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# FIDIC FORM OF CONTRACT DREDGING & RECLAMATION WORKS

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## AGENDA

- Introduction IADC
- FIDIC Form of Contract
- Update and major changes

# INTRODUCTION IADC



- Educating
- Informing
- Promoting
- Networking
- Connecting

[www.iadc-dredging.com](http://www.iadc-dredging.com)

# FIDIC – THE FEDERATION

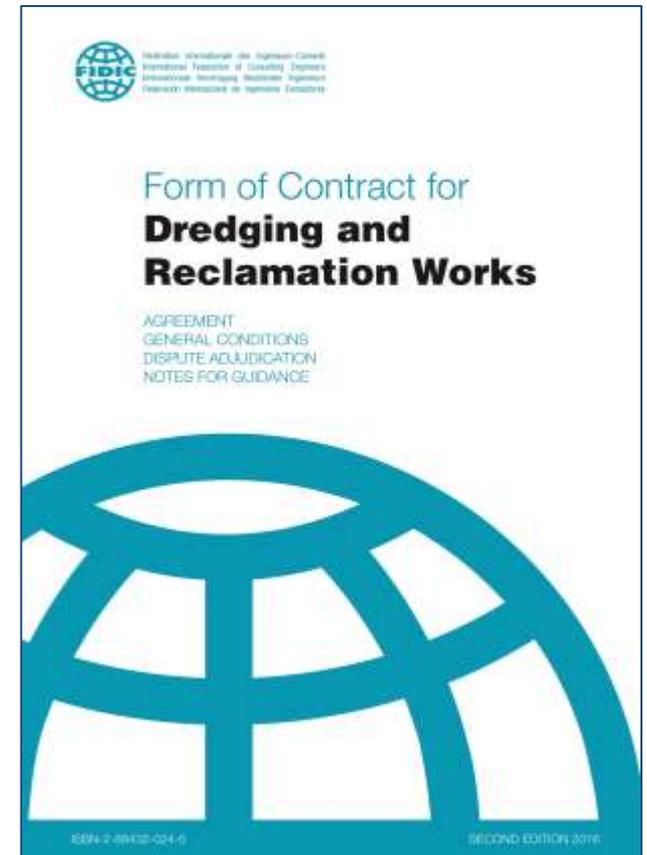
- International Federation of Consulting Engineers.
- Umbrella organisation.
- Members are national associations of consulting engineers.

# FIDIC RAINBOW SUITE



# FIDIC BLUE BOOK

- Test edition in 2001: no significant usage.
- The first edition of the Blue book appeared in 2006.



# THE USE OF IT

- FOR regular straight forward dredging works. 'Simple dredging and reclamation works' with perhaps some small civil works.
- NOT FOR complicated marine construction or offshore projects as it lacks the elaborate testing and taking over procedures often required on complex construction jobs. When you use this dredging contract for a complex project a lot of add-ons are needed.

# ADVANTAGES

- The Blue book is a specialist contract written for non-specialists.
- It is user-friendly and utilises clear and precise wording for non-native English speakers.
- The contract is concise but contains all relevant elements. The structure of the contract is not meant for complex projects.

# UPDATE IN 2011 FOR 2 REASONS

1. Make it more user-friendly and reduce the need for particular conditions. It would make the use of the contract easier for clients in emerging markets.
2. Make the contract more specific to the dredging industry. This will reduce the preference of some employers (clients) to refer to other FIDIC Contracts that are in fact not suited to marine construction.

# WHO WAS INVOLVED

- The Legal Committee of the IADC met in 2011 and concluded that an update would be beneficial to clients and contractors.
- FIDIC established a Task Group to consider the improvements that could be made to the first edition. Consultants and contractors, all contractual specialists, discussed the proposed changes.
- It was a very thorough process, from 2011 to 2016. For instance in 2013, the proposed draft changes were not only reviewed by selected industry specialists – both legal and engineering – but also by the FIDIC Contracts Committee's special advisors.

# REQUIREMENTS

FIDIC instructed the Task Group to make changes only when the group was convinced that an improvement was necessary.

The result is that the strengths of the original contract have been maintained and the number of changes is kept to a minimum.

# NOT A CONTRACTOR'S CONTRACT

- The Blue book is not a contractors contract.
- Not written from the perspective of the contractor and it has no clauses just for the benefit of the contractors.
- It tries to incorporate the interests of both the client and contractor and to deal with them in the best way.

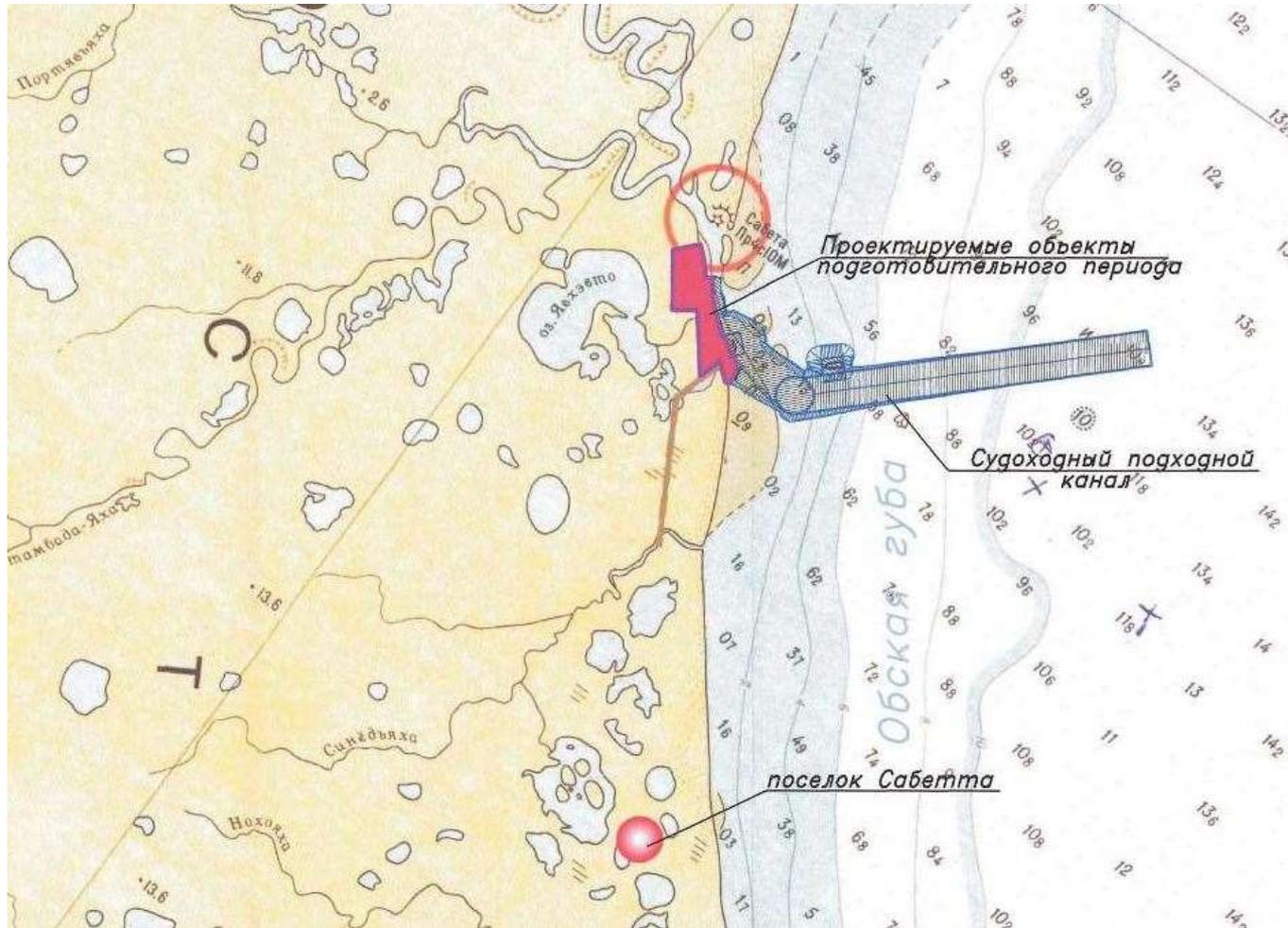
# MAJOR CHANGES

1. Increased dredging quantities.
2. Responsibility for the design.
3. Fitness for purpose.
4. Permits and licences.
5. Site data.
6. Insurance.

# INCREASED DREDGING QUANTITIES



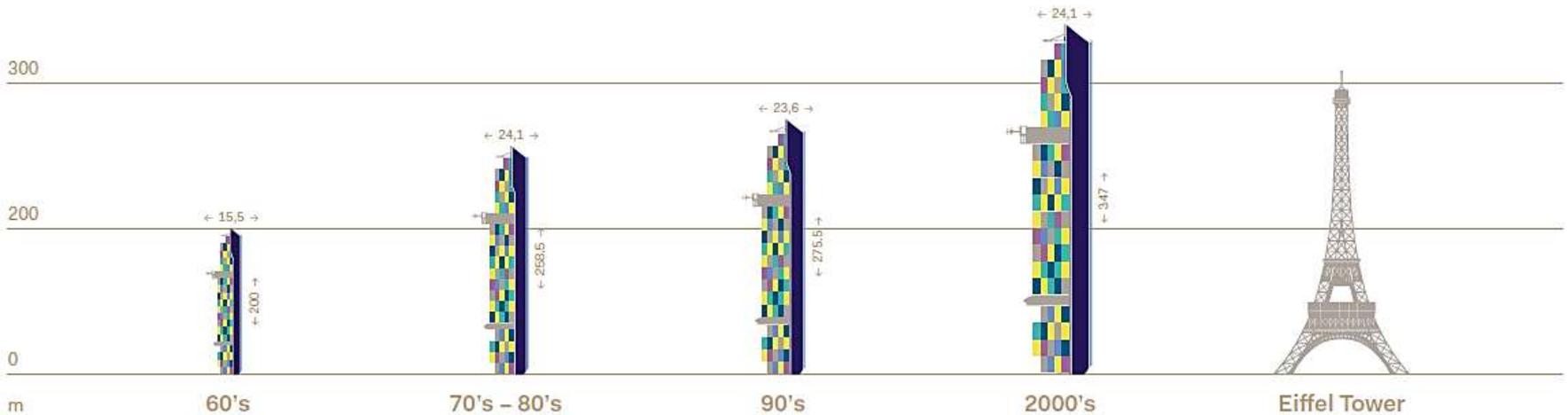
# RESPONSIBILITY FOR DESIGN



# FITNESS FOR PURPOSE

## Container ships

Container ships getting bigger



# PERMITS AND LICENCES, 1

The Employer shall be responsible for those ticked below:

	Tick box
import duties	
wharfage	
pilotage	
harbour dues	
dredging and dumping fees	
royalties for sand extraction	
other	

*Employer to tick to indicate provision by Employer*

# PERMITS AND LICENCES, 2

Permits, licences and approvals	Responsible Party
Planning or zonal permission or licence	Employer
Environmental	Employer
Dredging licence	Employer
Dumping licence	Employer
Mining licence / Sand extraction permit	Employer
Reclamation permit	Employer
Foreshore licence	Employer
Construction permit (onshore / offshore)	Employer
Offshore installation permit	Employer
Operating permit	Employer
Operator permit	Employer
Access permit	Employer
No objection certificate from a utility provider or third party	Employer
Flag dispensation (CIS)	Employer
Customs clearance for imported equipment [with the assistance of the Employer]	Contractor
All licences and certificates required for the operation of the Contractor's equipment including IMO [International Maritime Organisation] requirements for seagoing vessels	Contractor
All licences and certificates required for the contractor's personnel including visas, safety and other qualifications	Contractor
Licence for inland / coastal navigation	Contractor



# INSURANCE



# CONCLUSIONS

- The second edition of the FIDIC Blue Book is more suited to the technical requirements of the dredging industry.
- A practical contract for people to use and offers much more help for employers in the “Notes for Guidance”.
- It utilizes clear and precise wording for non-native English speakers. All parties should find it very clear, particularly with all the “Defined Risks” brought together in one place.

# TRANSLATIONS

- The Board of IADC has decided to translate the new contract in 6 different languages:
  - French
  - Italian
  - Russian
  - German
  - Spanish
  - Portuguese

# FUNDAMENT FOR SUCCESS

IADC really hopes that this updated contract in your own language will be the fundament for successful projects and contribute to the improvement of port infrastructure in this region.

