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NEW QUESTION: 1
(You are the Contract Manager of the Employer ' s Representative in a Thermal Power Plant Project under FIDIC Silver Book (edition 2017). The Contractor submits two claims:
(1) USD 200,000 for additional costs due to an error in national piling standard NTS-PW-01 referenced in the Employer's Requirements.
(2) USD 300,000 for constructing an additional flood wall due to incorrect hydrological data in Site Data (water level miscalculated).
What is your determination for the Contractor?)
A. The Contractor is not entitled to either of the Claims.
B. The Contractor is entitled to the Claim for additional costs in relation to the piling, based on errors in the Employer ' s Requirements only.
C. The Contractor is entitled to the Claim for the additional floodwall based on Unforeseeable difficulties only.
D. The Contractor is entitled to both claims.
Answer: B (LEAVE A REPLY)
Under FIDIC Silver Book 2017 (EPC/Turnkey), the Contractor bears extensive risk responsibility, particularly for design, site conditions, and data interpretation. However, there are important exceptions- especially concerning errors in the Employer's Requirements.
For the first claim (piling works):
The Employer's Requirements explicitly mandated compliance with a specific national standard (NTS-PW-
01), which contained a proven technical error. Under Sub-Clause 1.9 [Errors in the Employer's Requirements]

, the Contractor is entitled to claim additional cost and/or time if it suffers due to such errors. Since the Contractor relied on a prescribed standard, the risk remains with the Employer. Therefore, this claim is valid.
For the second claim (flood wall):
Although the Site Data contained incorrect hydrological information, under the Silver Book (Sub-Clause 4.10
[Site Data]), the Contractor is deemed to have taken full responsibility for interpreting Site Data. The Contractor assumes the risk of inaccuracies unless expressly stated otherwise. Additionally, "Unforeseeable physical conditions" relief is significantly restricted in the Silver Book compared to Red/Yellow Books.
Therefore, the Contractor is not entitled to additional payment for this item.
Thus, only the piling-related claim is admissible, making Option B correct.

NEW QUESTION: 2

Before applying the procurement process of any FIDIC Book, the Employer should always check if there are local procurement rules that also apply. Which one of these responses is correct?

A. No, because the FIDIC procurement process is universal.

B. No, because Employers never have specific procurement rules.

C. Yes, based on the law system, internal governance or type of Employer additional procurement rules can apply.

D. Yes, but this is only applicable for public entities like governments. If the Employer is a private organisation (like a company), they are free to procure how they want.

Answer: (SHOW ANSWER)

Local procurement laws, regulations, and internal governance rules often apply in addition to or alongside FIDIC contract provisions. Employers, whether public or private, must comply with applicable national or sector-specific rules, which may affect procurement procedures, documentation, and contract award processes.
Option C is correct because procurement requirements depend on local legal systems, the nature of the Employer, and applicable governance.
Option A is incorrect as FIDIC contracts provide contractual frameworks but do not override local legal obligations.
Option B is incorrect because many Employers have procurement policies.
Option D is incorrect since private entities may also be subject to procurement laws or internal policies.
References:
FIDIC Contract Manager Study Guide, Module on Contract Formation and Procurement Strategies World Bank Procurement Guidelines and National Procurement Laws

NEW QUESTION: 3

You are the new Contract Manager of the Contractor in a bridge project using FIDIC Yellow Book (edition
2017). The project had been suspended due to a material change in the Employer ' s financial arrangement.
You have worked with your team to identify several failures of the Employer in carrying its obligations under the Contract. Which one of the following does NOT allow the Contractor to issue Notice to terminate the Contract?
A. A prolonged suspension for more than 1 year has affected the whole of the Works.
B. The Contractor does not receive the amount due under the latest Payment Certificate for more than 4 months after the due date.
C. The Contractor has requested the Employer but has not received any evidence that the financial arrangement is being maintained, despite having sent a notice thereto 4 months earlier.
D. The Employer failed to comply with a final and binding determination issued by the Engineer, and such failure constitutes a material breach of the Employer ' s obligations under the Contract.
Answer: C (LEAVE A REPLY)
Option C does NOT, on its own, provide grounds for termination. The Contractor's request for evidence of financial arrangement, without further contractual breach, is insufficient to terminate.
Options A, B, and D are valid grounds for termination under FIDIC Yellow Book 2017 due to prolonged suspension, non-payment beyond allowed period, or failure to comply with binding determinations.
References:
FIDIC Yellow Book 2017 Edition, Sub-Clauses 15.1 (Suspension) and 15.2 (Termination by Contractor) FIDIC Contract Manager Study Guide, Module on Suspension and Termination

NEW QUESTION: 4
Which two of the following statements are correct, regarding the Programme under FIDIC Red, Yellow and Silver Books (edition 2017)?
Choose all of the correct answers (multiple possibilities).
A. The Contractor is required to proceed in accordance with the Programme and the Employer ' s Personnel shall be entitled to rely upon the Programme in planning their activities.
B. Nothing in any Programme will relieve the Contractor from any obligations to give contractual notice under the Conditions of Contract.
C. The Programme is a contract document, and thus, considered binding on the Parties.
D. The Engineer/Employer is not required to review the Programme, and also not required to inform the Contractor if the Programme does not comply with the Contract.
Answer: A,B (LEAVE A REPLY)

Option A is correct: The Contractor must proceed according to the approved Programme, and the Employer's personnel rely on the Programme for coordinating their activities.
Option B is correct: Submission and approval of the Programme do not relieve the Contractor of the obligation to give timely notices for delays or other events as required under the contract (e.g., notices under Sub-Clause 8.4).
Option C is incorrect because the Programme is not strictly a contract document binding parties in the legal sense; it is a working tool to manage and monitor progress.
Option D is incorrect; the Engineer/Employer must review the Programme and notify the Contractor if it does not comply, per contract clauses.
References:
FIDIC Red, Yellow, and Silver Books 2017, Sub-Clause 8.3 and 8.4 - Programme and Notices FIDIC Contract Manager Study Guide, Module on Time and Delay Management

NEW QUESTION: 5
Which one answer holds two statements that are both correct with regards to risks and key considerations regarding the Golden Principles?
A. " The Employer obtains the best value for money " AND " Disputes should be avoided to the extent achievable. "
B. " Only the Employer should be the one to obtain the best value for money " AND " The Contractor
/Subcontractor is paid adequately and timely in accordance with the Contract to maintain its cash flow. "
C. " The Contractor/Subcontractor is paid adequately and in a timely manner in accordance with the Contract to maintain its cash flow " AND " The terms of the Contract are comprehensive and fair to primarily the Employer " .
D. " The Contractor should take advantage of its bargaining power every time possible " AND " Disputes are avoided to the extent achievable, minimised when they do arise, and resolved efficiently. "
Answer: A (LEAVE A REPLY)
Option A correctly reflects Golden Principles emphasizing the Employer's objective of obtaining value for money and the importance of avoiding disputes as much as possible. Other options either misrepresent the balanced nature of FIDIC principles or promote unfair or unbalanced positions.
References:
FIDIC Contract Management Guidelines - Golden Principles
FIDIC Contract Manager Study Guide, Module on Legal and Ethical Considerations

NEW QUESTION: 6
Under the FIDIC Red and Yellow Books (edition 1999), which two of the following statements are correct regarding the issuance of Interim Payment by the Engineer? (Choose all correct answers - multiple possibilities)

A. The Employer is bound by the Certificate issued by the Engineer, and must make payment in full, except for any compensation arising from any claim which the Employer may have against the Contractor.
B. The Employer is not bound by the Certificate issued by the Engineer.
C. The Employer is bound by the Certificate issued by the Engineer and must make payment in full, irrespective of any entitlement to compensation arising from any claim which the Employer may have against the Contractor.
D. If the Employer considers itself entitled to claim against the Contractor, notice and particulars must first be submitted under Sub-Clause 2.5. The Employer ' s entitlement is then to be agreed or determined by the Engineer, and then, incorporated as a deduction in a Payment Certificate.
Answer: A,D (LEAVE A REPLY)
Under the FIDIC Red Book and Yellow Book, 1999 editions, the Engineer issues Interim Payment Certificates certifying the amounts due to the Contractor for completed works and materials on site (Sub- Clause 14.6). The Employer is generally bound by the Payment Certificate and must pay accordingly, except where there is a lawful set-off or compensation claim against the Contractor.
Option A is correct because the Employer must pay the amount certified except for compensation claims that may be offset against the payment (Sub-Clause 14.6).
Option D is also correct: If the Employer intends to claim against the Contractor (e.g., for damages or defects), it must notify the Contractor under Sub-Clause 2.5 and provide particulars. The Engineer then assesses and decides on the claim and incorporates any agreed deductions into the Payment Certificate.
Option B is incorrect because the Employer is indeed bound by the Payment Certificate unless lawful deductions or disputes arise.
Option C is incorrect as the Employer can withhold amounts due for compensation claims once these are properly notified and substantiated.
References:
FIDIC Red and Yellow Books, 1999 Edition, Sub-Clause 14.6 - Interim Payments FIDIC Red and Yellow Books, 1999 Edition, Sub-Clause 2.5 - Employer's Claims FIDIC Contract Manager Study Guide, Module on Payment Procedures and Financial Management

NEW QUESTION: 7
Which two statements reflect an INCORRECT application of a Golden Principle?
A. Any deletions of General Conditions (GC) must be replaced with Particular Conditions (PC) that cover the same scope, and do not leave any roles, duties, obligations, rights, and risk allocation undefined.
B. When applying the FIDIC Red Book or Yellow Book, the Commencement Date shall be within 60 days after the Contractor receives the Letter of Acceptance, in lieu of 42 days.
C. The Contractor ' s right to suspend work (or reduce the rate of work) effective after giving not less than

3 months (in lieu of 21 days) notice to the Employer.
D. Deleting all the clauses in the General Conditions that refer to the DAAB/DAB.
Answer: B,D (LEAVE A REPLY)
FIDIC's Golden Principles emphasize clarity, fairness, and completeness in contract drafting and administration. Incorrect applications often create risks, ambiguities, and disputes.
* Option A is correct and reflects a good application of Golden Principles. When deleting clauses from the General Conditions, these must be replaced adequately in the Particular Conditions so that no essential contractual scope or responsibilities are lost or left undefined.
* Option B is incorrect and reflects an improper deviation from the standard. The standard Commencement Date notification period is 42 days after the Contractor receives the Letter of Acceptance (per Sub-Clause 8.1). Extending it to 60 days without valid reason or clear agreement introduces uncertainty and potential delay.
* Option C can be a legitimate contractual modification, provided it is agreed by the parties. Extending the Contractor's notice period for suspension from 21 days to 3 months is a significant change but not inherently contrary to Golden Principles if done transparently and fairly.
* Option D is incorrect and reflects a poor application of Golden Principles. Deleting all clauses referring to the DAAB/DAB (Dispute Adjudication Board) removes a critical dispute avoidance and resolution mechanism, undermining contract fairness and efficiency.
Therefore, Options B and D represent incorrect applications of the Golden Principles.
References:
FIDIC Contract Manager Study Guide, Module on Legal and Ethical Considerations and Golden Principles FIDIC Red Book 2017 Edition, Sub-Clause 8.1 - Commencement of Works FIDIC Red Book 2017 Edition, Clause 21 - Disputes and DAAB

NEW QUESTION: 8
(You are the Contract Manager in a contract using the FIDIC Red Book with a Dispute Avoidance and Adjudication Board. The DAAB is already appointed (standing DAAB). You are coaching your team on the steps to be followed to request for informal assistance from the DAAB during a Site visit. Which one of the following does NOT belong to those steps?)
A. The Employer and the Contractor have identified an issue and disagreement, and have agreed between themselves that they want the DAAB to provide assistance and/or informally discuss and attempt to resolve that issue/disagreement.
B. The Engineer has made a non-objection letter, in which it is stated that the issue/disagreement does not concern the matter that is being dealt with by the Engineer.
C. The Employer and the Contractor have made a " joint request " in writing before the DAAB gives the requested assistance.
D. Both Parties should be present at the meeting in which the DAAB provides assistance.
Answer: (SHOW ANSWER)

Under FIDIC Red Book 2017, Clause 21 (Dispute Avoidance/Adjudication Board), particularly Sub-Clause
21.3, provides for the DAAB's role in dispute avoidance, including informal assistance during site visits. This is a proactive mechanism designed to resolve issues before they escalate into formal disputes.
Key procedural requirements include: (1) both Parties must agree that they want DAAB involvement (Option A), (2) a joint written request must be submitted to the DAAB before assistance is provided (Option C), and (3) both Parties must be present during any informal discussions to ensure transparency and fairness (Option D). These steps ensure neutrality, equal participation, and procedural integrity.
Option B is incorrect and therefore the correct answer to the question. The Engineer has no formal role in authorizing or issuing a "non-objection letter" for DAAB informal assistance. The DAAB operates independently of the Engineer, and its involvement is strictly based on joint agreement between the Employer and Contractor. Introducing Engineer approval would contradict the independence and dispute avoidance function of the DAAB.
Thus, Option B does not belong to the required steps and is not supported by FIDIC provisions.

NEW QUESTION: 9
Which one of the following statements regarding drafting contracts based on FIDIC Books is correct?
A. Amending clauses, supposedly in the interest of the Employer, immediately nullifies all the advantages of standardization, and almost invariably introduces conflicting or ambiguous requirements on the parties, and often causes mistrust between them.
B. The FIDIC Books provide people who draft contracts with great examples on how to draft a good contract model. Furthermore, arrangements from Red, Yellow and Silver Books can be easily mixed to get a good fit for a specific project.
C. The Form of Contract is chosen by the Contractor and imposed by him on the Employer, who tenders on that basis.
D. People who draft contracts should, when preparing a new contract, always start with the question:where do I want to lay the most risks between Employer and Contractor, and does the Employer has the budget to reward Contractors with a high risk apatite?
Answer: D (LEAVE A REPLY)
Option D is correct because contract drafting should strategically allocate risks between parties based on who can best manage them and the Employer's budget for risk and reward. Understanding risk appetite is key to tailoring FIDIC contracts appropriately.
Option A is exaggerated; while amendments can introduce issues, careful drafting can preserve benefits of standardization.
Option B is partly true but mixing arrangements is complex and not always straightforward.
Option C is incorrect; the Employer usually chooses the contract form.

References:
FIDIC Contract Management Guidelines - Golden Principles
FIDIC Contract Manager Study Guide, Module on Contract Drafting and Risk Allocation

NEW QUESTION: 10
A Contractor under the FIDIC Silver Book (edition 1999) has not been able to finish the Works within the Time for Completion as mentioned in the Contract and has overrun the Time for Completion by 3 months.
This results in a significant claim of $4,500,000 from the Employer. The Employer has submitted this claim to the Contractor according to the procedures as mentioned in the Contract. The Contractor asks you for advice and refers to Clause 8. Which one of the following statements is NOT true?
A. If there are Variations agreed between the Contractor and the Employer, the Contractor should check if an adjustment for Time for Completion was part of any of these Variations.
B. The root cause of the delay has to be determined by the Contractor, thereby especially verifying if the cause of the delay lies in a delay caused by the Authorities.
C. In addition to the delay damages as mentioned in Sub-Clause 2.5, the Employer has the right to claim any extra costs it has to make due to the delay, as delay damages are not seen as compensation for costs incurred by the Employer, but only as an incentive for the Contractor to perform on time.
D. If the delay is entirely caused by the Employer having instructed the Contractor to suspend progress during the Works, while the cause of the suspension is not the responsibility of the Contractor, the claim for delay damages was wrongfully issued.
Answer: C (LEAVE A REPLY)
Option C is not true because under the FIDIC Silver Book (1999 edition), the delay damages (liquidated damages) specified in the contract are intended as full compensation for the Employer's loss resulting from late completion. The contract usually excludes other claims for actual losses or extra costs beyond the delay damages.
Option A is true; Variations can include extensions of time.
Option B is true; identifying delay causes is essential for claims and defences.
Option D is true; if the Employer causes suspension not attributable to the Contractor, delay damages claims by the Employer are generally unjustified.
Thus, the Employer cannot claim extra costs over and above delay damages as per typical Silver Book provisions.
References:
FIDIC Silver Book 1999 Edition, Sub-Clause 8 - Time for Completion and Delay Damages
FIDIC Silver Book 1999 Edition, Sub-Clause 2.5 - Employer's Claims FIDIC Contract Manager Study Guide, Module on Claims and Delay Damages

NEW QUESTION: 11

Which one of the following is NOT considered a change made in the 2017 edition of the FIDIC Red, Yellow, and Silver Books?
A. The concentration on dispute avoidance, including an enhanced role for the Dispute Avoidance and Adjudication Board (DAAB) in this respect, and promoting cooperation between the parties during the project.
B. New procedures requiring the Contractor to prepare and implement a Quality Management System to show compliance with the Contract requirements.
C. A fair and balanced approach where risk is allocated to the Party that is best able to bear and control that risk.
D. New procedures requiring the Contractor to prepare and implement a Compliance Verification System to show that the design, materials, workmanship and certain other matters all comply.
Answer: D (LEAVE A REPLY)
Comprehensive and Detailed Explanation:
Option D is not a new procedure introduced in the 2017 FIDIC editions.
The 2017 editions focus on dispute avoidance (A), quality management systems (B), and fair risk allocation (C), but do not explicitly require a Compliance Verification System as described.
References:
FIDIC Red, Yellow, Silver Books 2017 Editions - Overview of Changes
FIDIC Contract Manager Study Guide, Module on Contract Updates

NEW QUESTION: 12
In case a Variation is initiated by the Engineer for prompt implementation ...... [FIDIC Red, and Yellow Books, 2017 Editions] Choose all of the correct answers (multiple possibilities).
A. ... the Contractor may send a Notice to the Engineer, that the subject of the Variation was Unforeseeable (having regard to the scope and nature of the Works), hence, the Contractor is not to start implementing the varied work promptly.
B. ... the Contractor is required to commence implementing the varied works and take records of all the details (... regarding the details of the varied works executed, expenditures incurred, and impact on progress etc.)
C. ... the Contractor is required to commence implementing the varied works even if it would pose immediate hazard to the safety of public areas surrounding the Site
D. ... the Contractor within 28 days after receiving such instruction shall submit to the Engineer a description of the varied work, a programme for its execution and a proposal for adjustment of the Contract Price.
E. ... the Contractor is not bound to start implementing the varied works right up until the price for the varied works is fully agreed (or determined)
Answer: B,D (LEAVE A REPLY)
Comprehensive and Detailed Explanation:

Option B is correct: When instructed to implement a Variation promptly, the Contractor must commence work and keep detailed records for subsequent valuation and impact assessment.
Option D is correct: The Contractor is required to submit, within 28 days, a description, programme, and price proposal relating to the Variation as part of contract procedures.
Option A is incorrect: The Contractor generally must proceed promptly regardless of dispute about foreseeability but may reserve rights via notices.
Option C is incorrect: Safety cannot be compromised; the Contractor should not undertake hazardous work without mitigation.
Option E is incorrect: The Contractor is generally bound to start work upon instruction even if the price is not yet agreed.
References:
FIDIC Red and Yellow Books 2017 Editions, Sub-Clause 3.5 - Variation Procedure FIDIC Contract Manager Study Guide, Module on Variations and Change Management

NEW QUESTION: 13
Which of the following FIDIC contract forms require certification in the payment process? (2 correct answers apply) Choose all of the correct answers (multiple possibilities).
A. FIDIC Conditions of Contract for Construction ("Red Book").
B. FIDIC Conditions of Contract for Plant and Design Build ("Yellow Book").
C. FIDIC Conditions of Contract for EPC/Turnkey Projects ("Silver Book").
Answer: (SHOW ANSWER)
Comprehensive and Detailed Explanation:
Options A and B are correct: Both the Red and Yellow Books require the Engineer to certify payments before the Employer pays the Contractor.
Option C (Silver Book) typically places the risk on the Contractor and often provides for payment without Engineer certification, reflecting the turnkey nature of the contract.
References:
FIDIC Red and Yellow Books 1999 & 2017 Editions, Clauses on Payment Certification FIDIC Silver Book 1999 & 2017 Editions - Payment Provisions FIDIC Contract Manager Study Guide, Module on Payment Procedures

NEW QUESTION: 14
For the FIDIC Red Book (both editions), the Contractor is required to submit a progress report monthly.
When does the Contractor's reporting requirement end?
A. After issuance of the Taking-Over Certificate.
B. After issuance of the Performance Certificate.
C. At the Date of Completion of the Works (irrespective of whether there is minor outstanding work to be performed).
D. Until all outstanding works as stated in the Taking-Over Certificate are completed.

Answer: (SHOW ANSWER)
The Contractor's obligation to submit progress reports continues until all outstanding work identified in the Taking-Over Certificate has been completed. The Taking-Over Certificate signals substantial completion but may allow for outstanding minor works. Reporting is essential to monitor progress on these outstanding works.
The Performance Certificate relates to final contract completion but reporting usually ends earlier only after all works are completed.
Therefore, Option D is correct.
References:
FIDIC Red Book 1999 & 2017 Editions, Sub-Clause 4.21 - Progress Reports FIDIC Contract Manager Study Guide, Module on Communication and Reporting

NEW QUESTION: 15
Which one answer holds two statements that are both correct with regards to risks and key considerations regarding the Golden Principles?
A. "The Employer obtains the best value for money" AND "Disputes should be avoided to the extent achievable."
B. "Only the Employer should be the one to obtain the best value for money" AND "The Contractor
/Subcontractor is paid adequately and timely in accordance with the Contract to maintain its cash flow."
C. "The Contractor/Subcontractor is paid adequately and in a timely manner in accordance with the Contract to maintain its cash flow" AND "The terms of the Contract are comprehensive and fair to primarily the Employer".
D. "The Contractor should take advantage of its bargaining power every time possible" AND "Disputes are avoided to the extent achievable, minimised when they do arise, and resolved efficiently."
Answer: (SHOW ANSWER)
Comprehensive and Detailed Explanation:
Option A correctly reflects Golden Principles emphasizing the Employer's objective of obtaining value for money and the importance of avoiding disputes as much as possible.
Other options either misrepresent the balanced nature of FIDIC principles or promote unfair or unbalanced positions.
References:
FIDIC Contract Management Guidelines - Golden Principles
FIDIC Contract Manager Study Guide, Module on Legal and Ethical Considerations

NEW QUESTION: 16
(The Employer is a leading company in the hospital and medical care sector who wishes to build a new hospital. The Employer is considering approaching a financial institute to

secure most of the funds; therefore, he requires clarity and stability in terms of the Project ' s budget and time for completion. Which book do you recommend?)

A. Red Book

B. Yellow Book

C. Silver Book

D. All the above

Answer: C (LEAVE A REPLY)

The key requirement in this scenario is certainty of cost and time, particularly because the Employer intends to secure financing from a financial institution. Lenders typically require a high degree of predictability regarding project completion date and final contract price.

The FIDIC Silver Book 2017 (EPC/Turnkey Contract) is specifically designed for such situations. Under this form, the Contractor assumes full responsibility for both design and construction, as well as a significant portion of project risks, including many that would otherwise remain with the Employer under other FIDIC forms. This results in a lump-sum, fixed-price contract with greater certainty in final cost and schedule.

In contrast, the Red Book allocates design responsibility to the Employer and allows for more variability due to remeasurement and variations, making cost less predictable. The Yellow Book, although design-build, still allows more balanced risk sharing and potential adjustments, which can reduce price certainty compared to the Silver Book.

From a contract management perspective, the Silver Book is commonly used for privately financed infrastructure or projects requiring strong lender confidence, as it minimizes Employer risk and enhances bankability.

Therefore, for a hospital project requiring financial backing and maximum certainty in cost and time, the Silver Book is the most appropriate choice.

NEW QUESTION: 17

In the FIDIC Silver Book (edition 1999), if the Employer has instructed the Contractor as per Sub-Clause 8.6 to provide a revised programme to stay within Time of Completion, the Employer can claim additional costs.

This only applies if the revised programme is still too slow to complete the Works within the Time for Completion. Is this statement true or false?

A. True

B. False

Answer: A (LEAVE A REPLY)

This statement is true. Under FIDIC Silver Book 1999, Sub-Clause 8.6, the Employer can instruct the Contractor to submit a revised programme to meet the contractual Time for Completion. If, after such instruction, the revised programme still shows the Works will not complete on time, the Employer may claim additional costs (such as delay damages or compensation) due to continued delay.

Thus, the Employer's right to claim additional costs is contingent on the revised programme not enabling timely completion.

References:

FIDIC Silver Book 1999 Edition, Sub-Clause 8.6 - Revised Programme

FIDIC Contract Manager Study Guide, Module on Claims and Delay Damages

NEW QUESTION: 18

Under the FIDIC Red Book (edition 2017), if the Contractor fails to comply with Site clearance obligation, what two options does the Employer have?

Choose all of the correct answers (multiple possibilities)

A. The Employer may sell or otherwise dispose any remaining items and reinstate the Site at the Contractor ' s Cost.

B. The Engineer cannot sell or otherwise dispose any remaining items and reinstate the Site at the Contractor ' s Cost.

C. The Employer is entitled to the cost of reinstating, clearing the Site and disposal cost to the extent they exceed the money received from selling the remaining Contractor ' s items on the Site.

D. The Employer cannot reinstate and clear the Site and dispose the remaining Contractor ' s items on the Site if the Contractor fails, as this is the Contractor ' s obligation.

Answer: (SHOW ANSWER)

* Option A is correct: The Employer may sell or dispose of any items left by the Contractor and reinstate the Site, recovering costs from the Contractor.

* Option C is correct: The Employer is entitled to recover costs for clearing, reinstatement, and disposal exceeding proceeds from sale.

* Option B is incorrect; the Engineer does not hold this authority, but the Employer does under the contract.

* Option D is incorrect; if the Contractor fails to clear the Site, the Employer may take action to protect the Site.

References:

FIDIC Red Book 2017 Edition, Sub-Clause 8.7 - Contractor ' s Use of Site FIDIC Contract Manager Study Guide, Module on Contract Administration Procedures

NEW QUESTION: 19

When does discharge become effective under the FIDIC Red Book (edition 1999)? (1 correct answer applies)
A. When the Contractor receives full payment certified through the Final Payment Certificate.
B. When the Contractor receives its Performance Security from the Employer.
C. When the Contractor receives full payment certified through the Final Payment Certificate and return of the Performance Security.
D. When the Employer counter signs a discharge notice as issued by the Contractor, following full payment and return of the Performance Security.
Answer: C (LEAVE A REPLY)
Under the FIDIC Red Book 1999, discharge becomes effective when the Contractor has received full payment certified by the Final Payment Certificate and the return of the Performance Security (Sub-Clause 14.10).
Both elements must be completed for the contract to be considered fully discharged, releasing the Contractor from further obligations or liabilities under the contract.
Option A is incomplete as payment alone does not fully discharge the Contractor.
Option B is incomplete as return of Performance Security alone is insufficient.
Option D is incorrect because the contract does not require a discharge notice signed by the Employer beyond these conditions.
References:
FIDIC Red Book 1999 Edition, Sub-Clause 14.10 - Final Payment and Discharge FIDIC Contract Manager Study Guide, Module on Project Close-Out and Final Account

NEW QUESTION: 20
Regarding the FIDIC Red Book (edition 1999), which two statements are true?
A. In emergency situations notices can also be submitted verbally (rather than (also) in writing).
B. A notice is to be signed by the Engineer, Contractor's Representative or Employer's Authorised Representative.
C. A notice and other communications may be delivered by hand, courier and mail. In each case with proof of receipt is required to qualify as legally valid.
D. Notices and other communications may be sent in hand written, type written, in print or through an electronic original transmission system.
Answer: A,D (LEAVE A REPLY)
Comprehensive and Detailed Explanation:
Option A is true: In emergencies, verbal notices are permitted with the requirement to follow up in writing.
Option D is true: Notices and communications may be sent in various formats including handwritten, typed, printed, or electronic systems.
Option B is incorrect; a notice does not necessarily have to be signed by all these representatives; it depends on the party issuing the notice.

Option C is incorrect; proof of receipt is ideal but not always strictly required for legal validity depending on contract provisions.
References:
FIDIC Red Book 1999 Edition, Sub-Clause 1.3 - Communications and Notices FIDIC Contract Manager Study Guide, Module on Contract Communication

NEW QUESTION: 21
The Contractor is entitled to an advance payment. Applying FIDIC Red Book (edition 1999), which two of the following statements are correct?
Choose all of the correct answers (multiple possibilities):
A. The advance payment is to help the Contractor to finance some of its early cost and expenditure until it becomes entitled to first (non-interim) payment.
B. The advance payment reflects the amount of works the Contractor has already performed up to the moment such advance payment is performed.
C. Under the General Conditions, the amount of advance payment is to be paid in full by the Employer through one instalment.
D. Under the General Conditions, the advance payment will be repaid by deducting all amounts from invoices until the entire advance payment is repaid.
Answer: A,D (LEAVE A REPLY)
Under FIDIC Red Book 1999, advance payment is intended to assist the Contractor in financing the mobilization and early works costs before the Contractor begins receiving regular payments for work performed (Option A). It is not a payment for work already completed, so Option B is incorrect.
The General Conditions provide that the advance payment is usually made in a lump sum or agreed instalments and that the Employer makes the payment in advance (Option C is partially true but generally it can be one or multiple instalments, depending on contract terms).
Importantly, the advance payment must be repaid by the Contractor through deductions from subsequent interim payments (Option D), ensuring the Employer recovers the advanced funds as the work progresses.
References:
FIDIC Red Book 1999, Sub-Clause 14.2 - Advance Payment
FIDIC Contract Manager Study Guide, Module on Payment Procedures and Financial Management

NEW QUESTION: 22
There are four reasons that the Employer/Contractor shall advise in advance each other and the Engineer of any known or future events or circumstances.
Which two of the following statements areNOTapplicable reasons?
(Choose all correct answers - multiple possibilities)
A. Delay the execution of the Works or a Section.

B. Decrease the Contract Price.
C. Adversely affect the work of the Contractor's Personnel.
D. Increase the performance of the Works when completed.
Answer: B,D (LEAVE A REPLY)
Comprehensive and Detailed Explanation:
Under the FIDIC Red Book 2017 (similar principles apply in other editions), Sub-Clause 4.1 ("Contractor's General Obligations") and Sub-Clause 3.4 ("Delay Damages") require both Employer and Contractor to notify the Engineer in advance about any events or circumstances which maydelay the worksoradversely affect the Contractor's personnel or progress. This early notification ensures proper management and mitigation of risks that could impact the project timeline or quality.
* Option A (Delay the execution of the Works or a Section)is a core reason for notification since delays affect the critical path and programme, requiring possible extensions or adjustments.
* Option C (Adversely affect the work of the Contractor's Personnel)is also a valid reason because issues affecting workforce productivity or availability can impact project delivery.
On the other hand:
* Option B (Decrease the Contract Price)isnota reason to notify. Changes in contract price usually arise from variations or claims but are not a "known or future event" requiring prior notification unless linked to a variation or compensation event.
* Option D (Increase the performance of the Works when completed)is positive and does not negatively affect project progress or cost; therefore, it is not a reason for advance notification under these contract provisions.
Thus, the twonot applicablereasons are B and D.
References:
FIDIC Conditions of Contract for Construction, 2017 Edition, Sub-Clause 4.1 - Contractor's General Obligations FIDIC Conditions of Contract for Construction, 2017 Edition, Sub-Clause 3.4 - Delay Damages FIDIC Contract Manager Study Guide, Module on Communication and Reporting

NEW QUESTION: 23
A Contractor under the FIDIC Silver Book (edition 1999) has not been able to finish the Works within the Time for Completion as mentioned in the Contract and has overrun the Time for Completion by 3 months.
This results in a significant claim of $4,500,000 from the Employer. The Employer has submitted this claim to the Contractor according to the procedures as mentioned in the Contract. The Contractor asks you for advice and refers to Clause 8. Which one of the following statements is NOT true?
A. If there are Variations agreed between the Contractor and the Employer, the Contractor should check if an adjustment for Time for Completion was part of any of these Variations.

B. The root cause of the delay has to be determined by the Contractor, thereby especially verifying if the cause of the delay lies in a delay caused by the Authorities.
C. In addition to the delay damages as mentioned in Sub-Clause 2.5, the Employer has the right to claim any extra costs it has to make due to the delay, as delay damages are not seen as compensation for costs incurred by the Employer, but only as an incentive for the Contractor to perform on time.
D. If the delay is entirely caused by the Employer having instructed the Contractor to suspend progress during the Works, while the cause of the suspension is not the responsibility of the Contractor, the claim for delay damages was wrongfully issued.
Answer: C (LEAVE A REPLY)
Comprehensive and Detailed Explanation:
Option C is not true because under the FIDIC Silver Book (1999 edition), the delay damages (liquidated damages) specified in the contract are intended as full compensation for the Employer's loss resulting from late completion. The contract usually excludes other claims for actual losses or extra costs beyond the delay damages.
Option A is true; Variations can include extensions of time.
Option B is true; identifying delay causes is essential for claims and defences.
Option D is true; if the Employer causes suspension not attributable to the Contractor, delay damages claims by the Employer are generally unjustified.
Thus, the Employer cannot claim extra costs over and above delay damages as per typical Silver Book provisions.
References:
FIDIC Silver Book 1999 Edition, Sub-Clause 8 - Time for Completion and Delay Damages
FIDIC Silver Book 1999 Edition, Sub-Clause 2.5 - Employer's Claims FIDIC Contract Manager Study Guide, Module on Claims and Delay Damages

NEW QUESTION: 24
(Which two FIDIC Books (edition 2017) should especially be considered for use if the Employer needs the Contractor to take responsibility for the design and execution of the project. The construction will involve substantial work underground or work in other areas which tenderers cannot inspect.
Choose all of the correct answers (multiple possibilities).)
A. Yellow Book
B. Red Book
C. Silver Book by amending Sub-Clause 4.12 in the Particular Conditions
D. Silver Book without amending Sub-Clause 4.12 in the Particular Conditions
Answer: (SHOW ANSWER)
The key issue in this question is the allocation of design responsibility and the treatment of unforeseeable physical conditions (particularly relevant for underground works or inaccessible areas).

The Yellow Book 2017 is specifically designed for projects where the Contractor is responsible for both design and execution, while still maintaining a balanced risk allocation. Importantly, Sub-Clause 4.12
[Unforeseeable Physical Conditions] allows the Contractor to claim additional time and/or cost for conditions that could not reasonably have been foreseen. Therefore, for projects involving underground or uninspectable works, the Yellow Book is highly appropriate. Hence, Option A is correct.
The Silver Book 2017 (EPC/Turnkey) also places full responsibility for design and execution on the Contractor. However, it adopts a much stricter risk allocation: the Contractor generally bears the risk of unforeseen physical conditions. This makes it less suitable for projects with significant uncertainty-unless amendments are made. By modifying Sub-Clause 4.12 in the Particular Conditions to reallocate risk (e.g., allowing relief for unforeseeable conditions), the Silver Book can be adapted for such projects. Therefore, Option C is correct.
Option B (Red Book) is incorrect because design responsibility primarily lies with the Employer, not the Contractor.
Option D is incorrect because using the Silver Book without amendment would place excessive and potentially unmanageable risk on the Contractor in cases involving unknown subsurface conditions.
This reflects a core FIDIC principle: selecting the appropriate form depends heavily on risk allocation and the degree of uncertainty in site conditions.

NEW QUESTION: 25
Which one of the following documents constitutes a contract and is considered binding on both parties, when the Employer wants to award the Contract to the tenderer?
A. Memorandum of understanding
B. Letter of Intent & Memorandum of understanding
C. Letter of Intent
D. Letter of Acceptance
Answer: (SHOW ANSWER)

NEW QUESTION: 26
(In a FIDIC Red Book, the Employer shall have prepared (or have prepared by a design consultant) all the design for the Works. Which of the listed documents form the basis for this design (2 correct answers apply))
A. The Bill of Quantities
B. The Specifications
C. The Breakdown of Lump-Sum
D. Schedule of Subcontractors
E. The form of Contract Agreement
Answer: A,B (LEAVE A REPLY)

Under the FIDIC Red Book (both 1999 and 2017 editions), the Employer is responsible for the design of the Works. This design is primarily communicated to the Contractor through key technical documents included in the Contract.
Option B (Specifications) is correct because Specifications define the technical requirements, standards, materials, workmanship, and performance criteria. They are a core component of the design documentation and directly guide how the Works are to be executed.
Option A (Bill of Quantities) is also correct. While primarily used for measurement and payment, the Bill of Quantities is derived from the design and reflects the quantified scope of the Works. It is intrinsically linked to the design and provides a structured breakdown of the elements required to construct the Works.
Option C is incorrect because the Breakdown of Lump-Sum is relevant to lump-sum contracts (e.g., Silver Book), not the Red Book's remeasurement approach.
Option D is incorrect as the Schedule of Subcontractors relates to execution planning, not design.
Option E is incorrect because the Contract Agreement is a legal document formalizing the contract, not a design document.
Thus, in Red Book contracts, the design basis is fundamentally established through the Specifications and the Bill of Quantities, supported typically by Drawings (though not listed here).

NEW QUESTION: 27
(Which of the following two statements are correct regarding subcontractors under FIDIC Red, Yellow, and Silver Books (edition 2017)?
Choose all of the correct answers (multiple possibilities).)
A. The Contractor shall obtain the Engineer's and the Employer's prior consent to all Subcontractors.
B. If no maximum allowable accumulated value of work subcontracted is stated in the Contract Data, the Contractor shall not be entitled to subcontract the whole of the Works without prior consent of the Engineer.
C. The Contractor shall not be responsible for the acts or defaults of any Subcontractor.
D. The Contract Data may identify parts of the Works which the Contractor is not entitled to subcontract.
Answer: (SHOW ANSWER)
Under FIDIC 2017 (Clause 4.4 [Subcontractors]), the Contractor is generally permitted to subcontract parts of the Works, but subject to specific controls and limitations.
Option B is correct. FIDIC expressly provides that the Contractor shall not subcontract the whole of the Works without prior consent of the Engineer. This ensures that the Contractor remains the primary responsible party and does not transfer the entire contractual obligation to others without oversight.

Option D is also correct. The Contract Data may specify certain portions of the Works that cannot be subcontracted, preserving critical elements under the direct responsibility of the Contractor.
Option A is incorrect because only the Engineer's consent is generally required for subcontracting (not both Engineer and Employer), except in specific cases defined in the Contract.
Option C is incorrect because the Contractor remains fully responsible for the acts, defaults, and neglect of all Subcontractors, as if they were the Contractor's own actions. This is a fundamental FIDIC principle ensuring a single point of responsibility.
These provisions maintain control, accountability, and quality assurance in project execution while allowing flexibility in subcontracting arrangements.

NEW QUESTION: 28
Under the FIDIC Red, Yellow, and Silver Books (both editions), the Contractor has a contractual obligation to submit a Value Engineering Proposal. Such proposal shall be prepared at the cost of the Employer. Are both these statements true or false?
A. True
B. False
Answer: B (LEAVE A REPLY)
The Contractor may submit Value Engineering proposals to improve efficiency or reduce costs; however, it is not an absolute contractual obligation to submit such proposals. Also, the preparation of these proposals is generally at the Contractor's own cost initially. If the proposal is accepted and results in a Variation, then adjustments to the Contract Price may occur, potentially reimbursing the Contractor.
Thus, both statements are false.
References:
FIDIC Red, Yellow, Silver Books 1999 & 2017 Editions, Sub-Clause 13.1 - Value Engineering FIDIC Contract Manager Study Guide, Module on Variations and Value Engineering

NEW QUESTION: 29
Which two statements are correct regarding the FIDIC Red Book (edition 2017)?
A. Words and expressions stated in Sub-Clause 1.1 Definitions do not apply in respect of Specifications and Drawings.
B. Contract Data contains information which is required by certain Sub-Clauses in the General Conditions.
C. There is never a difference in effect whether in the Particular Conditions when the term "Works" is used, or when the term "works" is used.
D. In some cases, if a certain information is not provided in the Contract Data, the relevant Sub-Clause shall not be applicable.
Answer: B,D (LEAVE A REPLY)

Comprehensive and Detailed Explanation:
Option B is correct: The Contract Data provides information required by specific Sub-Clauses in the General Conditions to complete the contract.
Option D is correct: If required data is missing in the Contract Data, some Sub-Clauses may not apply.
Option A is incorrect; definitions generally apply throughout the contract including Specifications and Drawings.
Option C is incorrect; case sensitivity of terms can affect contractual meaning.
References:
FIDIC Red Book 2017 Edition, Sub-Clause 1.1 - Definitions and Contract Data FIDIC Contract Manager Study Guide, Module on Contract Documents

NEW QUESTION: 30
(Under FIDIC Red and Yellow Books (both editions) the Engineer must have received technical education. Is this statement true or false?)
A. True
B. False
Answer: B (LEAVE A REPLY)
Under both FIDIC Red and Yellow Books (1999 and 2017 editions), the Engineer is defined as the person appointed by the Employer to carry out duties assigned under the Contract (Clause 3). However, FIDIC does not prescribe any specific qualification, such as requiring the Engineer to have a formal technical education.
The contract focuses on the role and functions of the Engineer rather than formal credentials. The Engineer is expected to act as a professional administrator of the contract, performing duties such as issuing instructions, certifying payments, making determinations, and acting neutrally when required (especially under FIDIC
2017, Clause 3.7). While in practice Engineers are typically qualified professionals (often engineers by training), this is a matter of industry practice, not a contractual requirement. FIDIC intentionally avoids prescribing qualifications to allow flexibility for the Employer in appointing a suitable representative with the necessary competence and experience for the specific project. The emphasis is on capability and impartiality, rather than formal academic credentials.
Therefore, the statement is false because FIDIC contracts do not mandate that the Engineer must have received technical education

NEW QUESTION: 31
(Under the FIDIC Red, Yellow, and Silver Books (both editions), the Contractor has a contractual obligation to give notice to the Employer if it discovers errors or defects of a technical nature. Is this statement true or false?)
A. True
B. False

Answer: (SHOW ANSWER)
Under all FIDIC standard forms (Red, Yellow, and Silver Books, both 1999 and 2017 editions), the Contractor has a clear contractual obligation to notify the Employer (or the Engineer, depending on the form) if it discovers errors, faults, or defects in documents or instructions of a technical nature.
This obligation is explicitly stated in Sub-Clause 1.9 [Errors in the Employer's Requirements] (particularly in Yellow and Silver Books) and similarly reflected in provisions related to documents, drawings, and instructions in the Red Book. The Contractor is required to carefully examine the documents provided and promptly give notice upon identifying any discrepancies, ambiguities, or technical defects.
The purpose of this obligation is to ensure early detection and correction of design or specification issues, thereby minimizing delays, rework, and disputes. It also reflects the principle of cooperation and proactive risk management embedded in FIDIC contracts.
Failure by the Contractor to notify such errors may result in loss of entitlement to additional time or cost if the issue later impacts execution. Therefore, this notification duty is both a technical and contractual safeguard.
Thus, the statement is true, as FIDIC imposes a clear obligation on the Contractor to notify discovered technical errors or defects.

NEW QUESTION: 32
Which of the following obligations are relevant to the Engineer ' s roles with regards to insurance? [2017 Edition] (2 correct answers apply) Choose all of the correct answers (multiple possibilities).
A. The Engineer shall receive a copy of the evidence(s) demonstrating Contractor ' s payment of the necessary insurance premiums.
B. The Engineer is entitled to take out an insurance on behalf of the Contractor, in case the Contractor fails to extend the validity of a specific insurance.
C. The Engineer should continuously monitor that the Contractor ' s insurance policies are kept valid, and extensions are duly arranged, when necessary.
D. The Engineer shall immediately suspend all construction activities at the Site, in case the Contractor failed to take out any necessary insurance.
Answer: (SHOW ANSWER)

Option A is correct: The Engineer is entitled to receive evidence that the Contractor has paid for the necessary insurance policies.
Option C is correct: The Engineer has the role of monitoring the validity of these insurances and ensuring that renewals or extensions are arranged in a timely manner.
Option B is incorrect; the Engineer does not have the authority to take out insurance on behalf of the Contractor.
Option D is incorrect; suspension of construction activities is not automatically the Engineer's role for insurance lapses but may require instructions from the Employer.
References:
FIDIC Red, Yellow, Silver Books 2017 Edition, Sub-Clause 18 - Insurances FIDIC Contract Manager Study Guide, Module on Contract Administration and Insurance

NEW QUESTION: 33
(In the FIDIC Yellow Book (edition 1999), the Contractor has to provide the Engineer with documents as stated in Sub-Clause 5.2. Who is responsible for ensuring there is sufficient time allocated for reviewing these documents in relation to the Schedule of the Works?)
A. Contractor
B. Engineer
C. Employer
Answer: A (LEAVE A REPLY)
Under FIDIC Yellow Book 1999, Sub-Clause 5.2 [Contractor's Documents] requires the Contractor to submit design documents to the Engineer for review. Importantly, the responsibility for planning and coordinating these submissions lies with the Contractor.
The Contractor must ensure that the programme (Clause 8.3) allows sufficient time for the Engineer's review process, including any resubmissions that may be required if documents are not approved initially. This reflects the design responsibility placed on the Contractor in the Yellow Book, where the Contractor controls both design and execution.
The Engineer's role is to review and respond within the time stated in the Contract, but the Engineer is not responsible for integrating this review time into the overall project schedule.
Similarly, the Employer has no direct role in managing this timing.
From a contract management perspective, failure by the Contractor to allow adequate review time may lead to delays for which the Contractor bears responsibility, as such delays would not typically qualify for Extension of Time unless caused by the Engineer exceeding prescribed review periods.
Thus, proper programming and coordination of document submissions is a key Contractor obligation, making Option A correct.

NEW QUESTION: 34
Under the FIDIC Silver Contract (edition 2017), which two of the answers provide for preconditions for certification and payment of the Interim Payment Certificate?
Choose all of the correct answers (multiple possibilities).

A. The appointment of the Contractor and receipt of the Advance Payment Guarantee, by the Employer, in the form, and issued by an entity, in accordance with Sub-Clause 14.2.1.
B. Receipt of a statement via a letter showing the amounts to which the Contractor considers itself to be entitled.
C. The appointment of the Contractor's Representative and receipt of the Performance Security, by the Employer, in the form, and issued by an entity, in accordance with Sub-Clause 4.2.1.
D. Receipt of a statement and supporting documents.
Answer: A,D (LEAVE A REPLY)
Comprehensive and Detailed Explanation:
Option A is correct: Certification and payment of interim payments are conditional on Employer's receipt of the Contractor's appointment and the Advance Payment Guarantee (Sub-Clause 14.2.1).
Option D is correct: Payment also requires receipt of the Contractor's statement supported by relevant documentation.
Option B alone is insufficient without supporting documents.
Option C relates to appointment and performance security but is not a stated precondition for payment certification.
References:
FIDIC Silver Book 2017 Edition, Sub-Clause 14.6 - Interim Payment Certificates FIDIC Contract Manager Study Guide, Module on Payment Procedures

NEW QUESTION: 35
Which one of the following statements is NOT correct in respect of FIDIC Red Book (both editions)?
A. The Letter of Tender may be worded by the Contractor (at its discretion) so as to allow for the alternative of the Contract to become effective when the Employer issues a Letter of Acceptance.
B. The Contract typically becomes legally effective when the Employer issues the Letter of Acceptance to the Contractor.
C. The Contract is administered by the Engineer who is appointed by the Employer. If disputes arise, they are referred to a Dispute Adjudication Board (DAB) for its decisions.
D. The General Conditions allocate the risks between the parties on a fair and equitable basis.
Answer: (SHOW ANSWER)
Comprehensive and Detailed Explanation:
Option A is NOT correct because the wording of the Letter of Tender is usually governed by the tender documents and contract terms; it is not solely at the Contractor's discretion to dictate when the Contract becomes effective. The standard process is that the Contract becomes effective upon the Employer's issuance of the Letter of Acceptance.
Options B, C, and D correctly describe standard FIDIC practices.

References:
FIDIC Red Book 1999 & 2017 Editions - Contract Formation and Tendering
FIDIC Contract Manager Study Guide, Module on Contract Formation

NEW QUESTION: 36
(Which one of the following statements regarding FIDIC Golden Principles is correct?)
A. The Particular Conditions do not have to be drafted clearly and unambiguously, as long as the Employer understands the meaning of the risk allocation.
B. The Particular Conditions must not change the balance of risk/reward allocation provided in the General Conditions.
C. The Particular Conditions can be changed under the condition that the balance of risk/reward allocation provided in the General Conditions provides for significantly less risk to the Contractor.
D. The FIDIC Golden Principles only apply to handling the General Conditions of a contract and should not be taken into account when preparing the Particular Conditions.
Answer: B (LEAVE A REPLY)
The FIDIC Golden Principles (introduced in 2019) are intended to preserve the integrity and international recognition of FIDIC standard forms. One of the core principles (GP2) explicitly states that the Particular Conditions should not alter the fundamental balance of risk and reward as established in the General Conditions.
Option B correctly reflects this requirement. The allocation of risks in FIDIC contracts is carefully structured to ensure fairness and clarity between the Employer and the Contractor. Any significant shift in this balance through Particular Conditions would undermine the purpose of using a standardized FIDIC contract and could introduce uncertainty, disputes, and reduced bankability.
Option A is incorrect because another Golden Principle (GP1) requires that all provisions, including Particular Conditions, must be drafted clearly and unambiguously.
Option C is incorrect because even if the change appears favorable to one party (e.g., reducing Contractor risk), altering the agreed balance is still contrary to the Golden Principles.
Option D is incorrect because the Golden Principles apply to the entire contract, including both General and Particular Conditions, ensuring consistency and proper application.
Thus, maintaining the original risk/reward allocation is a fundamental requirement under the FIDIC Golden Principles.

NEW QUESTION: 37
Upon review of the revised programme, submitted by the Contractor, if the Engineer (under FIDIC Red or Yellow Books) or Employer (under FIDIC Silver Book) does not give a Notice of Non-Compliance within 14 days after receiving a revised programme, then ... [complete the sentence, thereby considering FIDIC Red, Yellow, and Silver Books (edition 2017)]. (1 correct answer applies)

A. The Contractor shall submit a Notice to the Engineer or the Employer reminding him to give its approval on the revised programme.
B. The Engineer shall be deemed to have given a Consent and the revised programme shall be the Programme.
C. The Contractor cannot proceed in accordance with the Programme.
D. The Engineer is deemed to have no objection to use the revised programme submitted by the Contractor, for the Works.
Answer: D (LEAVE A REPLY)
Comprehensive and Detailed Explanation:
According to the FIDIC 2017 editions (Red, Yellow, and Silver Books), when the Contractor submits a revised programme, the Engineer or Employer has a limited time (typically 14 days) to review and raise any Notice of Non-Compliance if the programme does not meet contract requirements (Sub-Clause 8.3 or equivalent). If no notice is issued within this period, the Engineer or Employer is deemed to have no objection to the revised programme.
This does not imply formal approval or consent, but the programme can be used for the execution and administration of the works in the absence of objections. This avoids unnecessary delay due to inaction.
Option D is correct as it captures this deemed "no objection" position.
Option B is incorrect as "deemed consent" is stronger than FIDIC provisions state; it is more correct to say
"no objection".
Option A is incorrect since the Contractor does not have to remind the Engineer or Employer for consent within this period.
Option C is incorrect because the Contractor may proceed if no non-compliance is notified.
References:
FIDIC Red Book 2017 Edition, Sub-Clause 8.3 - Programme
FIDIC Yellow Book 2017 Edition, Sub-Clause 8.3 - Programme
FIDIC Silver Book 2017 Edition, Sub-Clause 8.3 - Programme
FIDIC Contract Manager Study Guide, Module on Time and Delay Management

NEW QUESTION: 38
You are the Contract Manager of the Engineer in a hotel project. In May 2020, the Employer and the Contractor signed a Contract based on the FIDIC Yellow Book (edition 2017), as per which the Contractor will design and build a hotel project with Contract Price of 5,100,000 USD. The Time for Completion for this project is 12 months (May 2021). The Contract also named a nominated Subcontractor (as referred to in Sub- Clause 4.5) who provides mechanical, electrical, and plumbing services for the project (including the fire fighting system), which was accepted by the Contractor without any discussions.
The Project was delayed due to issues with the fire fighting system, and you issued the Taking-Over Certificate in June 2022.

The Employer sent a Notice of Claim to the Contractor on Delay Damages with a maximum value equal to
10% of Contract Price (510,000 USD). The Employer also gave a Notice to the Contractor stating that the Contractor has failed to submit the evidence of payment to the nominated Subcontractor as well as the reason for withholding payment to the nominated Subcontractor. Therefore, the Employer has paid the nominated Subcontractor directly the entire amount due, coming to 100,000 USD. The Employer intends to include this amount as a deduction in the Final Payment to the Contractor.
As Contract Manager of the Engineer, you are tasked to make a fair determination of the Notices of the Employer. In your " Notice of the Engineer ' s determination " , what is your determination for the deduction of the next Interim Payment to the Contractor in relation to the amount directly paid to the nominated Subcontractor?
A. The Employer is entitled to deduct the amount directly paid.
B. The Employer is not entitled to deduct the amount directly paid.
Answer: A (LEAVE A REPLY)
According to FIDIC Yellow Book 2017, Sub-Clause 4.5, the Employer has the right to pay a nominated Subcontractor directly if the Contractor fails to do so and can deduct the amount from payments due to the Contractor. This provision protects nominated Subcontractors and ensures payment continuity. The Contractor ' s failure to provide evidence of payment and justification for withholding payment justifies the Employer ' s direct payment and deduction.
Thus, the Engineer's determination should allow the Employer to deduct the 100,000 USD paid directly to the nominated Subcontractor from the Contractor's next Interim Payment, ensuring fairness and contract compliance.
References:
FIDIC Yellow Book 2017 Edition, Sub-Clause 4.5 - Nominated Subcontractors FIDIC Contract Manager Study Guide, Module on Claims and Payment Procedures

NEW QUESTION: 39
The Employer has prepared a contract for a waste-to-energy project based on the FIDIC Yellow Book (edition
1999). You are preparing negotiations on behalf of one of the Subcontractors with the Contractor. The main Contractor will manage the design and build of the Works, whereby the Subcontractor will deliver critical systems regarding power generation and cooling. The Contractor intends to contract the main Contract back- to-back with the Subcontractor. In the proposed back-to-back subcontract, the following amendment is proposed through Particular Conditions:
"Sub-Clause 4.4. The following paragraph is added: The Subcontractor is required to scrutinize the Employer's Requirements in a manner identical to the obligations of the Contractor as stated in Sub-Clause

5.1 of the Main Contract. The Subcontractor will indemnify and hold harmless (up to the maximum liability of the Subcontractor) the Contractor with regard to any error, fault or other defect found in the Employer's Requirements, its items of reference or Contractor's design of the Works for the scope part for which Subcontractor is contracted." What is your advice to the Subcontractor (SC) in regard to entering this proposed subcontract?
A. I would advise the SC to enter the Contract with the request to the Contractor to delete this amendment in the Particular Conditions. If the Contractor does not agree to do so, at least the Subcontractor has tried its best.
B. I would advise the SC not to enter this contract because the Contractor is obliged to act in accordance with good faith. A proposed paragraph like this opposes good faith.
C. I would advise the SC not to enter this contract, because Sub-Clause 4.4 describes the obligations of SC towards Contractor, but this amendment positions the SC in a vulnerable position for claims regarding all errors, faults or other Defects (whether originating from the Employer's Requirements or the design of the Contractor). Essentially, this means the SC becomes liable for the design part, which is within the scope of Contractor even without SC having the opportunity to review it.
D. I would advise the SC to discuss this amendment with the insurance company just to be sure there will be no transfer of risks. This amendment is mainly a consequence of the FIDIC Yellow Book structure, where the Contractor has obligations in terms of scrutinizing the Employer's Requirements. This amendment makes this obligation more explicit. If the insurance company has no problems with insuring the parts which will be delivered by SC to Contractor, the SC can accept this risk and enter into the subcontract.
Answer: C (LEAVE A REPLY)
In FIDIC Yellow Book (1999), the Contractor is responsible for scrutinizing the Employer's Requirements per Sub-Clause 5.1 and must notify any discrepancies or errors. However, passing this obligation to a Subcontractor, and requiring the Subcontractor to indemnify the Contractor for errors or defects arising from the Employer's Requirements or the Contractor's design, unfairly shifts risk and liability to the Subcontractor.
The Subcontractor is likely not in a position to fully review or control the Employer's Requirements or the overall Contractor's design. This exposes the Subcontractor to excessive risk, beyond their scope and capacity.
Advice C highlights that the Subcontractor becomes vulnerable to claims for design defects outside their control. This misallocation of risk is generally not recommended and can be challenged during contract negotiation. Good contract management practice and risk allocation principles (FIDIC Contract Manager Study Guide, Module on Claims and Dispute Resolution) support this position.
While Options A, B, and D propose different approaches, only C correctly identifies the fundamental contractual and risk management issue that should prevent the Subcontractor from entering the contract as is.
References:

FIDIC Yellow Book 1999, Sub-Clause 5.1 - Contractor's General Obligations FIDIC Contract Manager Study Guide, Module on Claims and Dispute Resolution FIDIC Contract Manager Study Guide, Module on Risk Management

NEW QUESTION: 40

A new important feature of the FIDIC Yellow and Silver Books (edition 2017) is the inclusion of the default position that the Works or relevant part of the Works designed by the Contractor shall be fit for their ordinary purposes. Is this statement true or false?

A. True

B. False

Answer: (SHOW ANSWER)

This statement is true. The FIDIC Yellow and Silver Books (2017 editions) include a clear provision that the Works, or the parts designed by the Contractor, must be fit for their ordinary purposes, reflecting the Contractor's responsibility for design and performance. This introduces an express fitness-for-purpose obligation, which was less explicit in earlier editions.

This provision clarifies risk allocation related to design liability, ensuring that the Contractor is accountable for the fitness of the designed works unless otherwise specified.

References:

FIDIC Yellow and Silver Books 2017 Edition, Sub-Clause 4.1 - Contractor's General Obligations FIDIC Contract Manager Study Guide, Module on Legal Obligations and Fitness for Purpose

NEW QUESTION: 41

(FIDIC Red Book (edition 2017) stipulates that the measurement shall be made as per the actual quantities executed at Site. Which one of the following statements is correct?)

A. The measurement shall be always made of the net actual quantity of each item of the Permanent Works.

B. The measurement shall be made of actual quantity of each item of the Permanent Works with allowance of shrinkage of the used materials.

C. Measurements of the actual quantity of an item of the Permanent Works that was not specified in the Bill of Quantities, the Contractor will choose the appropriate price.

D. None of the above are correct.

Answer: (SHOW ANSWER)

Under the FIDIC Red Book 2017, Clause 12 [Measurement and Evaluation], specifically Sub-Clause 12.1

[Works to be Measured] , establishes that the Works shall be measured, and payment shall be based on the actual quantities of work executed in accordance with the Contract. The key principle is that measurement is based on the "net actual quantities" of each item of Permanent Works. This means that only the final in-place quantities are considered,

excluding wastage, shrinkage, or temporary excesses unless explicitly stated otherwise in the Contract. Therefore, Option A correctly reflects this fundamental rule.
Option B is incorrect because FIDIC does not generally allow additions for shrinkage or material losses unless expressly provided in the Particular Conditions or Specifications. Measurement is based on completed work, not material input.
Option C is incorrect because if an item is not included in the Bill of Quantities, valuation is determined under Sub-Clause 12.3 [Evaluation], where the Engineer determines appropriate rates-not the Contractor unilaterally.
Option D is incorrect because Option A is clearly aligned with FIDIC provisions.
Thus, Option A correctly represents the measurement methodology under FIDIC Red Book 2017.

NEW QUESTION: 42
In a construction project using the FIDIC Silver Book (edition 1999), if the Parties prefer the dispute board to be appointed on an "ad-hoc" basis instead of as a standing Dispute Avoidance and Adjudication Board (DAAB), what is it called? (1 correct answer applies)
A. Ad-hoc DAAB
B. DAB
C. Ad-hoc DB
D. Ad-hoc arbitration
Answer: B (LEAVE A REPLY)
Under FIDIC terminology, an ad-hoc Dispute Board is known as a DAB (Dispute Adjudication Board), which is appointed for specific disputes as they arise, rather than standing continuously.
The DAAB is a standing board appointed for the project duration, providing continuous dispute avoidance and adjudication.
Option D refers to arbitration, which is a different dispute resolution method.
References:
FIDIC Silver Book 1999 Edition, Clause 20 - Dispute Adjudication Board
FIDIC Contract Manager Study Guide, Module on Dispute Boards and Resolution

NEW QUESTION: 43
Which of the following form a Contractor's entitlement, in case the Contractor does not receive an interim payment within the allocated contractual deadline for payment? (2 correct answers apply) Choose all of the correct answers (multiple possibilities).
A. Right after the expiry of the payment deadline, the Contractor may terminate the contract.
B. If the payment is not made within the time period required, after the expiry of such period, from the next day onwards, the Contractor is entitled to suspend all his/her activities on Site.

C. In case the Employer paid the Contractor late, the Contractor becomes entitled to receive financing charges applying the % included in the Contract Data (if this is not stated, then applying the percentage as included under the corresponding Sub-Clause).
D. The Contractor is entitled to suspend the works or reduce the rate of progress of the work, after giving a due Notice (21 days) about this intention.
E. Beyond receiving the financing charges, the Contractor has no further entitlements in such a case.
Answer: C,D (LEAVE A REPLY)
Option C is correct: The Contractor is entitled to financing charges (interest) on late payments, calculated as per the percentage specified in the Contract Data or corresponding Sub-Clause.
Option D is correct: The Contractor can suspend works or reduce progress after giving due notice, usually 21 days, if payments are not made on time.
Option A is incorrect; termination is not automatic right after the payment deadline expires.
Option B is incorrect; suspension requires prior notice rather than immediate action.
Option E is incorrect because the Contractor has additional remedies such as suspension, beyond just financing charges.
References:
FIDIC Red, Yellow, Silver Books 1999 & 2017 Editions, Sub-Clause 14.8 - Payment of Retention Money and Financing Charges FIDIC Contract Manager Study Guide, Module on Payment Procedures and Remedies

NEW QUESTION: 44
You are teaching a group of early career professionals in the Contract Management department about the FIDIC 2017 Rainbow Suite of contract, and you are explaining about the intention of Delay Damages. Which one of the following statements is correct?
A. Delay Damages is intended to provide full compensation to the Employer for all damages that it is expected to suffer as a result of the delay.
B. Delay Damages is intended to be treated as an incentive for the Contractor to perform on time.
C. Delay Damages is not intended to remove burden for the Employer to demonstrate and prove that it has suffered any loss or damage.
D. None of the above.
Answer: B (LEAVE A REPLY)
Delay Damages under FIDIC are primarily a pre-agreed measure to incentivize the Contractor to complete works on time rather than full compensation for all losses suffered. They simplify the process by avoiding the need for the Employer to prove actual losses.
Option A is incorrect; Delay Damages are generally not full compensation.
Option C is incorrect because Delay Damages remove the Employer's burden to prove actual loss.
Option B is the correct interpretation.

References:
FIDIC Red, Yellow, Silver Books 2017 Editions, Sub-Clause 8.7 - Delay Damages FIDIC Contract Manager Study Guide, Module on Delay Damages

NEW QUESTION: 45
Regarding the FIDIC Silver Book (both editions), if a part of the Works is to be paid according to quantity supplied or work done, appropriate provisions must be included in the Particular Conditions. Is this statement true or false?
A. True
B. False
Answer: A (LEAVE A REPLY)
This statement is true. The Silver Book (EPC/Turnkey contracts) usually involves lump-sum payment, but if part payment is based on quantity or work done, this must be explicitly provided for in the Particular Conditions to avoid ambiguity.
Such provisions ensure clarity on payment terms in line with project specifics.
References:
FIDIC Silver Book 1999 & 2017 Editions, Sub-Clause 14 - Payment Provisions FIDIC Contract Manager Study Guide, Module on Payment Procedures

NEW QUESTION: 46
(Both FIDIC Silver Book (SB) and Yellow Book (YB) (edition 1999) mention the Contractor scrutinising the Employer ' s Requirements. Which statement is correct?)
A. Scrutinising in FIDIC Yellow Book 1999 and Silver Book 1999 means that the Contractor must ask the Employer to check the Employer's Requirements very well to see if the Works can be built on that location according to the Employer's Requirements.
B. Scrutinising in FIDIC Silver Book 1999 means that the Contractor should read the Employer's Requirements very thoroughly after the contract closes and see if the Employer's Requirements is complete or if something is missing.
C. Scrutinising in FIDIC Yellow Book 1999 means the same as in FIDIC Silver Book 1999; in both models it means that after the contract closes and before starting the actual making of the design, the Contractor has to read the Employer's Requirements very thoroughly and check on any errors, omissions or conflicts.
D. Scrutinising in FIDIC Yellow Book 1999 means that the Contractor has the opportunity after the contract close to report on any errors, mistakes or conflicts in the Employer's Requirements. In the FIDIC Silver Book 1999 scrutinising provides that obligation during the tender period; the Contractor has to review and verify the Employer's Requirements more strictly before submitting the tender.
Answer: D (LEAVE A REPLY)
Under FIDIC 1999, both Yellow Book and Silver Book include provisions requiring the Contractor to scrutinise the Employer's Requirements, but the timing and level of responsibility differ significantly.

In the Yellow Book, Sub-Clause 5.1 allows the Contractor to review the Employer's Requirements and, after contract award, notify errors, ambiguities, or inconsistencies. The risk remains more balanced, and the Contractor may rely on the Employer's Requirements to a reasonable extent.
In contrast, the Silver Book (EPC/Turnkey) imposes a much stricter obligation. The Contractor is deemed to have fully scrutinised and satisfied itself as to the correctness and sufficiency of the Employer's Requirements during the tender stage. This reflects the Silver Book's risk allocation, where the Contractor assumes greater responsibility for design and project risks, including errors in the Employer's Requirements (with limited exceptions).
Therefore, Option D correctly captures this fundamental distinction:
* Yellow Book # scrutiny mainly after contract award with notification rights.
* Silver Book # stronger pre-contract obligation during tender, with greater risk assumed by the Contractor.
This difference is a key element in FIDIC risk allocation philosophy between design-build (Yellow) and EPC
/turnkey (Silver) contracts.

NEW QUESTION: 47
(Which two statements are correct for the FIDIC Red Book (edition 2017)?
Choose all of the correct answers (multiple possibilities).)
A. The Contract includes the General Conditions and Particular Conditions, and no other documentation.
B. Conditions of Contract means these General Conditions as amended by Particular Conditions.
C. Contract Data is part of General Conditions of Contract.
D. Contract Agreement, Letter of Acceptance and Letter of Tender are part of the Contract.
Answer: B,D (LEAVE A REPLY)
Under FIDIC Red Book 2017, Clause 1.1 [Definitions] and Clause 1.5 [Priority of Documents] define the composition and hierarchy of the Contract. The Contract is not limited to only General and Particular Conditions; it includes multiple documents such as the Contract Agreement, Letter of Acceptance, Letter of Tender, Specifications, Drawings, and Schedules. Therefore, Option A is incorrect.

Option B is correct. The term "Conditions of Contract" explicitly refers to the General Conditions as modified or amended by the Particular Conditions. This reflects how Particular Conditions adapt the standard FIDIC provisions to project-specific requirements while forming a single integrated set of contractual conditions.
Option C is incorrect because Contract Data forms part of the Particular Conditions, not the General Conditions. It contains project-specific data that complements and modifies the General Conditions.
Option D is correct. The Contract Agreement, Letter of Acceptance, and Letter of Tender are explicitly listed as core Contract documents under FIDIC 2017. These documents establish the legal formation of the Contract and define the agreed scope, price, and commitments between the Parties.
This structure ensures clarity, proper hierarchy, and enforceability of contractual obligations in FIDIC contracts.

NEW QUESTION: 48
(For specific probable future events or circumstances which may adversely affect the Works, FIDIC Red and Yellow Books (edition 1999) provide a duty to notify specific parties. Which two statements are correct?
Choose all of the correct answers (multiple possibilities).)
A. The Notice shall be given when the Time for Completion will be affected.
B. Each Party shall advise the other and the Engineer of such events or circumstances, and the Engineer shall advise the Parties.
C. The Engineer has no obligation under General Conditions to notify the Contractor of such events.
D. The obligation to issue such Notice requires the Contractor to give such Notice to the Engineer.
Answer: B,D (LEAVE A REPLY)
Under FIDIC Red and Yellow Books 1999, Sub-Clause 8.3 [Programme] includes an important obligation related to early warning. It requires both Parties to proactively notify each other and the Engineer of any probable future events or circumstances that may adversely affect the Works, including delays, increased cost, or performance issues.
Option B is correct because the clause clearly establishes a mutual obligation: both Parties must inform each other and the Engineer, and the Engineer must also inform the Parties. This ensures transparency and enables proactive mitigation of risks.
Option D is also correct. The Contractor has a specific obligation to notify the Engineer of such events. This aligns with the Contractor's responsibility for planning and executing the Works and maintaining an updated programme.
Option A is incorrect because the obligation arises before the Time for Completion is actually affected-it is about anticipated or probable events, not confirmed impacts.
Option C is incorrect because the Engineer does have a role in communication and must advise the Parties accordingly.

This early warning mechanism is a key feature of FIDIC contracts, promoting risk management, cooperation, and prevention of disputes rather than reactive claims handling.

NEW QUESTION: 49

Which of the following situations form legally binding contracts? (2 correct answers apply)
Choose all of the correct answers (multiple possibilities)

A. The Employer received the Contractor ' s Letter of Tender and issued a Letter of Intent.
B. The Employer and the Contractor signed the Contract Agreement.
C. The Employer received the Contractor ' s Letter of Tender and issued a conditional Letter of Acceptance.
D. The Employer received the Contractor ' s Letter of Tender and issued Letter of Acceptance.

Answer: B,D (LEAVE A REPLY)

A legally binding contract is typically formed when there is an offer, acceptance, and intention to create legal relations. Under FIDIC contracts:
Option B (signing the Contract Agreement) unequivocally forms a binding contract.
Option D (Letter of Acceptance issued after receiving the Contractor's Letter of Tender) generally forms a binding contract unless otherwise specified, as the Letter of Acceptance is the formal acceptance of the tender.
Option A (Letter of Intent) is not necessarily a binding contract; it often serves as an interim arrangement signaling intent but may lack definitive terms to form a contract.
Option C (conditional Letter of Acceptance) may not form a binding contract unless the conditions are fulfilled.
References:
FIDIC Red and Yellow Books 1999 and 2017 Editions - Contract Formation Clauses FIDIC Contract Manager Study Guide, Module on Contract Formation and Execution

NEW QUESTION: 50

You are the Contract Manager for the Engineer in a hotel project using FIDIC Red Book (edition 1999). The Employer demands perfection in the project's design and construction quality. There are many Variations initiated by the Employer during construction. Which one of the following is NOT considered as a Variation?

A. The Contractor submits a Value Engineering proposal, in which it proposed to change the colour of the outdoor paint. The Engineer approved the proposal.
B. The Engineer instructs a change in slopes of stairs to the parking lot with an Instruction in accordance with Sub-Clause 3.3.
C. The Engineer requests a proposal regarding a change in type of windows and doors of the business centre.
D. The Employer verbally instructs a change in the layout of the rooftop restaurant. The Engineer issued an Instruction describing the required change with revised design drawings.

Answer: A (LEAVE A REPLY)
Comprehensive and Detailed Explanation:
Option A is NOT a Variation because it originates from a Value Engineering proposal by the Contractor, not from Employer or Engineer instruction or request.
Options B, C, and D are all variations initiated by the Employer or Engineer.
References:
FIDIC Red Book 1999 Edition, Clause 3 - Variations
FIDIC Contract Manager Study Guide, Module on Variations

NEW QUESTION: 51
Under the FIDIC Red Book (edition 2017), if the Contractor fails to comply with Site clearance obligation, what two options does the Employer have?
Choose all of the correct answers (multiple possibilities)
A. The Employer may sell or otherwise dispose any remaining items and reinstate the Site at the Contractor's Cost.
B. The Engineer cannot sell or otherwise dispose any remaining items and reinstate the Site at the Contractor's Cost.
C. The Employer is entitled to the cost of reinstating, clearing the Site and disposal cost to the extent they exceed the money received from selling the remaining Contractor's items on the Site.
D. The Employer cannot reinstate and clear the Site and dispose the remaining Contractor's items on the Site if the Contractor fails, as this is the Contractor's obligation.
Answer: (SHOW ANSWER)
* Option Ais correct: The Employer may sell or dispose of any items left by the Contractor and reinstate the Site, recovering costs from the Contractor.
* Option Cis correct: The Employer is entitled to recover costs for clearing, reinstatement, and disposal exceeding proceeds from sale.
* Option Bis incorrect; the Engineer does not hold this authority, but the Employer does under the contract.
* Option Dis incorrect; if the Contractor fails to clear the Site, the Employer may take action to protect the Site.
References:
FIDIC Red Book 2017 Edition, Sub-Clause 8.7 - Contractor's Use of Site
FIDIC Contract Manager Study Guide, Module on Contract Administration Procedures

NEW QUESTION: 52
Under the FIDIC Construction Contract (Red Book), which of the following amendments do NOT comply with the FIDIC Golden Principles? [1999 Edition] (2 correct answers apply)
Choose all of the correct answers (multiple possibilities).
A. The Contractor is responsible for the performance of the Nominated Subcontractors
B. Deletion of Sub-Clauses 20.2 - 20.4 for a Project constructed in United Arab Emirates

C. The DAB Decision is final and binding
D. The Payment shall be released by the Employer within 180 days calculated from receiving the Contractor's Monthly Statement
Answer: (SHOW ANSWER)
Option B is correct: Deleting critical dispute resolution Sub-Clauses 20.2 - 20.4 contradicts the Golden Principles by undermining fair dispute handling.
Option D is correct: Extending payment release to 180 days violates timely payment principles and fairness in cash flow management.
Option A is generally acceptable as the Contractor often assumes responsibility for nominated subcontractors.
Option C is acceptable in some jurisdictions and contracts to provide finality but can be debated.
References:
FIDIC Contract Management Guidelines - Golden Principles
FIDIC Red Book 1999 Edition, Clauses 20 and 14

NEW QUESTION: 53
Regarding the FIDIC Red Book (edition 1999), which two statements are true?
A. In emergency situations notices can also be submitted verbally (rather than (also) in writing).
B. A notice is to be signed by the Engineer, Contractor ' s Representative or Employer ' s Authorised Representative.
C. A notice and other communications may be delivered by hand, courier and mail. In each case with proof of receipt is required to qualify as legally valid.
D. Notices and other communications may be sent in hand written, type written, in print or through an electronic original transmission system.
Answer: A,D (LEAVE A REPLY)
Option A is true: In emergencies, verbal notices are permitted with the requirement to follow up in writing.
Option D is true: Notices and communications may be sent in various formats including handwritten, typed, printed, or electronic systems.
Option B is incorrect; a notice does not necessarily have to be signed by all these representatives; it depends on the party issuing the notice.
Option C is incorrect; proof of receipt is ideal but not always strictly required for legal validity depending on contract provisions.
References:
FIDIC Red Book 1999 Edition, Sub-Clause 1.3 - Communications and Notices FIDIC Contract Manager Study Guide, Module on Contract Communication

NEW QUESTION: 54

Under the FIDIC Red and Yellow Books (edition 2017), which two of the following elements shall form part of the initial time Programme?
A. The date on which the right of access to and possession of (each part of) the Site is to be given to the Contractor.
B. The actual progress to date, any delay to such progress and the effects of such delay on other activities (if any).
C. The sequence and timing of the remedial work.
D. All key delivery dates of Plant and Materials.
Answer: A,D (LEAVE A REPLY)
Comprehensive and Detailed Explanation:
Option A is correct: The initial programme must include the date for the Contractor's access to the Site.
Option D is correct: Key delivery dates for Plant and Materials are essential elements of the programme.
Option B relates to updated/revised programmes, not the initial programme.
Option C generally relates to remedial work and is part of revised or detailed programmes.
References:
FIDIC Red and Yellow Books 2017 Edition, Sub-Clause 8.3 - Programme
FIDIC Contract Manager Study Guide, Module on Time and Delay Management

NEW QUESTION: 55
Under the FIDIC Silver Contract (edition 2017), which two of the answers provide for preconditions for certification and payment of the Interim Payment Certificate?
Choose all of the correct answers (multiple possibilities).
A. The appointment of the Contractor and receipt of the Advance Payment Guarantee, by the Employer, in the form, and issued by an entity, in accordance with Sub-Clause 14.2.1.
B. Receipt of a statement via a letter showing the amounts to which the Contractor considers itself to be entitled.
C. The appointment of the Contractor ' s Representative and receipt of the Performance Security, by the Employer, in the form, and issued by an entity, in accordance with Sub-Clause 4.2.1.
D. Receipt of a statement and supporting documents.
Answer: A,D (LEAVE A REPLY)
Option A is correct: Certification and payment of interim payments are conditional on Employer's receipt of the Contractor's appointment and the Advance Payment Guarantee (Sub-Clause 14.2.1).
Option D is correct: Payment also requires receipt of the Contractor's statement supported by relevant documentation.
Option B alone is insufficient without supporting documents.
Option C relates to appointment and performance security but is not a stated precondition for payment certification.

References:
FIDIC Silver Book 2017 Edition, Sub-Clause 14.6 - Interim Payment Certificates FIDIC Contract Manager Study Guide, Module on Payment Procedures

NEW QUESTION: 56
Which two of the following statements are correct regarding Dispute under the FIDIC Red, Yellow, and Silver Books (edition 2017)?
Choose all of the correct answers (multiple possibilities)
A. In case the Engineer refuses to issue a Performance Certificate or to issue one with a correct date under Sub-Clause 11.9, and the Contractor has disagreed with the requested entitlement or relief in connection with this refusal, Dispute shall be deemed to have arisen.
B. If a Party is dissatisfied with the determination and has given Notice of Dissatisfaction (NOD) to the other party within a strict 28-day time limit, a Dispute arises and either Party may proceed under Sub- Clause 21.4 to obtain a DAAB decision on it.
C. The Dispute must be submitted to the Dispute Avoidance and Adjudication Board (DAAB) within 42 days, otherwise the NOD is deemed to have lapsed and is no longer valid.
D. Both 'Disagreement' and 'Dispute' are defined terms under the Conditions of Contract.
Answer: A,B (LEAVE A REPLY)
Option A is correct. Under Sub-Clause 11.9 (Performance Certificate) refusal or incorrect issuance by the Engineer, combined with disagreement by the Contractor, may cause a Dispute to arise.
Option B is correct. If a Party is dissatisfied with a determination, it must give a Notice of Dissatisfaction (NOD) within 28 days to escalate the matter to a Dispute, allowing either Party to refer it to the DAAB as per Sub-Clause 21.4.
Option C is incorrect. The contract does not specify a 42-day time limit for submission to DAAB after NOD; timelines vary by contract and stage.
Option D is incorrect. 'Disagreement' is not a formally defined term in FIDIC contracts, whereas 'Dispute' is.
References:
FIDIC Red, Yellow, Silver Books 2017 Edition, Sub-Clause 11.9 and Clause 21 - Claims, Disputes, and Adjudication FIDIC Contract Manager Study Guide, Module on Dispute Resolution

NEW QUESTION: 57
Under the FIDIC Red, Yellow, and Silver Books (both editions), the Employer has an obligation to give a detailed notice to the Contractor about intended changes that are material to its financial arrangements.
A. True
B. False
Answer: A (LEAVE A REPLY)

Comprehensive and Detailed Explanation:
The Employer must provide detailed notice to the Contractor regarding intended changes material to financial arrangements, enabling transparency and allowing the Contractor to assess impacts and prepare claims or adjustments accordingly.
This obligation supports fair risk allocation and project control.
References:
FIDIC Red, Yellow, Silver Books 1999 & 2017 Editions - Various clauses on Notices and Variations FIDIC Contract Manager Study Guide, Module on Communication and Financial Notices

NEW QUESTION: 58
(Which two answers show characteristics of Test on Completion or Test After Completion under the FIDIC Silver Book (edition 1999)?
Choose all of the correct answers (multiple possibilities).)
A. In case of failure of the Test on Completion, the Employer may accept the Works, thereby reducing the Contract Price.
B. The Employer can either opt for Tests on Completion or Tests after Completion, but not both.
C. Tests after Completion are carried out by the Employer.
D. Although Tests after Completion fail, it may be considered as passed when performance damages specified in the contract are paid by the Contractor.
Answer: A,D (LEAVE A REPLY)
Under the FIDIC Silver Book 1999, Clause 9 governs Tests on Completion, while Clause 12.4 addresses Tests after Completion. These provisions define performance verification before and after Taking-Over.
Option A is correct. Under Sub-Clause 9.4 [Failure to Pass Tests on Completion], if the Works fail the Tests on Completion, the Employer has several options, including accepting the Works subject to a reduction in the Contract Price. This reflects the commercial flexibility within FIDIC, allowing completion despite minor deficiencies, with financial adjustment.
Option D is also correct. Under Sub-Clause 12.4 [Failure to Pass Tests after Completion], if the Works fail post-completion performance tests, the Contractor may be required to pay performance damages. Once these damages are paid, the Works may be deemed to have satisfied the required performance levels. This mechanism ensures that operational deficiencies are compensated financially rather than requiring physical rectification in all cases.
Option B is incorrect because both Tests on Completion and Tests after Completion can coexist within the same contract; they serve different purposes (pre-taking-over vs post-taking-over performance verification).

Option C is incorrect because Tests after Completion are generally carried out by or under the responsibility of the Contractor, not solely the Employer, although the Employer may witness them.
These provisions demonstrate FIDIC's structured approach to quality assurance and risk allocation across different project stages.

NEW QUESTION: 59
The Contractor is entitled to an advance payment. Applying FIDIC Red Book (edition 1999), which two of the following statements are correct?
Choose all of the correct answers (multiple possibilities):
A. The advance payment is to help the Contractor to finance some of its early cost and expenditure until it becomes entitled to first (non-interim) payment.
B. The advance payment reflects the amount of works the Contractor has already performed up to the moment such advance payment is performed.
C. Under the General Conditions, the amount of advance payment is to be paid in full by the Employer through one instalment.
D. Under the General Conditions, the advance payment will be repaid by deducting all amounts from invoices until the entire advance payment is repaid.
Answer: A,D (LEAVE A REPLY)
Comprehensive and Detailed Explanation:
Under FIDIC Red Book 1999, advance payment is intended to assist the Contractor in financing the mobilization and early works costs before the Contractor begins receiving regular payments for work performed (Option A). It is not a payment for work already completed, so Option B is incorrect.
The General Conditions provide that the advance payment is usually made in a lump sum or agreed instalments and that the Employer makes the payment in advance (Option C is partially true but generally it can be one or multiple instalments, depending on contract terms).
Importantly, the advance payment must be repaid by the Contractor through deductions from subsequent interim payments (Option D), ensuring the Employer recovers the advanced funds as the work progresses.
References:
FIDIC Red Book 1999, Sub-Clause 14.2 - Advance Payment
FIDIC Contract Manager Study Guide, Module on Payment Procedures and Financial Management

NEW QUESTION: 60
The amount of an advance payment guarantee provided for pursuant to FIDIC Red and Yellow Books (both editions) may be reduced as of:
A. The Commencement Date
B. The date of the Taking Over Certificate

C. The date on which the entire advance payment is repaid as stated in the Payment Certificate
D. The date on which an amount is repaid by the Contractor as stated in the Payment Certificates
Answer: D (LEAVE A REPLY)
According to FIDIC Red and Yellow Books (both 1999 and 2017 editions), the advance payment guarantee amount may be progressively reduced as the Contractor repays the advance payment through deductions from interim payment certificates. This means the guarantee is reduced as per amounts repaid, not only upon full repayment.
Option D is correct: The guarantee reduces as partial repayments are certified in Payment Certificates.
Option C is incorrect because the reduction happens gradually, not only after full repayment.
Options A and B do not directly relate to the reduction mechanism of the advance payment guarantee.
References:
FIDIC Red and Yellow Books 1999 & 2017 Editions, Sub-Clause 14.2 - Advance Payment Guarantee FIDIC Contract Manager Study Guide, Module on Payment Procedures

NEW QUESTION: 61
You are the Contract Manager for the Engineer in a hospital project using FIDIC Yellow Book (edition 2017).
The Employer demands perfection in the project's design and construction quality. There are many Variations initiated by the Employer during design and construction. Which one of the following is considered to be a valid Variation?
A. The Contractor submits a Value Engineering proposal regarding the lighting system for the operation rooms. The Engineer is positive about the proposal and tells the Contractor they need to look into it.
B. The Engineer instructs a change in slopes of the access road to the intensive care unit to meet the Employer's Requirement. The Engineer does so with a Notice in accordance with Sub-Clause 3.5.
C. The Engineer requests a proposal regarding a change in type of windows and doors. The Contractor submitted the proposal accordingly to the Engineer. The Engineer instructs the Variation.
D. The Employer verbally instructs a change in the type of doors. The Engineer issued a Notice describing the required change and denying any costs for the Contractor.
Answer: B (LEAVE A REPLY)
Comprehensive and Detailed Explanation:
Option B is correct: A Variation is a formal change to the Works instructed by the Engineer via a Notice (Sub- Clause 3.5). This includes changes to design or execution such as slopes on a road.

Option A is a proposal, not yet a Variation. Positive interest does not constitute a Variation.
Option C is partially correct but depends on formal instruction after proposal acceptance; the question specifies the Engineer instructs the Variation, but since it was a request for proposal first, the Variation instruction comes later. Without explicit instruction, this is not yet a Variation.
Option D is invalid as verbal instruction plus a Notice denying cost claims does not constitute a proper Variation.
References:
FIDIC Yellow Book 2017 Edition, Sub-Clause 3.5 - Variation Procedure
FIDIC Contract Manager Study Guide, Module on Variations and Change Management

NEW QUESTION: 62
Regarding FIDIC Yellow and Silver Books (edition 1999) the Contractor has submitted its design proposal through the Contractor's Proposal. Which two of the following statements are true in this respect, after it has been submitted?
Choose all of the correct answers (multiple possibilities).
A. The Contractor is entitled to change the design by optimising the design, without approval of the Employer/Engineer.
B. The Contractor is not allowed to make any changes regarding the design to optimise the design, unless approved by the Engineer/Employer.
C. The Contractor may submit a proposal for Value Engineering.
D. The Contractor is not allowed to submit a proposal for Value Engineering, as any value engineering should already have taken place before submitting its design proposal.
Answer: B,C (LEAVE A REPLY)
Option B is correct: The Contractor must obtain approval from the Engineer/Employer before making design changes.
Option C is correct: The Contractor can submit Value Engineering proposals to improve efficiency or reduce costs.
Option A is incorrect; unilateral changes are not allowed.
Option D is incorrect; Value Engineering can be proposed even after initial submission.
References:
FIDIC Yellow and Silver Books 1999 Edition, Sub-Clauses 4.1 and 4.4

FIDIC Contract Manager Study Guide, Module on Design and Value Engineering