use the words Tender and Bid synonymously, in various sections of the documents.

The Tender means the Contractor's priced offer to the Employer for the execution and completion of the Works and the remedying of any defects therein in accordance with the provisions of the Contract, as accepted by the Letter of Acceptance.

The documents which comprise the Tender are, in general, the following:

- The Form of Tender
- The Power of Attorney
- The Appendix to Tender
- The Tender Security

- The Priced Bill of Quantities
- Addenda to the Tender
- Alternative Offers (where applicable)
- Schedules of Supplementary information

Of these tender documents, only the following should normally be included in the Contract document. Those not included are only relevant to the procurement process and not the following works contract:

- The Form of Tender
- The Appendix to Tender
- The Priced Bill of Quantities
- Addenda to the Tender including any Minutes of Negotiation.

### 3.3.1 The Form of Tender

The Form of Tender is the Contractor's official letter which summarises their offer and the various documents comprising their Tender. This letter states the sum for which the Contractor will undertake the Works as described in the various tender documents.

ERA's standard Form of Tender has been included in this document as Appendix 3-3 - Form of Tender.

### 3.3.2 The Appendix to Tender

The Appendix to the Form of Tender is a summary of all of the data applicable to and resulting from the Conditions of Contract. As an appendix to the Form of Tender it is effectively written confirmation that the tender is subject to requirements of the Conditions of Contract as presented by the Employer.

ERA's standard Appendix to the Form of Tender is included as Appendix 3-4 - Appendix to the Form of Tender. This standard Appendix includes some errors and items which need further consideration. These have been marked up on the standard and suggested improved wording included in *italics*.

### 3.3.3 The Priced Bill of Quantities

The BOQ is discussed in section 3.7 below as part of the Contract document.

### 3.3.4 Tender Addenda

It is often necessary to issue explanations, revisions, additions or deletions to tenderers during the tender period. This is formalised by issuing an Addendum to the Tender. If a tenderer is in any doubt about the meaning or intention of any item in the Tender documents, he should be advised to notify the Engineer. The Engineer will then issue to all tenderers and explanation in the form of an addendum. Each addendum should be accompanied by a receipt form which must be returned so that the Employer and the Engineer have confirmation that each Tenderer has received all the necessary information.

The Addenda become part of the Tender documents and once accepted, part of the Contract documents as do the minutes of any pre-award meetings.

### 3.4 THE CONDITIONS OF CONTRACT

The Conditions of Contract provide the broad contractual framework for the supervision and administration of a contract and define the general legal relationship between the contracting parties, including the rights and obligations of each party and the powers and duties of the Engineer appointed for the administration of the contract. They are the set of general rules which govern the contracts implemented by ERA.

For the first time, in the late 1950s, the International Federation of Consulting Engineers (FIDIC) published a form of standard conditions of contract for works of civil engineering construction. These were especially designed for use in international projects. This document has been developed and revised over the years and today WB, AfDB, BADEA, KfW, ADB, ASDI etc. all use FIDIC based conditions of contract for their projects. The 1987 form of these conditions of contract is included as Appendix 3-5 - FIDIC IV.

In 1999 FIDIC introduced a new conditions of contract, quite different to its fourth edition. In May 2005 FIDIC, in consultation with various Multilateral Development Banks, published a revised version of the 1999 documents. Both the 1999 and MDB versions are currently in use with the MDB version being mandatory for all MDB projects. The EU's general conditions of contract, whilst quite different to the FIDIC based conditions serve the same function.

Presently all FIDIC based ERA projects still use the FIDIC IV conditions of contract. These conditions of contract are known as Part I General Conditions of Contract (GCC) and remain unchanged from project to project. However, because no two projects are exactly the same it is necessary to modify the GCC to suit each particular project which is being undertaken, for instance one project may allow for the payment of an Advance whereas another might not. The GCC make provision for such payments and, in the case of no Advance entitlement it would be necessary to modify the GCC to reflect this. This modification is done by creating an "addendum" to the GCC which details all of the modifications to the GCC. This "addendum" to the GCC, the Special Conditions of Contract, is known as Part II Conditions of Particular Application. Part II complements Part I and forms an integral part of the Contract Documents.

The content of Part II takes precedence over Part I in the event of a discrepancy between the two parts (see Appendix 3-5 - FIDIC IV clause 5.2).

It is important, when drawing up Part II to avoid the inclusion of specifications in the Conditions of Contract. For example if Part II includes a clause which states that Site Meetings should be held and minuted, Part II should not include details of who should attend the meetings and what the agendas should be or the Clause related to Substantial Completion of the Works should not include details of what must have been completed prior to the issue of the Completion Certificate.

In drafting the Part II Conditions of Particular Application, care should be taken to ensure that they:

- Are necessary
- Clearly and simply state what is required
- Are neither superfluous nor repetitive
- Are unambiguous
- Use standard terms, consistent expression and correct spelling
- Contain appropriate cross references to other clauses
- Do not conflict with the General Conditions of Contract
- Do not repeat General Conditions or standard clause provisions.

### 3.5 THE SPECIFICATION

The Specification is a set of definitions and descriptions which define and describe in detail the character and quality of the materials to be utilised, the construction processes to be followed and the characteristics of the finished project and its components e.g. it describes the manner in which compaction testing should be done in order to determine the degree of compaction which has been achieved, it describes how painting of steelwork on bridges should be done in order to avoid any corrosion of the metal.

In 2002, under an WB funded project, ERA produced a Standard Technical Specification. The cover of this specification has been included in Appendix 3-6 - ERA Standard Specification for reference.

The specification is divided into the following sections:

- Series 1000      General
- Series 2000      Site Clearance
- Series 3000      Drainage
- Series 4000      Earthworks
- Series 5000      Sub Base, Road Base and Gravel Wearing Course
- Series 6000      Bituminous Surfacing and Road Bases
- Series 7000      Rigid Pavements
- Series 8000      Structures
- Series 9000      Ancillary Works
- Series 10000    Testing Materials and Workmanship

In the same way that it is necessary to modify the GCC to suit each particular project it is necessary to modify the Standard Specification to suit each particular project and this is done via an "addendum" to the Standard Specification which is known as the Special Specification and, as with the Conditions of Particular Application, this Special Specification complements the Standard Specification and forms an integral part of the Contract Documents.

The content of the Special Specification takes precedence over the Standard Specification in the event of a discrepancy between the two parts.

It is important, when drawing up the Special Specification, to avoid the inclusion of Conditions in the Specification. For example the Specification should not include clauses such as "Within 28 days of the Award of the Contract the Contractor shall submit to the Engineer a detailed Environmental Management Action Plan .....". It may or should, however, detail the scope of the Plan.

A further important function of the ERA Standard Specification is the definition of how each item of work will be measured and paid for. It is extremely important that this function be satisfied for all items included in the Special Specification. Failure to do so will only lead to disagreements between the Contractor and the Engineer on how to measure items and what that measurement should and should not include.

### 3.6 THE DRAWINGS

Whilst the Specification and Special Specification describe the quality and nature of the materials to be used and the finished product they do not define what work is to be undertaken. This description of the dimensions, materials, locations, strengths etc. is described in diagrammatic form on the contract drawings. It is these drawings which describe the exact scope of the works and which determine exactly what is to be measured in the final Bill of Quantities.

The FIDIC Conditions of Contract define the Drawings as follows:

*"Drawings" means all drawings, calculations and technical information of a like nature provided by the Engineer to the Contractor under the Contract and all drawings, calculations, samples patterns, models, operation and maintenance manuals and other technical information of a like nature submitted by the Contractor and approved by the Engineer.*

As part of the Invitation to Tender documents, the Drawings as presented to the Tenderers describe the works to be undertaken in order to facilitate the calculation of unit rates by the Tenderers.

The Drawings do not normally form part of the Contractor's tender submission unless they are required, by the Employer, to be returned for security or confidential reasons.

The Drawings forming part of the Contract document are the construction drawings which are unlikely to be the same as the Tender drawings and should be clearly marked as such when issued for construction.

### 3.7 THE BILL OF QUANTITIES

The Bill of Quantities (BOQ) is a list of items giving descriptions of every item of work to be undertaken under the Contract, together with the number, quantity, volume etc. and the cost per number, quantity, volume etc of each item as per the example below. In other words it is a financial statement or model of the project.

As part of the Invitation to Tender documents, the BOQ as presented to the Tenderers does not include any unit rates. As part of the Contractor's tender documents, the BOQ as submitted by the Tenderers includes the Tenderers offered unit rates and total contract amount. As part of the Contract documents, the BOQ includes the unit rates and total contract amount as accepted by the Employer, following the tender evaluation process.

Both the EU and FIDIC based contracts are re-measurable contracts. This means that the quantities set out in the Bill of Quantities are the estimated quantities for the Works, and they are not to be taken as the actual and correct quantities of the Works to be executed by the Contractor in fulfilment of his obligations under the Contract. For this reason the BOQ ranks lowest in the order of priority of the documents making up the Contract (see Appendix 3-5 - FIDIC IV clause 5.2). The following is an example of a BOQ.

Item	Description	Unit	Qty.	Rate	Amount
1	All Contractor's costs for the establishment of their camp and facilities for the Engineer	Sum	1	234 567.00	234.567,00
2	Remove Top Soil to a depth of 150 mm	m2	580	0.6	359,60
3	Crushed stone base course compacted to 98% ModAASHTO	m3	1500	19.00	28.500,00
4	Over Haul in excess of 2km free haul	m3km	1276	0.23	293,48
5	Concrete lined drain as per dwg 123	m	250	150.00	37.500,00
6	40 mm Asphalt wearing course	t	2500	44.82	112.050,00
7	Tack Coat at rate 0.4 l/m2	l	1250	0.21	262,50

At tender stage the BOQ is required to set out all of the work to be done, in sufficient detail, to give the Tenderers a clear idea of the character and cost thereof. Everything of consequence in respect of costs, shown on the drawings or described in the specifications, should be reflected in the BOQ.

During the construction stage the BOQ serves as the framework for the calculation of the amount due to the Contractor for work undertaken.

### **3.8 ANY OTHER DOCUMENTS**

As stated above, the Contract between the Contractor and Employer is created by the Employer's acceptance of the Contractor's offer and it is therefore not "possible" to alter the offer.

It is, however, conceivable that during the procurement and tender process new documentation is introduced which needs to be included in the Contract. All such documentation may be included in the Contract under this heading.

### **3.9 APPENDICES**

See the following pages for Chapter 3 Contract Documentation Appendices.



## Appendix 3-1- ERA Standard Form of Agreement

## FORM OF AGREEMENT

### AGREEMENT

THIS AGREEMENT made the \_\_\_\_\_ day of \_\_\_\_\_ [year], between the Ethiopian Roads Authority of the Federal Democratic Republic of Ethiopia (hereinafter called “the Employer”) of the one part and \_\_\_\_\_ of \_\_\_\_\_ (hereinafter called “the contractor”) of the other part.

WHEREAS the Employer is desirous that certain works should be executed by the contractor, viz., \_\_\_\_\_, and has accepted a Tender by the contractor for the execution and completion of such works and the remedying of any defects therein.

NOW THIS AGREEMENT WITNESSED as follows:

1. In this Agreement, words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract hereinafter referred to.
2. The following documents shall be deemed to form and be read and construed as part of this Agreement, viz.:
  - a) The Letter of Acceptance
  - b) The Bid, the Appendix to the Form of Bid, and the Bid Addenda including the Minutes of Negotiation.
  - c) The Conditions of Contract, Part II;
  - d) The Conditions of Contract, Part I;
  - e) Method of Measurement
  - f) The Special Specifications
  - g) The Standard Specifications
  - h) The Drawings;
  - i) The Priced Bill of Quantities
  - j) Other documents, as listed in the Appendix to Bid
3. In consideration of the payments to be made by the Employer to the Contractor as hereinafter mentioned, the Contractor hereby covenants with the Employer to execute and complete the Works and remedy any defects therein in conformity in all respects with the provisions of the Contract.
4. The Employer hereby covenants to pay the Contractor in consideration of the execution and completion of the Works and the remedying of defects therein the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.

IN WITNESS whereof the parties hereto have caused this agreement to be executed the day and year first before written.

The Common Seal of \_\_\_\_\_ was hereunto affixed in the presence of

\_\_\_\_\_ on \_\_\_\_\_

Signed, sealed, and delivered by the said \_\_\_\_\_

In the presence of \_\_\_\_\_

**Binding Signature of Employer** \_\_\_\_\_

Witnesses:

1) Name and Signature \_\_\_\_\_

In the Capacity of \_\_\_\_\_

2) Name and Signature \_\_\_\_\_

In the Capacity of \_\_\_\_\_

**Binding Signature of Contractor** \_\_\_\_\_

Witnesses:

1) Name and Signature \_\_\_\_\_

In the Capacity of \_\_\_\_\_

2) Name and Signature \_\_\_\_\_

In the Capacity of \_\_\_\_\_

## Appendix 3-2- Letter of Acceptance

[Ethiopian Roads Authority Letterhead]

## Letter of Acceptance

[Date]

To: [Name and Address of successful Tenderer]

Dear Sirs,

This is to notify you that your Tender presented, discussed and agreed dated \_\_\_\_\_ [enter date] for the execution of the \_\_\_\_\_ [name of the contract as given in the Tender data] for the Contract Price of Ethiopian Birr \_\_\_\_\_ [amount in numbers and words], as corrected and modified in accordance with the Instructions to Tenderers, is hereby accepted by us.

You are hereby required:

- (a) to submit the performance security \_\_\_\_\_ [specify as provided in the Tender documents];
- (b) sign the attached Agreement and return \_\_\_\_\_ [specify as provided in the Tender documents];
- (c)<sup>2</sup> to commence performance of the said Contract in accordance with the Contract Documents; and
- (d) to submit the bank guarantee for Advance Payment of \_\_\_\_\_ percent of the Contract Price (excluding Provisional Sums) [specify as provided in the Tender documents].

Authorized Signature \_\_\_\_\_

Name and Title of Signatory \_\_\_\_\_

Attachment: Agreement

**NOTE: THIS LETTER OF ACCEPTANCE SHOULD BE SIGNED BY A PERSON COMPETENT AND HAVING POWER OF ATTORNEY TO BIND THE EMPLOYER.**

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<sup>2</sup> The wording of this item could be construed as the Notice to Commence which it should not be. It is the responsibility of the Engineer to issue this. It is recommended that the ERA standard Letter of Award be revised and this item excluded.

## Appendix 3-3 - Form of Tender

## Form of Tender

Name of Contract (or lot if applicable):

To:

**General Manager**  
**Ethiopian Roads Authority**  
**Post Office Box 1770**  
**Addis Ababa, Ethiopia**  
**Tel. No. 251-11-551 7170**  
**Fax No. 251-11-551 4866**

Gentlemen:

1. In accordance with the Conditions of Contract, Specification, Drawings, and Bill of Quantities and Addenda Nos. \_\_\_\_\_ (to be specified later) for the execution of the above-named Works we, the undersigned, offer to construct and install such Works and remedy any defects therein in conformity with the Conditions of Contract, Specifications, Drawings, Bill of Quantities, and Addenda for the sum of Ethiopian Birr \_\_\_\_\_ [insert amount in numbers and words] [as specified in the Appendix to TENDER or such other sums as may be ascertained in accordance with the conditions].
2. We acknowledge that the Appendix to Tender forms part of our Tender.
3. We attach our Tender security in the sum of \_\_\_\_\_ Birr, taken out with \_\_\_\_\_ (name of the Bank).
4. We undertake, if our Tender is accepted, to commence the Works as soon as is reasonably possible after the receipt of the Engineer's notice to commence, and to complete the whole of the Works comprised in the Contract within the time stated in the Appendix to Bid.
5. We agree to abide by this Tender until \_\_\_\_\_ [insert date, 120 days after the Tender opening date], and it shall remain binding upon us and may be accepted at any time before that date.
6. Unless and until a formal Agreement is prepared and executed this Tender, together with your written acceptance thereof, shall constitute a binding Contract between us.
7. We understand that you are not bound to accept the lowest or any bid you may receive.
8. Commissions or gratuities, if any, paid or to be paid by us to Agents relating to this Tender, and to Contract execution if we are awarded the Contract, are listed below:

Name and address of agent	Amount and currency	Purpose of commission or gratuity
_____	_____	_____
_____	_____	_____
_____	_____	_____

(if none, state "none")

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

Signature \_\_\_\_\_ in the capacity of \_\_\_\_\_  
duly authorized to sign bids for and on behalf of \_\_\_\_\_

*[in block capitals or typed]*

Address: \_\_\_\_\_

Witness:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Occupation \_\_\_\_\_

Signature \_\_\_\_\_



## Appendix 3-4 - Appendix to the Form of Tender

## Appendix to Tender (see 3.3.2)

Tenderers should fill in all the appropriate blank spaces. Tenderers are required to sign each page of the Appendix to Tender

### Conditions of Contract Sub-Clause

Item No.	Sub-Clause No	Description
1.	1.1 (a), 69.6	The Funding Agency is: ( <i>To be specified</i> )
	1.1(a)(i)	The Employer is : <b>Ethiopian Roads Authority</b> <b>Post Office Box 1770,</b> <b>Addis Ababa, Ethiopia</b> <b>Tel. No. 251-1- 51-71-70/79</b> <b>Fax No. 251-1-51-48-66</b>
	1.1(a)(iv)	The Engineer is : ( <i>To be specified</i> )
2.	2.1(d)(ii)	To issue Variations of 0.05 % of the contract amount in ETB in any single occurrence and total of such occurrences shall not be more than 0.1 % of the contract amount in ETB during any period for which an interim payment certificate is issued.
3.	5.1(a)	The language of the Contract is English.
	5.1(b)	The law in force is that of the Federal Democratic Republic of Ethiopia.
4.	5.2 (11)	The other documents forming part of the Contract are: ..... .....
5.	10.1	The performance security will be in the form of an unconditional bank guarantee in the amount of 10 per cent of the Contract Price.
6.	11.2	Made available by the Employer under Sub-Clause 11.1 Is open for inspection at : <b>Ethiopian Roads Authority</b> <b>Contracts Administration Division</b> <b>Construction Contract Implementation Division</b> <b>Ras Abebe Aregay street</b> <b>5<sup>th</sup> Floor</b> <b>Addis Ababa, Ethiopia</b> <b>Tel. No. 251-1- 51-71-70/79</b> <b>Fax No. 251-1-514866</b>
7.	14.1	Mobilization Program to be submitted within 28 days to be submitted of the issue of the Notice to Commence. Detailed Work Programme to be submitted Within 84 days from the issue of the Notice to Commence, <i>Program to be submitted within 28 days of the issue of the Letter of Award and within fourteen (14) days, each time the Construction Programme is revised</i>
8.	14.2	0.05% of the Contract Price per month
9.	14.3	Within 84 days of the date of the Notice to Commence <i>Within 28 days of the issue of the Letter of Award the Works, and within fourteen (14) days each time the Construction Programme is revised.</i>
10.	16.4	Federal Democratic Republic of Ethiopia.

11.	Minimum Amount of Third Party Insurance	23.2	5,000,000 ETB per occurrence, with the number of occurrences unlimited.
12.	Amount withheld for failure to implement a Traffic Management System	29.1	ETB 20,000 per occurrence.
13.	Time for Issue of the Notice to Commence	41.1	56 days from the date of issue of the Letter of acceptance. If otherwise the 56 <sup>th</sup> date shall be taken as the date of issuing the Notice to commence. <i>Delete the shaded text.</i>
14.	Time for Completion	43.1	_____ days from the date of receipt of the Engineer's Notice to Commence.
15.	Amount of Liquidated Damages	47.1	ETB _____ [insert between 10 and 15% of the Engineer's estimate divided by the construction period expressed in days, rounded to the nearest 10,000] <i>insert a genuine pre-estimate of the Damages</i>
16.	Limit of Liquidated Damages	47.1	Ten percent (10%) of the Contract Price.
17.	Taking Over of Sections	48.2(a)	[if applicable, listed under Sub-Clause 43.1]
18.	Minimum length of any Section to be taken over.	48.2(b)	30 kilometres continuous length.
19.	Defects Liability Period	49.1	365 days from the issue of the Taking Over Certificate.
20.	Payments to Nominated Subcontractors	59.4(c)	Rate for attendance: _____ percent Percentage to be the rate inserted by the Contractor in the Bill of quantities for Provisional Sum. Maximum: Fifteen percent (15%).
21.	Minimum Amount of Interim Payment Certificates	60.2	ETB _____ [insert an amount to calculate as 30-40% of the Engineer's Estimate divided by the Time for Completion expressed in months and rounded to the nearest ETB 100,000]
22.	Percentage of Retention.	60.5	10 percent of Interim Payment Certificates up to a maximum of 5 percent of Contract Price less Provisional Sums. Retention Money may be replaced by an unconditional Bank Guarantee of an equal amount.
23.	Maximum amount of Retention Money.	60.5	Five percent (5%) of the Contract Price plus the value of variations ascertained in accordance with Clause 52 all subject to price adjustment in accordance with Clause 70.
24.	Start Repayment of the Advance Payment	60.7	After Certification of thirty (30) percent of Contract Price.
25.	Start Repayment of the Advance Payment	60.7	After Certification of thirty (30) percent of Contract Price.
26.	Monthly Recovery of Advance Repayment	60.7	Funding Agency Requirement: [40 percent of the amount of monthly Interim Payment Certificates or to be specified.]
27.	Time of Payment and Interest	60.8	See Table below
28.	Number of Copies of Statement of Completion and Final Statement	60.1 60.10 60.11	Funding Agency Requirement: [Six (6) numbers or to be specified]
29.	Procedure for Settlement of Disputes	67	The procedure for Settlement of Disputes is _____. [To be specified ,version 1 or version 2 as defined in Section 12 of the Tendering Document]
		67.1	The Appointing Authority _____ [To be specified, for Version 1 or Version 2 as required in Section 12 of the Tendering Document].

30.	Notice to Employer and Engineer	68.2	The Employer's address is: Ethiopian Roads Authority Post office Box 1770, Addis Ababa, Ethiopia Tel. No. 251-1- 51-71-70/79 Fax No. 251-1-514866 The Engineer's address is: (to be notified )
31.	Payments and Currency Proportions	60.1 72.2	See Table below
33.	Rate of Interest upon Unpaid Sums	60.8	Rate of interest for local currency: 7.5% or as fixed by the NBE for the Ethiopian Birr (ETB). For other currencies, refer to the table 2 below.
34.	Monthly Statements Currency Proportion	60.1(d) 72.2	See table below

**THE FOLLOWING ITEMS ARE TO BE FILLED IN BY THE TENDERER AS PART OF ITS TENDER.**

**Table 1: Summary of currencies of the Bid for Contract or Lot # .....**

<i>Name of currency</i>	<i>A Amount of currency</i>	<i>B Rate of exchange (local currency per unit of foreign)</i>	<i>C Local currency equivalent <math>C = A \times B</math></i>	<i>D Percentage of Bid Price <math>\frac{100 \times C}{(Bid Price)}</math></i>
Local currency		1.00		
Foreign currency #1				
Foreign currency #2				
Foreign currency #3				
Provisional sums expressed in local currency		—		
Total			<u>Bid Price</u>	100.00

**Table 2:**

<i>Currency (as per Sub-Clause 60.1)</i>	<i>London Over-night Inter-Bank On-Lending Rate (LIBOR) Plus 2 percent</i>
Foreign Currency # 1	_____
Foreign Currency # 2	_____
Etc.	etc.
The above rates of interest for foreign currencies shall be supplied by the Bidder with the appropriate publication, and these rates are subject to clarification/negotiation before formalizing the Contract.	
Approximate Weightings for Price Adjustment Formulae	70.3
	See tables below

**Table 3: Weightings for use with Local Currency (ETB)**

Description of Input	Index Code	Factor	Weightings	
			Permitted Range of Values	Bidder's Proposed Value
Fixed	-	a	0.1	0.1
Local Labour	LL	b	0.2 - 0.4	
Foreign Labour	FL	c	0	0
Equipment	E	d	0	0
Aggregate	A	e	0.2 - 0.4	
Bitumen	B	f	0	0
Fuel	F	g	0.2 - 0.5	
Reinforcing Steel	S	s	0,05-0,10	
Cement	C	h	0.05 - 0.1	
Total (must equal 1.0)				1.0

*Note 1: Sources of cost price adjustment indices shall be recognized national or international organizations and shall be acceptable to the Employer.*

*Note 2: The Base Values of Indices shall be those prevailing at the date 28 days prior to the latest date for submission of Bids and shall be substantiated by Bidders by appending copies of the relevant publication.*

*Note 3: The Employer shall give details of the sources and Base Values of local indices 14 days prior to the latest date for submission of Bids.*

*Note 4: The Bidders Proposed Values are subject to the approval of the Engineer.*

**Table 4 Weightings for use with Foreign Currency 1:**

Specify Currency\_\_\_\_\_

Description of Input	Index Code	Factor	Weightings	
			Permitted Range of Values	Bidder's Proposed Value
Fixed	-	a	0.1	0.1
Local Labour	LL	b	0	0
Foreign Labour	FL	c	0.1 - 0.2	
Equipment	E	d	0.25 - 0.65	
Aggregate	A	e	0	0
Bitumen	B	f	0.1 - 0.2	
Fuel	F	g	0	
Reinforcing steel	S	s	0,05-0,10	
Cement	C	h	0	
Total (must equal 1.0)				1.0

*Note 1: Sources of cost price adjustment indices shall be recognized national or international organizations and shall be acceptable to the Employer.*

*Note 2: The Base Values of Indices shall be those prevailing at the date 28 days prior to the latest date for submission of Bids and shall be substantiated by Bidders by appending copies of the relevant publication.*

*Note 3: The Employer shall give details of the sources and Base Values of local indices 14 days prior to the latest date for submission of Bids.*

*Note 4: The Bidders Proposed Values are subject to the approval of the Engineer.*

**Table 5 Weightings for use with Foreign Currency 2:**

Specify Currency \_\_\_\_\_

Description of Input	Index Code	Factor	Weightings	
			Permitted Range of Values	Bidder's Proposed Value
Fixed	-	a	0.1	0.1
Local Labour	LL	b	0	
Foreign Labour	FL	c	0.1 - 0.2	
Equipment	E	d	0.25 - 0.65	
Aggregate	A	e	0	
Bitumen	B	f	0.1 - 0.2	
Fuel	F	g	0	
Reinforcing Steel	S	s	0,05-0,10	
Cement	C	h	0	
Total (must equal 1.0)				1.0

*Note 1: Sources of cost price adjustment indices shall be recognized national or international organizations and shall be acceptable to the Employer.*

*Note 2: The Base Values of Indices shall be those prevailing at the date 28 days prior to the latest date for submission of Bids and shall be substantiated by Bidders by appending copies of the relevant publication.*

*Note 3: The Employer shall give details of the sources and Base Values of local indices 14 days prior to the latest date for submission of Bids.*

*Note 4: The Bidders Proposed Values are subject to the approval of the Engineer*

**Table 6 Weightings for use with Foreign Currency 3:**

Specify Currency \_\_\_\_\_

Description of Input	Index Code	Factor	Weightings	
			Permitted Range of Values	Bidder's Proposed Value
Fixed	-	a	0.1	0.1
Local Labour	LL	b	0	0
Foreign Labour	FL	c	0.1 - 0.2	
Equipment	E	d	0.25 - 0.65	
Aggregate	A	e	0	0
Bitumen	B	f	0.1 - 0.2	
Fuel	F	g	0	0
Reinforcing Steel	S	s	0,05-0,10	
Cement	C	h	0	0
Total (must equal 1.0)				1.0

*Note 1: Sources of cost price adjustment indices shall be recognized national or international organizations and shall be acceptable to the Employer.*

*Note 2: The Base Values of Indices shall be those prevailing at the date 28 days prior to the latest date for submission of Bids and shall be substantiated by Bidders by appending copies of the relevant publication.*

*Note 3: The Employer shall give details of the sources and Base Values of local indices 14 days prior to the latest date for submission of Bids.*

*Note 4: The Bidders Proposed Values are subject to the approval of the Engineer.*

**Schedule of Named Specialist Subcontractors<sup>a</sup>**

<i>Item</i>	<i>Element of work</i>	<i>Approximate value</i>	<i>Name and address of subcontractor</i>	<i>Statement of similar works executed</i>

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a. The bidder shall enter in this schedule a list of the specialized works and approximate value of the work for which he proposes to use specialist subcontractors, together with the names and addresses of the proposed subcontractors.

## Appendix 3-5 - FIDIC IV



## Appendix 3-6 - ERA Standard Specification

**FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA**



**ETHIOPIAN ROADS AUTHORITY**

**STANDARD  
TECHNICAL  
SPECIFICATIONS**

**2002**

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