

Kingdom of Saudi Arabia

Ministry of Finance

(279)

Legal Department

Contract Form For operation, maintenance and cleaning

According to the Council of Ministers' Resolution No. 268, dated 30/10/1422H

There shall be compliance with the provisions of the amendments Annex, issued pursuant to the Ministry of Finance Resolution No.42/25517, dated 28/3/1428H

Contract

Main Contract Document

By the help of Allah

In ----city, on the day of-----corresponding to -----, it is agreed between:

First: (Ministry or administrative agency), represented by -----, referred to below as the employer. The term (First Party) shall include the successor of the employer and the assignee of the contract.

Second: (the information of the second party shall be mentioned here.)

-Name of the second party.

-Legal form (sole proprietorship- company), its permanent address in the Kingdom, the name of the person authorized to sign and the number and date of the official authorization granted to the authorized person to sign.

-Address of its headquarters. (The Second Party) .

-This expression shall include the successor of the second party and the person authorized to refer the contract to him.

Since the Employer wishes to operate / maintain / clean the following (for---)

Which was put forward in a public tender through local newspapers, The second party has submitted its bid to this tender on / / to carry out the work after reviewing all the conditions, specifications, terms of the contract and all documents, acknowledging the site and knowing the contents of the Government Tenders and Procurement Law and the procedures of implementing its projects and works issued by Royal Decree No. (M / 14), dated 4/7/1397H and its Implementing Regulations issued by the Minister of Finance and National Economy Resolution No. (2131/17) dated 5/5/1397H and related amendments, resolutions, circulars and directives;

Whereas the offer of the Second Party is accepted by the First Party (the Employer) in accordance with the letter of award no. (), dated / /

The parties have agreed to carry out the work in accordance with the following terms of contract:

Article 1: Purpose of Contract:

The purpose of this contract is to carry out----

This includes the provision of materials, equipment, workers and all necessary items (in accordance with the terms and conditions of the contract).

Article 2: Contract Documents:

2-1- This contract consists of the following documents.

A- The main contract document and the amendments Annex issued by the Ministry of Finance Circular No. (42/25517), dated 28/3 / 1428H.

B- Special conditions (if any).

C- General conditions.

D- Specifications.

E- Bill of quantities and price categories.

F- Charts, drawings, manuals for operation and maintenance (if any).

G- Letter of award or acceptance of the offer.

H- Annexes (if any).

I- Forms of bank guarantees issued by the Minister of Finance and National Economy.

2-2- These documents shall be deemed an integral part of the Contract and shall be used to interpret and supplement each other.

2-3- In the case of a conflict between the documents of the Contract, the preceding document shall prevail over the next document in the order indicated in the first paragraph of this article.

Article 3: Contract Term.

The Second Party shall undertake to (a description of the nature of the works and their locations) for the duration of the contract specified as (the duration of the contract shall be stated in numbers and in writing). This period shall commence from the date of delivery of the work site to the Contractor pursuant to a written record signed by the Employer's delegates and the Second Party.

Article 4: Value of Contract.

The total value of the contract shall be (the value of the contract shall be stated in numbers and in letters) Saudi riyals, for the execution of this contract in accordance with the terms, specifications, charts, bills of quantities, price categories and other documents of the contract.

Article 5: Payment

The Employer shall pay the value of the contract in the manner and at the times specified in article (36) of the general conditions of the contract in return for the execution and completion of the contracted work by the Second Party.

Article 6: Contract Law.

This contract shall be subject to the laws and regulations applicable in the Kingdom and shall be interpreted, implemented and adjudicated in the lawsuits arising therefrom in accordance with these laws and regulations.

Article 7: Settlement of Disputes:

Any disputes arising from the implementation of the Contract, which cannot be settled amicably, shall be referred to the Board of Grievances. The decision of the Board shall be deemed final.

In witness whereof, the Parties hereto have signed this document in the aforementioned place and date.

Allah grants success.

Second Party

First Party

Name:

Name:

Legal capacity:

Legal capacity:

Signature:

Signature:

General Terms and Conditions

Article (1): Definitions:

First: The following words and phrases shall have the meanings set forth beside each of them unless otherwise expressly provided by the text or required by the context:

A- Employer: (First Party).

The Ministry or the administrative entity that called for the submission of tenders or anybody authorized to the right to supervise the works.

B- Contractor (Second Party):

Person(s) of natural or legal capacity whose bids are accepted by the Employer, including their representatives, successors and persons replacing them as approved by the Administration.

C- Employer's delegate:

Person(s) of natural or legal capacity appointed at any time by the Employer to follow up the execution of the works.

D- Representative of Employer's delegate:

Any work supervisor appointed by the Employer or his delegate from time to time to perform the duties stipulated in Article (2) of these Conditions within the limits of the powers notified in writing by the Employer or his delegate to the Contractor.

E- Works: All permanent and temporary works and services that must be performed under the Contract.

F- Operation:

- 1 - The operation of buildings, establishments and facilities periodically and according to a timetable.
- 2 - The day-to-day management of the establishments to perform the work for which the establishment has been designed.

G- Maintenance:

- 1- Corrective maintenance: includes the maintenance work carried out from time to time to deal with any defect or deficiency that may arise from consumption, use and accidents, and the purpose of which is to maintain the facilities and equipment in the condition on which they were established.
- 2- Preventive maintenance: is the almost regular scheduled work carried out in order to avoid the gradual deterioration of facilities and equipment and to inspect and repair the equipment and devices in accordance with the instructions of the manuals and the technical manuals of the manufacturers.

H- Equipment:

- 1- Contractor's equipment: Machines, tools and devices belonging to the Contractor and are required to be provided for use in the implementation of works and services.
- 2 - Project equipment: Machines, tools and devices belonging to the owner of the project, and which the contractor undertakes to operate, maintain and preserve for using it in the implementation of works and services.

I- Charts:

The charts and drawings referred to in the Contract or any amendments thereto which the Contractor is notified of in writing from time to time.

J- Specifications:

The special and general specifications and evidence of the works or services referred to in this Contract, as well as any amendments or additions thereto, with the approval of the Employer.

K- The Site

The buildings, places and facilities to be maintained, operated or cleaned.

L- Approval:

The written approval, including subsequent written assurances of any prior oral approvals.

M - Month:

The Hijri month.

N- Cost:

The general costs whether on site or off site.

Second: singular and plural:

The words mentioned in the singular shall indicate the same meaning in the form of the plural, and the reverse holds true if the text so requires.

Third: Headings and Footnotes:

Headings and footnotes used in this Contract shall not be deemed a part thereof and shall not be considered in its interpretation.

The Employer's delegate and representative

Article 2: Powers of the employer's delegate:

The powers of the Employer's delegate are to observe, monitor, examine and test any material or method used to perform the Works and Services in accordance with the terms and conditions of the Contract Documents.

The Employer's deputy may authorize his representative in writing to exercise any of his powers and authorities, provided that the deputy provides the Contractor with a copy of this written authorization. The written instructions and approvals issued by the representative of the Employer's delegate to the Contractor within the limits of the authorization given to him shall be binding on both the Contractor and the Employer as if issued by the same delegate and shall always take the following into consideration:

A- The failure of the representative of the delegate to refuse or accept any work or material not meeting the conditions and specifications shall not affect the authority of the delegate who is subsequently entitled to refuse said work or materials.

B- If the Contractor is not satisfied with any decision taken by the representative of the delegate, the Contractor shall have the right, within three working days, to refer the matter to the delegate who shall support, cancel or amend the decision in question, within

seven working days.

Assignment and Subcontracting

Article 3: Assignment:

A- The Contractor shall not assign to any other party any part of the Contract or any profit or interest arising therefrom without the prior written consent of the Employer. However, the Contractor shall remain liable to the Employer jointly with the assignee for the execution of the Contract.

B- The assignment of more than sixty per cent (60%) of the Contract shall not be approved, in accordance with the preceding paragraph. The transferee shall be competent and classified in the field of maintenance, operation and cleaning at the same rate covering this percentage.

Article 4: Subcontracting:

The Contractor shall not subcontract to perform all works and services under the Contract. Unless the contract otherwise provides, the Contractor shall also not be entitled to subcontract to perform part of the works and services without the prior written consent of the Employer, provided that the subcontractor is competent and classified in the field of maintenance, operation and cleaning and in the same degree covering the commitment of the project. However, this consent shall not exempt the Contractor from his liability and obligations under the Contract, and the Contractor shall remain liable for any conduct, error or negligence made by any Subcontractor himself, his agents, employees or workers as if such conduct, error or negligence is made by the Contractor itself or its agents, employees or workers. The employment Contracts concluded by the Contractor on the basis of work by the piece shall not constitute subcontracts pursuant to this Article.

Contract Scope:

Article 5:

The contract includes:

- A – Operation
- B- Maintenance
- C- Cleaning

Contract language:

Article 6:

The Arabic language is the language adopted in the interpretation and implementation of the contract. However, the two parties may use one of the foreign languages in addition to the Arabic language in writing the contract or part thereof. If there is a conflict between

the Arabic and foreign texts, the Arabic text shall be used. The Arabic language shall also prevail with regards to the specifications and plans.

B- The correspondence relating to this Contract shall be in the Arabic language.

However, the Contractor may use one of the foreign languages and translate it at his expense into the Arabic language. In case of divergence in interpretation, the Arabic text shall prevail.

Article 7: Preservation of charts:

First: The employer's representative alone shall keep the plans and shall provide free copies to the Contractor. The Contractor shall then bear at his own expense the costs of preparing any additional copies required for the performance of his work. The Contractor shall return to the Employer's representative upon completion of the Contract all the plans submitted to him.

Second: The Contractor shall undertake to keep in the work site a copy of the charts submitted to him as described above. The copy shall be available at all times for inspection and use by the employer's delegate, representative or any other person authorized in writing by the Employer or his delegate.

Article 8: Additional Charts and Instructions:

Subject to the provisions of Article (2) of these Conditions, the Employer's delegate shall have the entire authority and power to provide the Contractor at all times during the execution of the Contract with any other charts or instructions necessary to fulfill his obligations in a satisfactory and proper manner. And the Contractor shall implement and comply with the instructions and shall update the charts in accordance with the nature of the Contract implementation.

General Obligations

Article 9: The Ultimate Guarantee:

First: The contractor shall, within ten days from the date of notification of acceptance of his offer pursuant to a registered letter, provide the Employer with a guarantee of five percent (5%) of the bid value to secure the execution of the contract. The Employer may grant the Contractor an additional period of ten days from the expiry of the period referred to above.

Second: This guarantee shall be irrevocable and enforceable throughout the Contract period until the final delivery.

Third: The guarantee shall be in the form specified by the Law and according to the form agreed between the Ministry of Finance and National Economy and the Saudi Arabian

Monetary Authority.

Fourth: If the Contractor does not provide the required guarantee, the Employer may cancel the award and confiscate the initial guarantee without the need for a warning or notice, without prejudice to the right of the Employer to ask the Contractor for compensation for damages and losses that may result therefrom.

Article 10: Site inspection:

The Contractor shall inspect and check the site and its surrounding circumstances, and shall ensure, before submitting the offer, the nature of the works and services required to be submitted in accordance with the Contract. The Contractor shall also review the quantities and nature of the work and the materials and equipment necessary for the completion of the works and services and means of access to the site and the facilities he needs. Generally, the Contractor shall obtain all the necessary information referred to above and other factors that might affect his offer.

Article 11: The Offer Adequacy:

The Contractor is supposed to have complete information before submitting the offer and shall ensure that the prices which he stated in the bill of quantities and price categories are sufficient to cover all its obligations under the Contract and other matters and things necessary for the proper and perfect completion of the Works and Services.

Article 11: Site Delivery and Commencement of Work:

The Contractor shall commence work immediately upon receipt of the Site in accordance with a signed report between him and the Employer or their representatives.

Article 13: Execution of works:

13-1 The Contractor shall carry out the works and services under the Contract and shall comply with the instructions and written directions of the Employer's delegate or his representative on any subject related to the works and services. The Contractor shall receive instructions and directions from the delegate alone or his representatives within the limits referred to in article (2) of these conditions.

13-2 The Contractor shall comply with the following:

A- Buy national products and may not use similar products imported from abroad for the purpose of executing the Contract.

In the absence of national products that meet the work requirements, the Contractor shall be obliged to purchase products of national or Gulf origin.

Without prejudice to the right of the government agency to reject these products, the Contractor's failure to comply with the provisions of this paragraph shall result in a fine of

not less than twenty percent (20%) of the value of the purchases in addition to the conditions stipulated in the Contract.

B - The local or imported materials used to execute the contract shall conform to the Saudi standard specifications. For materials where there is no Saudi standard specifications have been issued, it shall conform to one of the internationally recognized standards specified by the Employer or his representative.

C- Take into account the laws, rules and regulations related to the protection of the environment in the Kingdom which are issued by the competent authorities.

D- Purchase the tools and equipment required for the implementation of this Contract from the Saudi sellers in the Kingdom. The Contractor may not import directly from abroad except in the case of importing his used equipment.

E- Obtain the following services from local Saudi institutions:

1- Services of transporting cargo and passengers within the Kingdom if the Contractor does not perform these services directly and with the equipment owned by him and the individuals who work directly with him.

2- Local insurance services.

3- Bank services.

4- Services of leasing and purchasing lands and buildings.

5- Subsistence and food supply services.

13-3 The Contractor shall submit his letters, accounts and statements to the administrative body in Arabic and shall keep his records and all his accounts and documents in the Arabic language and under his responsibility and shall be accompanied by a certificate issued by an accountant licensed to work in the Kingdom. In case of violation, the prescribed penalties shall be imposed.

13-4: Transfer of all air-transported items related to the execution of the Contract such as passengers, materials, etc. by the Saudi Arabian Airlines. In case of violation of this obligation, the Contractor shall be subject to the prescribed fine.

The Contractor shall also undertake to transfer all that may be transported by sea of materials necessary for the execution of the Contract - by means of Saudi ships and vessels whenever possible, in accordance with the instructions and orders prescribed for that.

13-5 The Contractor shall, at the time of signing any Contract of more than 5 million riyals, submit to the governmental authority the insurance policy required by any national cooperative insurance company stating that he will insure his tools and equipment which he will use in the execution of the Contract works and services during the contract term

and until delivery of facilities and establishments.

Article 14: Program of work:

The Contractor shall submit to the Employer's delegate or representative detailed information regarding the arrangements necessary for the completion of the works and services that the Contractor intends to perform in accordance with the Contract documents.

Article 15: Supervision of the Contractor:

The Contractor shall perform the necessary supervision during the execution of the work to the extent that the delegate deems necessary to fulfill his contractual obligations in a proper and good manner. The contractor or his representative, accepted in writing by the representative, shall reside permanently at the work site and shall devote all his time to supervise the execution of the work.

In the case of withdrawal of the Employer's delegate of the acceptance referred to above, the Contractor shall, upon receipt of a written notification of such withdrawal, transfer his representative from the work site as soon as possible, and shall not employ him again at the work site and shall appoint another representative to be approved by the delegate. The representative may receive on behalf of the Contractor instructions and directives issued by the delegate or his representative within the limits set forth in Article (2) of these conditions.

Article 16: Contractor's Employees:

First: For the purpose of carrying out the works and services, the Contractor shall submit and employ the following in the site:

A- Technicians and their assistants who are experienced and skilled within their respective fields of competence, as well as assistants, heads of labor and competent supervisors to control the work entrusted to them properly.

B- The necessary number of skilled and semi-skilled workers and ordinary workers to carry out the work and maintain it in a proper and good manner.

C- The contractor shall employ Saudis in accordance with the job data lists prepared by the Employer in the Contract documents.

D) If the Contractor does not comply with the employment of Saudis according to paragraph (c), the cost shall be deducted.

E) The employment of Saudis shall be on a full-time basis, and the Contractor shall submit certificates proving the registration of these employees with the General Organization for Social Insurance.

Second: The Employer's delegate shall have the right, in all cases, to ask the Contractor to immediately exclude from the work site any person whom he uses for carrying out the works and services or any related matter if the delegate considers that such person is behaving badly, incompetent or negligent in the fulfillment of his duties or that his presence is undesirable. In such case, such person may not be used again without the written consent of the delegate, and the Contractor shall replace, as soon as possible, any person who is excluded as described above by a competent alternative who shall be approved by the delegate.

Article 17: Determination of the works' location:

The Contractor shall be responsible for the proper and sound performance of the works and services in their locations and for providing all the necessary tools, devices and manpower. The Contractor shall correct any error that occurs in the performance of the works and shall, upon the request of the representative or the Employer, correct any errors that are inconsistent with the requirements of the Contract. The Contractor shall, at his own expense, correct such errors so that the delegate or his representative agrees to such correction.

Article 18: Damage to Persons and Property:

The Contractor shall be liable for all losses and damages to persons and property resulting from the performance of the works and services or anything related thereto and shall be responsible for all complaints, claims and expenses resulting therefrom.

Article 19: Sending notifications and paying fees and fines:

First: The Contractor shall send all notifications and pay all fees prescribed by the laws, regulations or decisions in respect of the performance of works and services or in respect of rules and regulations in any form.

Second: Compliance with laws and decisions:

The Contractor shall comply with the laws, regulations and decisions issued by the competent public authority concerning the works and services, as well as abide by the regulations and rules of public bodies and related companies and bear the responsibility and prescribed fines of any kind for violating these laws, regulations or decisions.

Article 20: Remains of artifacts and objects of value and others:

Any money, valuables, antiquities, buildings, monuments and other objects of geological or archaeological value discovered on the works' locations shall be the sole property of the Employer and the Contractor shall take appropriate precautions to prevent his workers or any other persons from transporting or damaging any of such objects.

The Contractor shall, immediately upon finding such objects and before their transfer, inform the delegate or his representative about this discovery and shall carry out his instructions regarding the disposal thereof at the expense of the Employer.

Article 21: Patent rights and ownership:

The Contractor shall protect and indemnify the Employer from all claims and actions resulting or arising from infringement of any right, privilege, design, trademark, name or other registered rights in respect of any work equipment or material used in the performance of the works, as well as all claims, requests, actions, damages, expenses, fees and expenses incurred or related thereto, whatever they may be.

Article 22: Obstruction of traffic and damage to neighboring property.

The Contractor shall carry out all operations necessary for the performance of works and services within the scope permitted by the requirements of the contract in a manner consistent with the regulations and with the requirements of general comfort and does not preclude access to the use of public and private roads and passages or entry and exit of property whether owned by the Employer or any other person.

The Contractor shall prevent and protect the Employer from any harm and indemnify him against any claims, requests, actions, damages, costs, fees or expenses of any value incurred thereby if arising from or related to such matters and to the extent that the Contractor is responsible for them.

Article 23: Giving the opportunity for other contractors:

The Contractor shall, based on the instructions of the Employer's delegate and his orders, give the opportunity to any of the other contractors employed by the Employer to enable them to perform their work. The Contractor shall provide the same opportunity to the workers of such contractors or to the Employer's employees or government employees who are employed on or near the site who are hired to perform any work not covered by the Contract or to perform any other contract concluded by the Employer that is relevant, attached, or complementary to the works.

Article 24: Leaving the site after completion of the works:

Upon termination of the Contract, the Contractor shall leave the site and transfer all of its equipment, materials, waste and temporary works of any kind. He shall leave the entire site in the manner agreed upon by the Employer.

The workers

Article 25: Employees and workers:

Subject to the provisions of Article 16, Clause (first), paragraphs (c, d, e) of this Contract,

the Contractor shall make special arrangements for the employment and recruitment of all workers, nationals or foreigners, within the limits of the Labor Law, Social Insurance Law, Residency Law and other laws. The Contractor shall also provide the necessary work requirements for his workers, including appropriate housing, transportation and health care as stipulated in the special conditions.

Article 26: Workers' Statements:

The Contractor shall submit at the times specified by the delegate or his representative a detailed statement stating the names of all his employees, workers and their salaries, and any other information that may be requested by the delegate of the Employer or his representative.

Article 27: Suspension of the work:

The Contractor shall, upon the written order of the Employer, suspend the performance of the works or any part thereof for a period or manner prescribed by the Employer for the safety of the Work, and the Contractor shall, during the period of suspension, protect the work to the extent the delegate deems necessary.

The Employer shall not bear the costs resulting from the suspension if it occurs in any of the following cases:

A - If it is stipulated in the Contract;

B- if it is necessary to carry out the work fundamentally or because of the default of the Contractor;

C- if it is necessary for the safety of the works or any part thereof.

Article 28: Rights of passage:

The Contractor shall bear all the expenses and fees necessary to secure the special or temporary rights of passage which he needs in connection with access to the site. He shall also provide, at his own expense, prepare any additional facilities outside the site required for the purpose of the work in accordance with the regulations issued by the competent authority.

Article 29: The penalty of default:

A- If the Contractor fails to perform his obligations, he shall be bound by a fine determined in accordance with the special conditions of the Contract so that the fine may not exceed ten per cent (10%) of the value of the Contract upon completion of the works.

B- In the event that the Contractor fails to secure any of the items and elements to be provided in accordance with the Contract documents, the cost thereof shall be deducted from his entitlements even if the amount of the deduction exceeds ten percent (10%) of

the value of the Contract.

Article 30: Rate of the work progress:

The Contractor shall submit to the Employer's delegate on a regular basis, as detailed in the special conditions, detailed reports on materials, labor and work progress.

Article 31: The costs of carrying out repair works and others:

A- If the works of this Contract requires the purchase of spare parts needed for the operation and maintenance works, such works shall be executed by the Second Party and shall be deducted from the clause specified by the First Party according to the following controls:

1. The First Party's approval of such works shall be taken on condition that they are not due to negligence in operation or low performance.

2- The contractor shall return the replaced parts to the warehouse of the administrative body, and it shall have the right to inspect such parts and make sure that they are not usable.

3- The contractor shall be held accountable for the value of the spare parts which he has insured under the invoices received from those who have given the insurance after the administrative body reviews such parts and makes sure that their prices are similar to the prevailing prices.

4- The contractor shall not have the right to claim any other expenses, such as profits, transfer fees, installation fees, administrative expenses, etc., so that these expenses are charged to the value of the maintenance contract. The conditions and specifications of the process shall not include any obligation on the government agency.

B- The Contractor shall carry out all repair works at his own expense if the reason for such acts, according to the Employer's representative, is because the used materials or the manufacturing standards are not consistent with the Contract or if the reason is due to negligence or default by the Contractor in implementing any explicit or implied commitment under the Contract.

Article 32:

If the Contractor fails to perform the works referred to in Article (31) of these conditions which are required from the delegate, the Employer shall have the right to carry out such works or use other contractors to carry out them. The cost of such works shall be collected from the Contractor and may be deducted from the amounts due to the Contractor or which may subsequently become due to him.

Amendments, additions and cancellations

Article 33:

First: The Employer's delegate shall be entitled, within the limits of his powers, to perform any change in the form, type or quantity of works and services or any part thereof, which he may deem appropriate and the Contractor shall do so, provided that this does not change the Contract or exceed the limits stipulated in the following paragraph.

Second: During the execution of the Contract, the Employer may increase the amount of works and services by not more than ten percent (10%) of the total value of his obligations. He may also reduce the amount of works by not more than twenty percent (20%) of the total value of his obligations. In this case, the value shall be adjusted by increase or decrease accordingly.

Third: The Contractor shall not make any of the said changes without a written order issued by the Employer or his representative.

Article 34: Changes:

First: The Employer shall determine the value – if any – that is deemed to be added or deducted from the amount stated in the offer for any additional or extra work carried out or canceled upon his order.

An assessment shall be made prior to the commencement of additional work in accordance with the clauses stated in the Contract if the Employer or his delegate considers that they are applicable. If the Contract does not contain any similar clauses applicable to overtime, the Employer and the Contractor shall agree to determine the fair prices thereof.

Second: The Contractor shall send to the delegate once every month a statement explaining fully and in detail the information for all the claims for the additional expenses to which the Contractor considers to be entitled, and all additional works ordered by the Employer and executed by the Contractor during the preceding month.

Equipment, temporary works and materials

Article 35:

First: The use of equipment, materials in the works:

Equipment and materials supplied by the Contractor, after being brought to the site, shall be exclusively dedicated to maintenance, operation and cleaning. The Contractor shall not, without the written consent of the delegate, transfer them or transfer part thereof from the site unless the transfer is from one place to another at the same location. The delegate may not refrain from giving the written consent for a reasonable reason.

Second: the transfer of equipment, materials:

After completion of the works, the Contractor shall transfer from the site all of the remaining equipment and all unused materials he has brought and clean the site.

Third: Non-liability of the Employer for any damage to the equipment:

The Employer shall not be liable at any time for any loss or damage to any equipment, temporary works or materials, except as provided in Article (40) of these Conditions.

Article 36:

First: Payment method:

A- The contractor's entitlements shall be paid according to the work done as per the bills approved by the Employer's delegate on a periodic basis and at a rate of at least one bill per month.

B- The latest bill(s), which shall not be less than five percent (5%) of the value of the Contract or the value of the executed works, shall be deferred until a certificate is submitted by the Zakat and Income Tax Authority and the General Organization for Social Insurance stating that the Contractor has paid his dues of zakat, taxes or social insurance and liquidation of his employment.

Second: Payment currency:

Subject to the provisions of the regulations and instructions, all payments shall be in Saudi Arabian currency unless another currency is stated in the special conditions.

Article 37: Delivery and receipt:

The Contractor shall, in an ample time before the expiry of the Contract, make the necessary arrangements for the full delivery of the facilities and installations, including equipment and devices. He shall then send a written notice to the Employer specifying the date of inspection in preparation for the receipt, and the Employer shall set the inspection date within a reasonable period from the date of the Contractor's notice. Upon delivery, the Employer or his representative shall inspect the facilities and installations and receive them in the presence of the Contractor or his representative. Multiple copies, as many as needed, of the delivery report shall be made and of the copies shall be given to the contractor. If the delivery was made without the presence of the Contractor, despite being notified by a registered letter – the Contractor's absence shall be stated in the report. If it appears from the inspection that there are observations that prevent the receipt, it shall be stated in the report and the receipt of the works –under observation– shall be postponed until the completion of its implementation or repair in accordance with the period specified by the Employer.

Withdrawing the work from the Contractor

Article 38: Withdrawing the work from the Contractor

Without prejudice to the provisions of other relevant regulations, the Employer may withdraw the work from the Contractor and seize the site in any of the following cases:

- A- If the Contractor delays the commencement of work, shows a default in his performance, or slowness in his progress, or suspends the work completely to the extent that the Employer considers that the work cannot be completed according to the list of works.
- B- If the Contractor withdraws from, abandons, leaves the work or subcontracts without prior authorization from the Employer.
- C- If the Contractor breaches any of the terms of the Contract, or fails to perform any of its contractual obligations, and does not rectify that despite that 15 days have elapsed since he was notified in writing of this rectification.
- D- If the Contractor gives, by himself or through a mediator, any gift, loan, reward or promise to any of the public employees or workers or to any other person connected with the work subject of the Contract.
- E- If the Contractor goes bankrupt, or files for bankruptcy, or has been proven to be insolvent, or an order has been issued to place him under guard, or the Contractor is a company or a member of the company that was liquidated or resolved pursuant to a judicial order.

The withdrawal of the work from the Contractor shall be pursuant to a written notice based on a recommendation from the tender examination committee and a decision of the competent person without the need to resort to the court or other judicial entities.

Article 39: Effects of withdrawing the work:

First: In case of withdrawing the work from the Contractor, the Employer shall, at his discretion, resort to one of the following procedures:

- 1- To agree with the bidder following the tender of the Contractor to perform the work at the same prices provided by him. In case of his disagreement, the other bidders shall be negotiated with to do so.
- 2- To re-introduce the works and services required in the competition, which shall be, in all cases, at the expense of the Contractor.

Second: The Employer shall have the right, if one of the conditions provided for in paragraphs (1 and 2) of clause (first) of this Article, to reserve the materials, equipment and machinery on the site, and may return to the Contractor with all losses or damages

incurred.

Third: After settling the Contractor's account with the Employer, the Contractor is entitled to transfer his equipment, machinery and materials belonging to him from the site.

Article 40: Special Risks:

Special risks shall mean the war and acts of invasion of hostile forces, military actions and the like.

The Contractor shall not be liable for compensation or any other form of indemnification for any sabotage or destruction made to works, temporary works, the property of the Employer or any third person, or any malfunction or damage to life if such sabotage, destruction, fault or damage is caused by special risks.

Except for what is subject to removal and rejection, the Contractor shall have the right to pay the Employer the value of the works, temporary works or existing materials when it is proven that they are assigned to the work if they are damaged or destroyed due to special risks, whether on or near the work site, or on the way to it. The Contractor shall also have the right to pay the Employer the costs necessary for the repair of works or temporary works to the extent that the Employer's delegate deems necessary on the basis of the cost price plus the reasonable amount of profit as determined by the delegate. Any destruction, damage or loss of life due to an explosion or pressure at any place or time caused by a mine, a bomb, ammunition, explosives or any war material shall be the result of special risks and shall be governed by its provision as provided for in this Article unless arising out of the act or default of the Contractor or his subcontractors or their employees.

If the war breaks out during the period of this Contract, the Contractor shall take all possible measures and efforts to complete the work, bearing in mind that the Employer has the right, at all times after the outbreak of war, to terminate the Contract under a written letter to the Contractor. Upon sending such letter, the Contract shall become terminated except in respect of the rights of both parties provided for in this Article and Article (39) of these Conditions and their rights relating to any violation preceding the termination of the Contract.

Article 41:

In the case of termination of the Contract due to the outbreak of war as described above, the Employer shall pay to the Contractor all the rights due to him for the works he has performed in addition to the value of the materials and goods supplied to the site, after deducting the remaining amounts in the Contractor's possession from the balance of the advances made and paid to him, or any other amount paid to the Contractor at the

expense of executing the work.

Article 42: Settlement of Disputes:

Any dispute that arises between the parties and cannot be resolved amicably shall be referred to the Board of Grievances in the Kingdom. In all cases, the dispute shall not preclude the parties' commitment to continue to execute the works of the Contract.

Default of the Employer

Article 43:

The Employer shall enforce the terms of the contract in good faith and pay the Contractor the outstanding installments without delay. If the Employer breaches any of the terms of the Contract or fails to pay within the specified time, the Contractor may claim compensation for the losses resulting from such default or breach. The Contractor may not terminate the work on the basis of the Employer's delay in payment for any error attributable to the Contractor. The Contractor shall waive any compensation not claimed within thirty days from the occurrence of the incident for which compensation is claimed.

Taxes and Fees

Article 44:

The Contractor shall be subject to the Kingdom's laws relating to taxes and duties, and shall, under his responsibility, pay them within their specified deadlines and amounts due to the competent authority.

In the case of the amendment of the taxes and fees in the Kingdom by increase or decrease after the date of submission of the tender, the value of the Contract shall be increased or decreased as the case may vary by the amount of difference. Provided that payment of the difference resulting from the increase in the customs shall require that the contractor proves that he has paid the excess difference from the fees as a result of the supply of materials dedicated to the Contract's works after the fees have been adjusted by increase, and to prove that such difference has not been compensated as a result of the price adjustment in accordance with this Article.

Import laws and regulations

Article 45:

The Second Party acknowledges that the import and customs regulations and provisions of the Kingdom shall be applied to the supply and shipment of any products or parts thereof to or from the Kingdom, including provisions relating to the prohibition of import.

Notifications

Article 46: Serving notifications:

Notifications and notices relating to this Contract shall be exchanged either by hand delivery in return for a receipt, by official or registered mail, by fax or telegram, and shall be legally binding if it was delivered by the above-mentioned methods to any of the following addresses in the Kingdom:

As for the Employer

.....

As for the Contractor

.....

The address may be changed by notifying the other party within thirty days prior to its change.

Article 47:

The Contractor shall not be entitled to strike off his commercial registration until all his obligations have been fulfilled.

Article 48: Photography:

The Contractor and all his affiliates and subcontractors shall not take any pictures of the facilities, installations or any part thereof without the prior written consent of the Employer. The Contractor shall not use any pictures of the facilities, installations or any part thereof for advertising purposes without the prior written consent of the Employer.

Article 49: Confidentiality:

The Contractor and all his affiliates and subcontractors shall not disclose or exploit the disclosure of any data, graphics, documents or information, whether written or oral, and this shall apply to what is in his possession , what he has been informed of, which is related to the Contract or the work, secrets, transactions, deals or affairs of the Employer - to any person or entity, and these obligations shall be applied during the execution of the Contract or after termination by the Employer or after the expiry of its term.