

# REPUBLIC OF IR AQ MINISTRY OF ELECTRICITY

# GENERAL DIRECTORATE OF ELECTRICAL TRANSMISSION PROJECTS

TENDER DOCUMENTS NO:T.L 168 /NT/2015

VOLUME 2/3

PARTICULAR CONDITIONS

DESIGN, MANUFACTURE, TEST, SUPPLY, AND SHIPPMENT MATERIALS OF HTLS (ACSS/TW) CONDUCTORS AND HARDWARE FITTINGS FOR 132KV OVERHEAD TRANSMISSION LINE

Issued in Oct. 2015

#### TENDER NO: 168/ NT/2015 GENERAL DIRECTORATE OF ELECTRICAL TRANSMISSION PROJECTS MINISTRY OF ELECTRICITY, IRAQ

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# PARTICULAR CONDITIONS

# PC 1: DEFINITIONS

The Employer is:	General Directorate of Electrical Transmission Project Ministry of Electricity, IRAQ
The Project Manager is:	Sabah Khadim Agrab
Country of Origin:	Major plant & equipment shall be from the countries given in Clause 1.2.4.i (Tender Document).

"Time for Completion": for the avoidance of doubt, Time for Completion as duly amended in these PCs, includes also the time for Commissioning of Facilities

**GCC:** Iraqi General Conditions of Contract (civil, electrical, mechanical and chemical engineering works with two parts)

PCC: Particular Conditions of Contract

#### PC 2: INTERPRETATION

PC 2.1

- a words importing persons and parties shall include firms and corporations; and
- b. the word "approved" means approval in writing, including subsequent written confirmation of previous verbal approval.
- PC 2.2 Independent Contractor

The Contractor shall be fully experienced, properly qualified, registered, licensed, equipped, organized, and financed to perform the Facilities.

#### PC 3: LAW AND LANGUAGE

- PC 3.1 The Contract shall be interpreted in accordance with the laws of the Republic of Iraq.
- PC 3.2 The ruling language is: Arabic
- PC 3.3 The language for communications is: **English & Arabic**

Notwithstanding the above requirement that communications be in English, the Contractor shall employ sufficient personnel proficient in Arabic perform any services in Arabic as may be required. All translation services, to include the physical presence of qualified translators, necessary for written or oral communications shall be provided by the Contractor.

#### PC4: FRAUD AND CORRUPTION

PC 4.1

- a. will reject a proposal for award if it determines that the tenderer recommended for award has engaged in corrupt, collusive, obstructive, coercive or fraudulent practices in competing for the contract in question; and
- b. will declare a firm ineligible, either indefinitely or for a stated period of time, to be awarded any contract within Iraq if it is at any time determined that the firm has engaged in corrupt, collusive, obstructive, coercive or fraudulent practices in competing for or in executing any contract in Iraq.

#### PC 4.2 Gratuities

The Contractor shall not provide any gratuities to Employer or its agents or employees. The Contractor shall also comply with all provisions of law regarding prohibitions of gifts or gratuities for the Iraqi Government and any foreign government or their agents or employees. Violations of this provision shall constitute a material breach of this Contract.

#### PC 5: TIME FOR COMMENCEMENT AND COMPLETION

**PC 5.1** The Contractor shall commence work on the Facilities from the Effective Date for determining Time for Completion as specified in the Contract Agreement.

#### PC 6: CONTRACTOR'S RESPONSIBILITIES

- PC 6.1 The Contractor shall have the sole responsibility for satisfying itself concerning the nature and location of the Facilities and the general and local conditions, including, but not limited to, the following:
  - 1. Transportation, access, disposal, handling and storage of materials;
  - 2. Climatic conditions, tides, sandstorms and seasons;

#### PC 6.2 Compliance with Iraqi Law

The Contractor shall give all notices and pay all fees required to be given or paid by any such laws.

- PC 6.3 Importation of Equipment, Materials and Services
  - 1. To the extent required for the performance of the Contract and not locally available, the Contractor shall import into Iraq all equipment, materials and services, not subject to all provisions of taxes, customs duties, stamp fees and any other duties that are levied by the government of Iraq .
  - 2. The Contractor shall be responsible for all clearances, fees, charges and requirements of whatsoever nature for the importation of such equipment, materials and services.

PC 6.4 Within fourteen (14) days of the signing of the Contract by both Parties, the Contractor shall provide ten (10) hard copies and ten (10) soft copies (with table of contents in a searchable pdf format) of the signed and stamped Contract Documents (as per Article 1.1 of the Contract Agreement) to the Employer.

# 7: TERMS OF PAYMENT

- 1. prices to be on CIP delivery to warehouse basis of Incoterms (2010) in USD or EURO.
- 2. payment conditions to be by irrevocable L/C issuing by first class international Bank through Trade Bank of Iraq (TBI) according to the availability from the budget of 2015 as fellow :

# for supply material

- (35 %) (thirty five percent) of each shipment price to be paid upon crossing of goods at Iraqi borders and payable at sight against presentation of the following shipping documents
  - a- Original of Commercial invoice and two (2) copies
  - b- Original of Packing list and two (2) copies
  - c- Original of ( CMR or B/L and multi model ) documents stamped by (MOE)

representative at Iraqi border .

- d- Original of Certificate of Origin and one (1) copy
- e- Original of Insurance certificate
- f- Original of Third party's inspection certificate and one (1) copy
- Ministry of Electricity (MOE) customs clearing office on the border shall be responsible for collecting stamps from Iraqi customs on (CMR or B/L and multi model) documents when the goods enter the Iraqi border.
- 60% (sixty percent) of each shipment value of material value to be paid after arrival of goods to the project sites warehouse incompliance with MOE specification and requirements and received by employer committee approving receiving of material mentioned in the above item and the payment shall be released according to MOE order.

## for services:

- 95% to be paid after presentation of documents and to be approved when been received
- 3. 5% (five percent) of total contract price will be paid after execution all the obligations of the second party (supply & activities) and the payment shall be released according to MOE order.

- Partial shipment and partial payment is allowed in case of partial shipment the amount equivalent to the portion amount that is partially shipped must be paid in the same manner stipulated in the contract

#### PC 8: BONDS

- PC 8.1 The amount of performance bonds (in the form of a bank guaranty), as a percentage of the Contract Price for the Facility or for the part of the Facility for which a separate Time for Completion is provided, shall be: five percent (5%) of the total Contract Price, which amount shall be maintained until the end of the Defects Liability Period & warranty period.
- Pc 8.2 Tender Security (Bid Bond),
  - the tenderers are required to furnish a Tender security (1%).
- PC 8.3 the performance bonds shall be through Trade bank of Iraq (TBI) according to Volume 1/1 Section 5 - Contract Forms

### PC 9: TAXES AND DUTIES

- PC 9.1 The contract shall be subjected to the Iraqi law and the instruction of the cabinet decree No.167 year 2010, after obtaining the necessary approval from the Ministry of Planning, Republic of Iraq that this contract shall be one of the development contracts in the country.
- PC 9.2 The Contractor shall bear all charges and fees howsoever designated for services rendered to the Contractor by establishments of the Government of Iraq including, inter-alia, port or wharfage dues, pilotage charges, clearance charges, demurrage, loading and unloading charges and public utilities charges.
- PC 9.3 Second party shall bear the administration charges at rate up to (20%) twenty percent from the actual cost of not executed obligation which carry out by the first party and through third party for executing that obligation.

#### PC 10: LICENSE/USE OF TECHNICAL INFORMATION

- PC 10.1 All Drawings or other technical documents prepared by the Contractor under this Contract and submitted to the Employer or the Project Manager
  - a. Shall become the property of the Employer and may be used by the Employer for the purposes of construction, commissioning, operation, maintenance, modification, replacement and repair of the Facilities.
  - b. May be used directly by the Employer for other projects to be constructed within Iraq only provided that:
    - i. Such other project will be owned by the Employer or another instrumentality of the Government of Iraqi, and
    - ii. The Contractor shall have an equal opportunity with other contractors to bid for other work utilizing such Drawings and documents

# PC 11: CONFIDENTIAL INFORMATION

PC 11.1 The Contractor agrees not to divulge to third parties, without the prior written consent of the Employer, any information obtained from or through the Project Manager or the Employer in connection with the performance of

the Contract, including the terms of the Contract, unless:

- a. The information is known to the Contractor prior to obtaining the same from the Project Manager or the Employer;
- b. The information is, at the time of disclosure by the Contractor, then in the public domain; or
- c. The information is obtained by the Contractor from a third party who did not receive same, directly or indirectly from the Project Manager or the Employer and who has no obligation of secrecy with respect thereto.
- PC 11.2 The Contractor further agrees that it will not, without the prior written consent of the Employer, disclose to any third party any information obtained by the Contractor in the performance of this Contract except to the extent that such information falls within one of the categories described in clauses (a) through (c) above.
- PC 11.3 If so requested by the Project Manager, the Contractor further agrees to require its employees and any Subcontractors or other lower tier contractors and their employees to execute a nondisclosure agreement prior to performing any work under this Contract.
- PC 11.4 Information that the Contractor provides to the Employer or the Project Manager in connection with this Contract shall be regarded as "Contractor Confidential Information" if it is (a) provided in writing and marked confidential, (b) disclosed orally and identified at the time of disclosure as being confidential and the information is summarized or described in a writing marked confidential within thirty (30) days after disclosure, or (c) provided on a computer disk, photographic, or other tangible media, which is designated confidential (hereinafter referred to as the "Contractor Confidential Information").

- PC 11.5 The Project Manager's or the Employer's duty of confidentiality shall not apply to the Contractor Confidential Information which can be shown is the same as information which:
  - a. Is or becomes generally available to the public without breach by the Project Manager or the Employer of the terms of this Contract;
  - b. Was in the Employer's possession at the time it was initially furnished by the Contractor; or
  - c. Is later received from an independent third party who is, as far as can reasonably be determined, under no limitation or restriction with respect to such information.

Notwithstanding the foregoing, this PC Sub-clause 11.5 shall only apply in the event that the Project Manager and the Contractor desire to obtain confidential or proprietary information from each other in connection with reviewing and responding to requests from the Employer or other internal discussions between the parties in connection with the Project. This PC Sub-clause 11.5 shall not apply to any Contract deliverables or other work to be provided to the Employer by the Contractor in performing its scope of work under this Contract. The Project Manager shall maintain the confidential markings provided by the Contractor and use best efforts to advise and require such third parties to maintain the confidentiality obligations.

- PC 11.6 If either party or any of their affiliates or representatives is requested or required by legal process to disclose any Confidential Information, such party will give the disclosing party prompt notice, to the extent practicable, so that the disclosing party may seek an appropriate protective order.
- PC 11.7 The above provisions of this PC Clause 11 shall not in any way modify any undertaking of confidentiality given by either of the Parties hereto prior to the date of this Contract in respect of the Facilities or any part thereof.
- PC 11.8 Personal Data" is any information relating to an identified or identifiable natural person (the "Data Subject"). The Contractor and the Employer each agree that any Personal Data obtained from the other Party will be deemed confidential information of the other party whether or not the Personal Data is publicly available. The Contractor and the Employer shall provide security for the Personal Data each receives from the other and limit its disclosure and use. The Contractor and the Employer each represents that in providing Personal Data to one another they will comply with all applicable laws and regulations, including, but not limited to, providing notice to or obtaining consents from the Data Subjects when required.
- PC 11.9 The provisions of this PC Clause 11 shall survive termination, for whatever reason, of this Contract.

#### PC 12: REPRESENTATIVES

PC 12.1 Project Manager

The Project Manager is the Director General – Electrical Transmission Projects Ministry of Electricity, Iraq

#### PC 13: TEST AND INSPECTION

- PC 13.1 Witnessing of FAT & Inspection to be performed by recognized international Company (Tenderer should nominate (3) three inspection companies as third party inspection (SGS inspection company is not accepted) those nominated inspection companied should be members of International Federal Inspection Association (IFIA), accepted by ETP. At bidder's expense and testing reports and inspection certificate to be submitted.
- PC 13.2- Independent inspector should attend the test (FAT) & inspect all equipment of the contract at the manufacturer factory according to MOE specification.

#### PC 14: COMPLETION TIME GUARANTEE

The Contractor shall commence work on the Facilities within Fourteen (14) days from the Effective Date for determining Time for Completion as specified in the Contract Agreement

PC 14.1 : No bonus will be given for earlier Completion of the Facilities or part thereof

PC 14.2 : PENELTIES

#### penalties will be counted

{ (total contract price/ total contract period (in days ) ) x delay days }

The total penalties shall not exceed more than 10% (ten percent ) of the total contract price and in case of the sum of delay period reaches the upper limit of 25% of the total contract period + any additional given period , employer will take necessary measures by organizing accelerate committee or withdraw the work according to the instruction governmental contracts implementation (no.1 for year 2008) which is applied on this tender .the penalties shall be decreased according to item (16.clause 3) of instructions of governmental contracts implementation above .

# PC 15: DEFECT LIABILITY

- PC 15.1 The Defect Liability Period shall be (365) days from the date of Completion of the Facilities (or any part thereof) or (1) year from the date of Operational Acceptance of the Facilities (or any part thereof), whichever first occurs
  - a. The Contractor warrants to the Employer that each item of the equipment and materials furnished under this Contract shall be (1) new, of clear title and of the most suitable grade of their respective kinds, (2) shall also conform to the requirements of this Contract and (3) shall be free from defects in design, equipment, materials or workmanship for the applicable period specified elsewhere in PC 15.

- b. If at any time during the warranty period, the Employer, the Project Manager or the Contractor discovers any defect in the design, equipment, materials, or workmanship immediate written notice shall be given to the other parties. The Contractor shall within a reasonable time propose corrective actions to cure such defects to meet the requirements of this Contract.
- c. In the event the Contractor discovers or receives written notice from the Employer or the Project Manager within the warranty period of any failure of the equipment or materials to comply with the warranty, the Contractor agrees to:
  - Rework, repair, or remove and replace defective equipment and materials or re perform defective workmanship to acceptable quality at a time and in a manner consistent with the provisions of this Contract;
  - ii. Cooperate with others to correct the defect in performing or in having performed corrective actions; or
  - iii. Propose and negotiate in good faith an equitable reduction in the Contract Price in lieu of corrective action.
- d. All costs of the corrective actions including removal for access, disassembly, transportation, reinstallation, reconstruction, and retesting and re inspection as may be necessary to correct the defect and to demonstrate that the previously defective work conforms to the requirements of this Contract shall be borne by the Contractor.
- e. The Contractor further warrants any and all corrective actions it performs against defects in design, equipment, materials and workmanship for a period of twenty four (24) months following the successful completion by the Contractor of the corrected work.
- f. The Contractor shall obtain or provide, for the benefit of the Employer and its successors-in-interest, warranties or guarantees for the equipment, materials and work furnished by suppliers and subcontractors of any tier. Such warranties or guarantees are to run for the period set forth in the applicable specification of this Contract or, when not specified, that period customarily provided by the supplier or subcontractor. The Contractor shall use its best efforts to enforce such lower-tier warranties or guarantees on its own behalf or, if requested by the Employer, the Contractor shall provide warranty documentation by Final Acceptance or as otherwise required by this Contract.

#### PC 16: INDEMNITY

- PC 16.1 General Indemnity
  - a. The Contractor shall indemnify, defend and hold harmless the Project Manager, the Employer and their subsidiaries and affiliates and the officers, agents, employees, successors and assigns and authorized representatives of all the foregoing from and against any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, interest, attorney's fees, costs, expenses, and losses for personal injury or death or damage or loss of third party property, other than that of customers of the Project Manager, whether arising before or after completion of the Facilities hereunder to the extent caused, occasioned, or contributed to by reason of any negligent act, omission or fault, whether active or passive, of the Contractor, its Subcontractors, lower tier suppliers, contractor or of anyone acting under its direction or control or on its behalf.
  - b. The foregoing shall include, but is not limited to, indemnity for property damage and injury to or death of any person, including employees of the Project Manager, the Employer or the Contractor.
  - c. The Contractor's aforesaid release, indemnity and hold harmless obligations, or portions or applications thereof, shall in no event apply to liability caused by the willful misconduct or negligence of the party indemnified or held harmless.
  - d. Notwithstanding the above and to the maximum extent permitted under applicable law, with respect to claims for injury or death to employees of the Contractor or its Subcontractors arising out of or relating to security services, if any, provided by or on behalf of the Project Manager or the Employer, the Contractor's obligations to indemnify, defend and hold harmless shall apply even in the event of the negligence, in whole or in part, of the indemnified party.
  - e. To the extent consistent with the above, the Contractor is not waiving any indemnification rights against the Project Manager, if any, to which it may otherwise be entitled at law.
  - f. The Contractor specifically waives any immunity provided against this indemnity by an industrial insurance or workers' compensation statute.

#### PC 17: LIMITATION OF LIABILITY

a. Notwithstanding any other provision of this Contract shall the Contractor or its Subcontractors, be liable to the Employer or the Project Manager, whether in contract, tort (including negligence), warranty, strict liability or any other legal theory, for any special, incidental or consequential damages, such as, but not limited to, cost of capital and loss of profits or revenues.

b. Notwithstanding any other provisions of this Contract, the total liability of the Contractor and its Subcontractors, whether in contract, tort (including negligence), warranty, strict liability or any other legal theory shall not exceed the Contract Price, as amended; provided, however, that this total liability limit shall in no event apply to the Contractor's liability, and losses arising from wilful misconduct or lack of good faith of the Contractor.

#### PC 18: CARE OF FACILITIES

- PC 18.1 Use of Completed Portions of the Facilities
- PC 18.2 The Employer may, upon written notice, occupy and use any portion of the completed Facilities which is suitable for use; provided, however, that such use shall not constitute acceptance by the Employer, relieve the Contractor of its responsibilities, or act as a waiver by the Employer of any terms of this Contract.
- PC 18.3 If, as a result of the Contractor's failure to comply with the provisions of this Contract, such use proves to be unsatisfactory to the Employer, the Employer shall have the right to continue such use until such portion of the Facilities can, without injury to the Employer, be taken out of service for correction of defects, errors, omissions or replacement of unsatisfactory materials or equipment as necessary for such portion of the Facilities to comply with this Contract; provided, that the period of such operation or use pending completion of appropriate remedial action shall not exceed twelve (12) months unless otherwise mutually agreed in writing between the parties.

#### PC 19: FORCE MAJEURE

PC 19.1 Definition: "Force Majeure" shall be limited to the following events:

a. The nature and magnitude of the existing conflict in Iraq shall not be considered as force majeure. Force majeure as used herein shall include any circumstance beyond the control of parties that my results from demonstrable escalation

b. Force majeure as used herein shall mean any circumstance beyond the control of the parties according to international chamber of force majeure clause 2003.

In case of force majeure either party shall take reasonable step to minimize the consequence of such an event.

The party which to plead force majeure shall inform the other party on the effect the case of majeure has on the fulfillment of the purchase or work order concerned. Shipment cannot be postpone or cancelled by parties, except force majeure,

If force majeure circumstance continues for accumulative period ninety (90) days or more, either party shall have the right to terminate the contract, upon such termination purchaser shall pay to the contractor all the outstanding amount for the work carried out by the contractor until the termination of the contract.

Notwithstanding any other provision of this clause, force majeure shall not apply to obligation of either party to make payments to the other party under the contract. Any period taking as a result of the event of force majeure must be added to the delivery period stipulated in clause 9 for avoiding of double clause (10) liquidated damage for delay will not apply to such extended period

#### PC 19.2 Mitigation

The Contractor shall use its best efforts to mitigate and minimize the effects of any Force Majeure event and to resume in full its performance under the Contract Documents.

#### PC 19.3 Employer's Remedies

Upon the Contractor's failure to take all necessary and appropriate steps to remove the cause(s) and mitigate the direct and indirect effects of a Force Majeure event, the Employer, in its sole discretion and upon written notice to the Contractor, if practical, may initiate such measures to remove the causes(s) or mitigate the direct and indirect effects of the Force Majeure event. Such measures may include the hiring of Persons to take the actions that the Employer deems appropriate or necessary. Upon the termination of the Force Majeure event, the Employer may require the Contractor to resume full or partial performance of the Facilities.

#### PC 19.4 Contractor's Remedies

If the Contractor is rendered wholly or partly unable to perform, or is adversely affected in the performance of its obligations under this Contract because of a Force Majeure event, the Contractor shall be excused from whatever performance is affected by such Force Majeure event to the extent so affected, and the Contractor shall be entitled to submit a claim for an equitable time adjustment in respect thereof and, if the last sentence of part (f) of this PC 19.4 is applicable, a claim for an equitable adjustment of the Contract Price; provided, that:

- a. An experienced contractor could not foresee and take adequate protection against such unforeseen conditions; and
- b. Prevent the performance of the work relating to the Facilities due to safety reasons
- PC 19.5 Notwithstanding anything contained in this Contract, the Employer shall pay the Contractor for any increased costs directly attributable to and resulting solely from War Risks (to the extent not covered by insurance), provided that the Contractor shall as soon as practicable notify the Employer in writing of any such increased cost together with supporting documentation therefore consistent with PC Clause 20; and provided, further, that the Contractor shall notify the Employer immediately of the occurrence and nature, and the Contractor shall use best efforts to mitigate the effects, of such War Risks.

#### PC 20: "CHANGES IN THE FACILITIES"

- PC 20.1 The employer can add new items resulting from adding new requirements which were not requested in contractual conditions when the tender was announced.
  These new requirements sums should be provided and included within reserved sum of contract and from the total amount of project, or from the abundant sums in schedule (if any) and these schedules should be attached with an addendum (variation order)
- PC 20.2 if the Employer and the Contractor cannot reach agreement on the price for the Change, an equitable adjustment to the Time for Completion, or any other matters identified in the Change Proposal, the Employer may nevertheless instruct the Contractor to proceed with the Change by issue of a "Pending Agreement Change Order."

Upon receipt of a Pending Agreement Change Order, the Contractor shall immediately proceed with effecting the Changes covered by such Order. The Contractor shall be paid for the Change Order, unless the parties subsequently agree on a lump sum price, on the following basis:

- a. Engineering services (exclusive of cost of materials and procurement costs for materials) shall be charged at current contractor commercial rates charged for like services under similar terms and conditions;
- b. Purchased materials and Contract services at actual direct cost;
- c. contractor equipment manufactured by or for the Contractor at current market rates therefore;
- d. Less an appropriate credit for any unperformed work made excess by the changes.
- PC 20.3 The Contractor shall implement measures for tracking any additional engineering, procurement and construction costs through the use of periodic (weekly, unless otherwise agreed by the Employer) updates and

time impact analyses, whether due to Change, War Risks, Force Majeure or otherwise. The Contractor shall establish and upon approval by the Employer, shall adopt a baseline cpm schedule, which shall be updated periodically with the Employer's approval, and using such updated cpm schedule and other appropriate procedures and practices, track labour material and equipment costs as well as time schedule impacts associated with any proposed Change. Using such data, and such other relevant information available to it, the Contractor shall prepare and provide reasonable calculations, supplier invoices, time sheets and other documents to support any such costs. In addition, the Contractor must demonstrate to the reasonable satisfaction of the Employer that the proposed Change was beyond the minimum performance or design criteria in the bid documents. The Project Manager reserves the right to contest the validity and/or amount of any such costs.

The Parties shall thereafter attempt to reach agreement on any outstanding issues under the Change Proposal.

#### PC 20.4 Supporting Documentation

The Contractor shall implement and maintain records and accounts (including books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form) in connection with the performance of this Contract which will accurately document the basis for and reasonableness of the Contract Price adjustment ("Supporting Documentation").

PC 20.5 Records and Audit

The Contractor shall maintain the Supporting Documentation referred to in PC 20.3 for a period of three (3) years after payment unless otherwise specified by applicable law. The Employer and/or its representatives shall have the right to examine and copy, at all reasonable times and with advance notification, such records and accounts for the purpose of: (a) verifying payments or requests for payment when costs are the basis of such payment (cost reimbursable), and (b) evaluating the reasonableness of proposed Contract Price adjustments and claims. After agreement on pricing of a Change Order, the audit rights under this Sub-clause shall not include the right to audit actual costs incurred in connection with such change except for cost reimbursable changes. The Contractor shall further require its Subcontractors and vendors to maintain records in accordance with this Sub-clause. With respect to audit of the Contractor's business sensitive data and records, the parties shall, at the Contractor's reasonable request, mutually agree to an independent third party auditor in lieu of the Project Manager.

## PC 21: DISPUTE RESOLUTION AND GOVERNING LAW OF CONTRACT

PC 21.1 Any differences or disputes arising from the contract or from agreements regarding its performance shall be settled by an amicable effort on the part of both parties to the contract. An attempt to arrive at settlement shall be deemed to have failed as soon as one of the parties to the contract so notifies the other party in writing. If an attempt of settlement has failed, the subjects shall be finally settled under Iraqi rules and regulation in Iraqi courts.

PC 21.2 **APLICABLE LAW:** All disputes shall be settled in accordance with the provisions of the contract and the order agreements regarding its performance, otherwise in accordance with the substantive law in force in the Republic of Iraq.

#### PC 22: ENVIRONMENTAL REQUIREMENTS

- A. Throughout performance of the Facilities, the Contractor shall abide by the applicable rules and regulations of the Iraqi Department of Environmental Protection and Pollution Control, and shall otherwise conduct all operations in such a way as to minimize impact upon the natural environment and prevent any spread or release of contaminated or hazardous substances.
- B. The Contractor shall:
  - Identify and comply with all other applicable laws, regulations, ordinances, statutes, rules, and codes governing environmental requirements and conduct the Facilities based on the requirements of this Contract and the requirements of the Equipment Supplier as set forth in the Equipment Contract, including compliance with permit requirements and Project plans and approvals. The Contractor shall have sole responsibility for compliance of the Facilities with environmental requirements.
  - 2. Provide documentation required by the governing authority or the Employer concerning environmental requirements.
  - 3. Provide and maintain effective planning and field control measures appropriate for the scope of work which may include:
    - Wastewater discharges to land, surface water, or groundwater,
    - Extraction/supply of water,
    - Storm water management,
    - Spill prevention and response,
    - Unanticipated discoveries (e.g., UXO, cultural sites),
    - Erosion and sedimentation control,
    - Air emissions and dust control,
    - Sound level control,

- Waste and hazardous waste management,
- Hazardous material management; and
- Work area restoration,

This shall include obtaining certifications and conducting analyses and monitoring of such activities as required by the Contract Documents, environmental requirements or other applicable law; and utilizing appropriate equipment.

- 4. Comply with all access restrictions, including prohibitions on access to certain areas on or adjacent to the Site and require its personnel and those of its suppliers and Subcontractors to comply with all signage and flagging related to such restricted areas.
- 5. Require that its personnel do not hunt, fish, feed, capture, extract, or otherwise disturb aquatic, animal, or vegetative species within the Project boundary or while performing any tasks in performance of the Facilities without prior approval from the Employer.
- 6. Not proceed with any renovation or demolition work until inspections and notifications have been completed in accordance with the process outlined in the Project's Environmental requirements.
- 7. Promptly stop work in the immediate area where contaminated soil indicators (such as odour or appearance), unknown containers, piping, underground storage tanks, or similar structures are discovered; or any other materials which are reasonably suspected to be toxic or hazardous. The Contractor shall then immediately notify the Employer and the Project Manager, and the stop work area shall be determined by the Employer. The implementation of the Facilities will remain stopped until the discovery is properly characterized by the Employer and adequate information is known to assess the hazard(s) to recommence work in a manner that will not pose unnecessary hazard(s) to personnel and/or the environment. The Contractor is entitled to treat any such discovery and necessary measures to characterize and abate such discovery as a change affecting cost or schedule.
- 8. The Contractor is required to reject any plan, transaction, or arrangement involving unlawful or unethical practices in connection with such unanticipated discovery.

# PC 23:

The contract subjected the rules of law that obtaining the government debts NO. (56) for year 1977.