# **Construction Law and Practice**



# COMMENTARY ON THE FIDIC GREEN BOOK 1999



First Edition 2004

Edited by C.Haselgrove-Spurin

An NMA Certified
Continuing Professional
Development Training Program

Published by Nationwide Mediation Academy and Nationwide Academy of Dispute Resolution UK Ltd
Company No 4734831

#### **FIRST EDITION 2004**

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"If the search for a universal international construction contract is a quest of truly Don Quixote proportions, given the problems of satisfying domestic law and local customs and practices around the globe, none the less it must be said that the FIDIC Rainbow Suite of Construction contracts represent a serious tilt at the windmill."

C.H.Spurin 2004.

# LONDON NATIONWIDE ACADEMY OF DISPUTE RESOLUTION

Electronically published at www.nadr.co.uk/publications by

The E-Book Division

NADR UK Ltd and Nationwide Mediation Academy

Stockland Cottage

11 James Street

**Treforest** 

Pontypridd

CF37 1BU

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#### "Notes and Commentary on the FIDIC Short Form of Contract 1999"

#### First published 2004

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World Trade Centre II,

P.O.Box 311,

1215 Geneva 15,

Switzerland.

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Printed and bound in Great Britain by and available from:

Nationwide Mediation Academy Press

Stockland Cottage,, 10 James Street, Treforest, Pontypridd. CF37 1BU, United Kingdom

Tel: ++ 44 (0) 1443 486122. Fax: ++44 (0) 1443 404171. E-mail: <u>Publications@nadr.co.uk</u>

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### NOTES AND COMMENTARY ON THE FIDIC GREEN SHORT FORM OF CONTRACT 1999



#### CONTAINING AN ANALYSIS OF THE

- AGREEMENT
- GENERAL CONDITIONS
- > RULES FOR ADJUDICATION

#### **Preface**

The purpose of this book is to provide a guide to construction practitioners on the use of the new Short Form Contract issued by FIDIC in 1999. Each provision is set out in turn, juxtaposed against the FIDIC NOTES FOR GUIDANCE (not forming part of the Contract) and commentary. Guided by the principle that "learning is doing" at various stages in the text, examples of problems that can be worked through are provided under the heading of WORK SHOP QUESTIONS.

It is hoped that the book will be of assistance to those professionals engaged in advising the construction industry on the legal rights and responsibilities arising out the Short Form Contract, be they construction claims consultants and advisors or legal practitioners. The contents however should not be considered to be legal advice, merely the expression of academic views, which might act as a spring board for practitioners to examine given situations. It is further hoped that students of dispute resolution and or construction law and practice at both undergraduate and post-graduate level will benefit from an analysis of the contract.

Two problems arise in providing such a guide. The first is that this is a brand new contract, so little commentary exists elsewhere from which to draw inspiration, particularly since the courts have not as yet had many occasions on which to rule on the application of the contract and secondly, because the common law courts whose decisions are published get very few opportunities to rule on a contract which will by enlarge be subject to unreported private dispute resolution processes with limited subsequent recourse to the courts.

Consequently, much of the commentary is based around an examination of the terminology adopted by the contract, identifying areas of potential difficulty and uncertainty, contrasting where relevant the way the courts have treated similar provisions under contracts both in the UK and the US. Some recourse has been had to comparison between the latest provisions and the earlier Red Book and also to the provisions of the other books within the Rainbow Suite, namely the Red, Silver and Yellow books, though clearly the risk allocation under the Turnkey contract means that comparison is of less relevance here.

Whilst readily acknowledging the valuable contributions made by my colleagues, Professor Geoffrey M. Beresford-Hartwell, Richard Faulkner, Dr.Jeff Jones, Larry Rogers and Nick Turner, as general editor I accept responsibility for overall content and as such all errors and omissions are mine and mine alone. Grateful thanks to Gareth R Thomas for suggestions on clause 14, insurance and particularly to Annie McCartney for all her support and assistance in proof reading the text and for her insights and valuable suggestions, many of which have found their way into this book.

To the extent that it is possible, the law is stated as of March 2004.

Corbett Haselgrove-Spurin

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### The "Short Form of Contract"

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Published by
Nationwide Mediation Academy and
Nationwide Academy of Dispute Resolution UK Ltd
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