

General Construction Contract Form (Draft)

"First"

Basic Contract Document

The following has been agreed upon in the city of _____, on the day _____, dated ___/___/____, between:

First: [Name of the administrative entity], represented by _____, hereinafter referred to as the Employer (**First Party**)

Second: [Name of the Contractor, the place of incorporation, if a company, its permanent address and the name of place taken as a selected address in the Kingdom, as well as the name of the person authorized to sign for him and the date of authorization].

Hereinafter referred to as the Contractor (**Second Party**)

Whereas the Employer wishes to complete (a brief description of the project or construction works to be contracted).

Whereas the Contractor has submitted its bid in the Bid Letter dated ___/___/14__H, for carrying out, executing, completing and guaranteeing such works after reviewing the Contract's terms, specifications, plans and all the documents attached thereto, as well as Government Tenders and Procurement Law, issued by Royal Decree No. M/58, dated 04/09/1427H, its Implementing Regulations issued by the Minister of Finance Decision No. (362), dated 20/02/1428H and the decisions issued thereon.

Whereas the bid submitted by the Contractor has been accompanied by the acceptance of the Employer pursuant to the Award Letter No. (___), dated ___/___/14__H., both Parties have, therefore, agreed to carry out the abovementioned works according to the abovementioned and the following conditions:

Article (1) Purpose of Contract:

The purpose of this Contract is to _____

As detailed in the works' terms and specifications. This includes the provision of materials, equipment, workers and all that is necessary for the execution and completion of the works, ensuring their continued quality in accordance with the terms and conditions of the Contract and its documents, as well as the temporary, additional supplementary works and modifications required by the Employer to be executed by the Contractor in accordance with the terms and conditions of the Contract and its documents.

Article (2) Contract Documents:

2.1 This Contract shall consist of the following documents:

- A. Basic Contract Document;
- B. General conditions.
- C. Project Conditions
- D. Approved Plans and Drawings.
- E. Special specifications (if any).
- F. General specifications (if any).
- G. Bill of quantities and price categories.
- H. Award Letter
- I. Contractor's Bid.
- J. Contract annexes (if any).
- K. Letters and correspondences.

2.2 These documents constitute an integral unit and each document shall be regarded as part of the Contract so that the above documents shall interpret and complement each other.

2.3 Where there is a contradiction between the provisions of the Contract documents or in case of ambiguity in any of them, the Employer shall issue the notes necessary thereon, where the priority of weighting between the conflicting documents shall be to the first document in sequence, as given in paragraph (2.1) in this Article.

Article (3) Contract Term:

3.1 The Contractor shall undertake to execute and complete all the works specified in the Contract during the period of _____ [Contract Term in numbers and letters], including the period of processing. This period applies as of the date of handing over the site to the Contractor.

3.2 In case the Contractor is late in carrying out the works after the expiry of the period specified for execution and the extensions thereto, delay fine shall be applied, in addition to the costs and fees of supervising said execution during the delay period, in accordance with the provisions of Chapter Eleven of the Contract General Conditions.

Article (4): Works Guarantee

- (A) The Contractor shall guarantee the Contract works in full for twelve (12) Gregorian months commencing from the date of the initial takeover and ending with the final takeover, unless a longer period is agreed upon in accordance with the provisions of Chapter Sixteen of the Contract General Conditions.
- (B) The Contractor shall guarantee the Contract works against total or partial demolition for a period of ten (10) Gregorian years unless a shorter period is agreed upon, according to the provisions of Chapter Sixteen of the Contract General Conditions.

Article (5) Contract Value:

- 5.1 Total contract value is SAR _____ [in numbers and letters] for executing the required works in accordance with the terms and specifications, charts, bill of quantities, price categories and other Contracts documents.

Total contract value is comprehensive and inclusive of all the costs in accordance with its terms, including the value of duties, taxes and any other costs paid by the Contractor for Contract execution.

- 5.2 Total contract value shall be subject to increase and decrease according to the change in the actual quantities of the works executed by the Contractor in accordance with the Contract and pursuant to the additional and supplementary works and amendments made at the request of the Employer within the limits and powers specified in Chapter Ten of the Contract General Conditions.

Article (6) Payment:

The Employer shall pay the Contract Value in accordance with the terms of payment specified in Chapter Twelve of the General Terms in return for the Contractor's execution and completion of the Works specified in the Contract and its documents.

Article (7): Contractor Compensation:

The Employer shall indemnify the Contractor and adjust the Contract prices in the cases and in accordance with the procedures specified for the submission of compensation claims stipulated in Chapter Thirteen of the Contract General Conditions.

Article (8): Commitment to work ethics:

Without prejudice to the provisions of the laws and regulations in force in the Kingdom of Saudi Arabia, the Contractor undertakes that he has not and shall not pay or promise any funds or other benefits, use any means of inducement, coercion or abuse of power, in order to win this Contract or execute any part thereof, whether directly or by its employees, agents, representatives,

subcontractors, or their agents or representatives, to any employee or officer responsible for the execution of the Contract, including the supervisors of the First Party, its employees and agents. If proved to be in breach of this declaration, the values paid or promised to be paid shall be deducted from any entitlements to the Contractor. The Employer shall also have the right to cancel the Contract without compensation. This shall not relieve the Contractor and his employees from civil or criminal liability for committing such actions.

Article (9): Bank Guarantee:

The Contractor has provided the (final) bank guarantee to ensure the proper execution of the works under Bank Guarantee Letter No, dated....., issued by bank, and its value is This guarantee shall be effective until the end of (date H), in accordance with the provisions of Chapter Four of the Contract General Conditions.

Article (10): Governing Law

This Contract shall be subject to the laws and regulations in force in the Kingdom of Saudi Arabia, including the Government Tenders and Procurement Law issued by Royal Decree No. M/58, dated 04/09/1427H and its Implementing Regulations, as well as the decisions issued thereon, and it shall be interpreted, implemented and adjudicated, in case of proceedings, thereunder.

Article (11): Settlement of Disputes

Any dispute arising out of the execution of this Contract, which could not be resolved amicably, shall be settled by the Board of Grievances (the Administrative Court) in the Kingdom of Saudi Arabia, which is the competent authority for considering the dispute unless the Parties have agreed to settle their disputes by arbitration in accordance with the provisions of Chapter Twenty of the Contract General Conditions.

In witness of the foregoing, the Parties have signed this document at the time and place mentioned in this document.

First Party

Second Party