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FUNCTION OF FIDIC IN BUILDING PROJECTS

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Abstract : Disputes, hazards, and complexity abound in the construction sector, which can have a big influence on how well projects turn out. International construction projects routinely accept and use standard forms of contracts produced by the International Federation of Consulting Engineers (FIDIC). This essay examines how FIDIC contracts can help construction projects run more smoothly, reduce risks, and settle disputes. This study emphasizes the vital role that FIDIC contracts play in fostering efficiency, fairness, and transparency in the construction sector by analyzing the many types of these contracts, their applicability, advantages, and disadvantages.

IndexTerms **- project management, risk management, construction projects, standard contracts, New Engineering Contract (NEC), The Ministry of Statistics & Programme Implementation (MoSPI) and FIDIC.**

1.INTRODUCTION

Construction projects are by their very nature complex, requiring large financial outlays, a number of stakeholders, and strict deadlines. Strong frameworks are necessary for the efficient administration of these projects in order to guarantee that all stakeholders carry out their responsibilities and properly manage risks. Contracts from the Federation Internationale des Ingénieurs-Conseils (FIDIC) have become a global standard, including extensive templates that cover a range of construction project requirements. This essay explores FIDIC's function in building projects, emphasizing how it affects risk management, dispute resolution, and project management.

- Construction projects are complex and require careful planning, management, and execution. FIDIC contracts are widely used in the construction industry to regulate the relationships between the parties involved in a project, such as the owner, contractor, and engineer.
- However, these contracts may vary in different countries due to legal, cultural, and economic factors.
- Therefore, it is important to analyse and compare the FIDIC contracts in different contexts to identify their strengths and weaknesses.

AIM

This study's primary goal is to examine how the FIDIC-selected provisions affect the performance of building projects.

OBJECTIVE

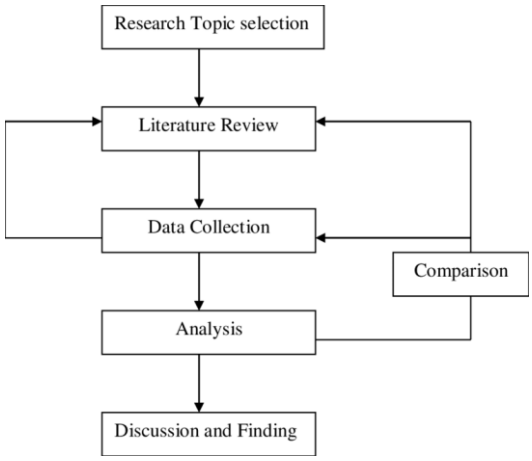
The study aims to determine the contractual clauses that have the greatest impact on project performance, as per the general conditions clauses of FIDIC, NEC, and MOSPI.

The purpose of this study is to gather opinions from consultants, owners, and contractors regarding the impact of the identified FIDIC contract and MOSPI articles on project performance; to study the contract clauses and identify the main risks associated with the project; to find out how common variation orders are on construction projects; to compare the two commonly used contract forms, FIDIC and MOSPI, for better risk mitigation; and to suggest appropriate contract condition clauses to the Indian construction industry. Creating a risk management plan.

SCOPE

The objective of this dissertation is to offer significant perspectives to the construction sector, assisting relevant parties in making knowledgeable choices about contract administration and selection.

METHODOLOGY



LIMITATIONS

Because FIDIC has been in the market for 36 years longer than NEC, it is only natural that there are many more case studies available for FIDIC than for NEC. Moreover, the more knowledge one possesses, the more capable they will be to adapt to the circumstances and amend the contract if possible or understand its limitations if amending it cannot be done.

Both the building business in India and the developed world use a wide variety of contract types. Since it is not feasible to do such a thorough comparison analysis, the prevalent type of construction contract will be identified and analyzed using the FIDIC and MOSPI guidelines, which were taken from industrialized countries and the Indian construction sector, respectively. The techniques for mitigating risk will aid in better equipping contractors going forward to effectively handle the risks included in the contract.

1.1 OVERVIEW OF FIDIC CONTRACTS

The International Federation of Consulting Engineers created the FIDIC standard forms of contracts, which are extensively utilized in global engineering and construction projects. The following are the main FIDIC contract forms:

Red Book (Construction): For engineering and construction projects that the employer has designed.

Yellow Book (Plant and Design-Build): For building projects that the contractor has designed, as well as for mechanical and electrical plant.

For turnkey projects where the contractor has all responsibility for the design and implementation, refer to the Silver Book (EPC/Turnkey) category.

Green Book (Short Form): Used for less complex or recurring tasks with a low contract value.

Design, Build, and Operate (Gold Book): For projects that include facility design, building, and operation.

Every contract form is customized for a particular project type and offers an organized method of handling responsibilities, risks, and protocols.

FIDIC OBJECTIVES

The key objectives of FIDIC are mentioned as below:

- To promote sound and effective project management practices for engineering works.
- Publish standard forms of contract and other related documents like standard pre-qualification form, performance guarantee form, letter of acceptance, etc.
- Promote and assist the worldwide development of viable consulting engineering industries.
- Promote and enhance the leading position of FIDIC's forms of contract.
- Promote and encourage the development of young professionals in the consulting engineering industry as they represent the future of the industry.

Use of FIDIC Contracts in Indian Context

The FIDIC standard forms of contact are used all over the world for complex projects. In India also these conditions are extensively being used for the projects funded by multi-lateral development banks such as the World Bank, Asian Development Bank (ADB), etc., and also in some other projects like the mega power projects, railways, telecommunications, airports, highways, ports, etc.

Summary

- To summarise, FIDIC focuses on liabilities and risk in a more traditional manner, opposed to NEC which requires a more proactive and collaborative approach to managing the contract.
- It should be noted that during recent time FIDIC has been changing it's style to become clearer; a feature which is fundamental to the routes of NEC, ensuring text is drafted in plain English ensuring a reduction in nuances and ambiguities. NEC has been attempting to eliminate the use of legal terms where possible in replace of simple English which NEC regards as "giving words their natural meaning".

1.2 ROLE IN PROJECT MANAGEMENT

All parties participating in a building project have their roles and responsibilities clearly outlined in FIDIC contracts. Effective project management depends on this clarity since it guarantees that all stakeholders are aware of their responsibilities and their respective roles. The contracts contain comprehensive clauses pertaining to:
Project Scope and Specifications: Outlining the technical requirements and project requirements.
Time management is the process of setting deadlines for project completion and milestones.
Financial management, cost controls, and payment conditions are outlined in cost management.
FIDIC contracts offer a standardized method that makes it easier to plan, coordinate, and carry out construction projects.

1.3 RISK MANAGEMENT

Risks associated with construction projects might include legal, financial, and technical issues. FIDIC contracts include a number of successful risk management methods, including:

Risk Allocation: Clearly defining the contractor's and employer's respective risk duties.
Change Management: Methods for handling modifications to the project's design, scope, and unanticipated circumstances.
Force Majeure: Clauses addressing situations outside the parties' control.
These systems aid in reducing conflict and guaranteeing that risks are distributed fairly and methodically.

1.4 DISPUTE RESOLUTION

Construction projects sometimes create disputes because of their complexity and the large number of stakeholders involved. FIDIC contracts have special dispute resolution clauses that encourage cooperative settlements and lessen the possibility of legal action. Important techniques for resolving disputes under FIDIC contracts include:

Expert panels known as Dispute Adjudication Boards (DAB) render judgments on disagreements that arise throughout a project.
Encouraging negotiation and mediation before resorting to formal conflict resolution is known as "amicable settlement."
Arbitration: The option to use arbitration as a last resort for settling disputes; arbitration is usually carried out in accordance with globally accepted norms.
These clauses make ensuring that disagreements are resolved amicably, protecting the parties' cooperative relationships and advancing the project.

2. CASE STUDIES

The Suez Canal Expansion Project (2014) is the project name.
Overview: In order to accommodate larger vessels, this project entailed expanding the Suez Canal. FIDIC contracts were widely utilized.
Issue: Delays and modifications to the project's scope led to disputes.
Resolution: Disputes were resolved through the use of the FIDIC contract's dispute resolution procedures, which included arbitration and adjudication.

Dubai Metro Red Line Extension (2012) is the project name.
Overview: FIDIC contracts were used to carry out the extension of Dubai's Red Line Metro.
Problem: Unexpected ground conditions and cost overruns presented difficulties.
Resolution: To handle cost and scope changes, the FIDIC contract's provisions for variations and claims management were implemented.

Title of the project: Heathrow Terminal 5 (2008)
Overview: FIDIC-based contracts were utilized during the building of Heathrow Terminal 5, one of the biggest infrastructure projects in the United Kingdom.
Problem: Complicated coordination and design modifications resulted in delays.
Resolution: In order to quickly settle disputes, the project team made use of FIDIC's conflict avoidance procedures, including the conflict Adjudication Board (DAB).

The project is called the 2016 Panama Canal Expansion.
Overview: In order to handle larger ships, the Panama Canal was expanded using FIDIC contracts.
Problem: Conflicts arose around standards of craftsmanship and quality control.
Resolution: These disagreements were resolved in part because of the FIDIC contract's quality control and inspection clauses.
The ongoing project is called Qatar World Cup 2022 Stadiums.
Overview: FIDIC contracts were used in the construction of multiple stadiums for the 2022 FIFA World Cup in Qatar.
Problem: There were worries regarding the project's completion and the welfare of the workers because of the shortened timeline.
Resolution: In order to fulfill the strict deadline while upholding safety regulations, the FIDIC contract's flexibility and provisions for fast-tracking projects were utilized.

INFERENCE

- These case studies highlight the range of issues and solutions—from disagreements and delays to quality assurance and time constraints—that arise in building projects that make use of FIDIC contracts.
- For each project to be successful, a customized strategy within the parameters set forth by FIDIC contracts was needed.

3. ANALYSIS (FIDIC & NEC)

Payment Clauses:

FIDIC A more conventional method of payment is frequently employed in FIDIC contracts, with clauses allowing for both final payments upon completion and intermediate payments contingent on milestones. They might also contain thorough instructions on computations and payment certificates.

NEC contracts usually have a more straightforward and adaptable approach to payment. Payment methods are frequently dependent on actual expenses incurred, and they may use cost-based or target-cost contracts.

Risk and Liability Clauses:

FIDIC Contractors under FIDIC contracts may have a greater share of risk, especially with regard to design and unforeseen site conditions. Liability and risk clauses are frequently rather specific, defining who is responsible for what in terms of site design and investigation.

NEC contracts are renowned for their fair method of risk sharing. They place a strong emphasis on cooperation and early problem detection. Risk-related provisions may encourage partners in a project to share accountability.

Dispute Resolution Clauses:

FIDIC Arbitration and litigation are two of the several dispute resolution procedures provided by FIDIC contracts. Dispute resolution clauses could be longer and more official.

NEC contracts place a strong emphasis on preventing disputes and resolving them quickly through processes like adjudication. Clauses may mandate that parties identify and resolve issues according to a predetermined set of guidelines.

Time and Delay Clauses:

FIDIC contracts generally incorporate clauses that address time-related concerns, including notices of delays, liquidated damages, and time extensions. These might be longer clauses.

NEC Time management is approached in a clear and organized manner in NEC contracts, which include features like the "early warning" system. Clauses are designed to quickly identify and resolve delays.

Change and Variation Clauses:

FIDIC Detailed terms for variations and changes, outlining the processes for appraising and carrying out modifications to the scope of work, are frequently found in FIDIC contracts.

NEC contracts are made to be more adaptable to changes. Clauses addressing contractual mechanisms for controlling deviations and encouraging cooperation in change management may be included.

Termination Clauses:

FIDIC Conventional termination clauses with defined grounds for termination are found in FIDIC contracts. Provisions for suspension, default termination, and termination for convenience may be included.

NEC contracts place an emphasis on cooperation even in difficult circumstances, decreasing the likelihood of termination. Though they may include termination, clauses usually give priority to resolution over termination.

Communication Clauses:

FIDIC contracts could mandate formal communication between parties and involve a lot of documentation.

NEC Through procedures like the "early warning" system and more plain wording in provisions, NEC contracts promote open and transparent communication.

INFERENCE

- It's important to remember that the exact terms and their contents can change based on the NEC or FIDIC contract version being utilized, as well as any additions or changes made for a specific project.
- Consequently, in order to fully comprehend the terms and their ramifications in each particular construction project, a detailed examination of the contract instrument in question is required.

3.1 ANALYSIS (MOSPI & FIDIC)

PERFORMANCE BOND

Within 15 days of the LOI's issuance, the contractor is required by GCC clause 15.0 to provide a Performance Bond.

The bond will be valid for three (3) months following the end of the maintenance term, or until the maintenance certificate is issued, whichever comes first.

The bond might be forfeited if the contractor doesn't comply. PBG is equal to 5% of the contract value.

MOSPI

Within 28 days of receiving the acceptance letter, the performance guarantee, which is equal to 5% of the contract amount, must be presented as a bank guarantee, government securities, FDR, or any other type of deposit designated by the owner. Within 14 days following the issuance of the defect responsibility certificate (taking over certificate with a list of defects), the 5% Performance Guarantee is due.

FIDIC

Within 28 days of obtaining the acceptance letter, the contractor is required to provide performance security to the employer and provide a copy to the engineer.

The contractor consents to raise the performance bond's value proportionately as and when the contract's value is raised above 15%. Clause 15.4

ANALYSIS

The time limit for submitting the PBG should have been extended to 28 days instead of 15, since certain contractors may find it difficult to arrange for necessary capital in such a short length of time. The amount of 5% contract value as PBG is appropriate and suited for Indian conditions. Regarding PBG value, the contract clause is quite comparable to the MOSPI clause and is thus appropriate for Indian circumstances. FIDIC does not specify the proportion appropriate for PBG.

RETENTION MONEY

As stipulated in the contract, 5% of the value of the completed job would be kept as retention money.

MOSPI

Until the entirety of the Works are completed, the Employer will deduct the amount specified in the Contract Data from each payment owed to the Contractor.

FIDIC

Retention money is any amount that must be subtracted for retention; this amount is determined by adding the retention percentage listed in the Appendix to the total amount mentioned above. This process continues until the Employer retains an amount greater than the Retention Money (if any) limit specified in the Appendix to the Tender.

ANALYSIS

Retention money is often thought to be reasonable at 5% of the bill value. It is the perfect amount, according to the majority of Indian contractors. The live contract is fairly close to the MOSPI terms, with the retention money deduction amount differing by only 1%. Once more, FIDIC does not specify a percentage; instead, it gives the owner the freedom to impose whatever retention amount he deems appropriate.

PROGRESS REVIEW OF PROJECT

The contractor must create a revised program that outlines the changes to the original program required to guarantee completion of the work within the allotted time if the engineer at any point determines that the actual progress of the work does not comply to the existing program.

MOSPI

Within the time frame specified in the contract data, the contractor must provide a program including the general procedures, arrangements, sequence, and timing of all works activities, as well as a monthly cash flow forecast, to the nodal officer or his designee for approval.

FIDIC

Monthly progress reports, unless otherwise specified in the specific circumstances, must be written by the contractor and sent in six copies to the engineer. The first report will include data from the Commencement Date through the conclusion of the first calendar month. After then, reports must be turned in on a monthly basis, each within seven days after the end of the relevant period.

ANALYSIS

This provision complies with MOSPI and FIDIC regulations.

INSURANCE OF WORKS AND CONTRACTORS EQUIPMENT

The contractor will not be eligible to receive any further payments or compensation because the cost of obtaining insurances will be assumed to have been included in the rates and prices quoted by the contractor.

MOSPI

From the Start Date until the conclusion of the Defects Liability Period, the Contractor shall furnish insurance coverage for the following events that are attributable to the Contractor's risks in the joint names of the Employer and the Contractor, in the amounts and deductibles specified in the Contract Data.

FIDIC

The insuring Party shall provide insurance coverage against each Party's liability for any loss, damage, death, or bodily injury that may result from the Contractor's performance of the Contract and occur prior to the issuance of the Performance Certificate. This coverage may be provided for any physical property (apart from items covered under the Insurance for Works and Contractor's Equipment) or for any person (apart from those covered under the Sub-clause Insurance for Contractor's Personnel).

ANALYSIS
It could be necessary to include an additional sub-clause stating that talks could begin if the cost of insurance exceeds a specific amount.

COMMENCEMENT OF WORK
The start of the works will take effect ten days after the LOI is issued.
MOSPI
Not accessible
FIDIC
The Engineer will notify the Contractor of the Commencement Date at least seven days in advance. 42 days after the Contractor receives the Letter of Acceptance, unless otherwise specified in the Particular Conditions, shall be the Commencement Date.
ANALYSIS
The live contract requires that the contractor begin work within 10 days of the date of the LOI, despite FIDIC giving the contractor considerable flexibility to begin work "as soon as is reasonably practical." As a result, the contractor needs to make sure that the majority of the resources are prepared and assembled.

FORCE MAJEURE
If a force majeure event results in a delay, the contractor is required to notify the engineer right away, providing a reasonable extension of time along with the cause. Should the delay persist, the contractor must submit his request for a time extension within a span of 28 days. After receiving the contractor's submission, the engineer has thirty days to make a judgment.
MOSPI
Not accessible
FIDIC
A Party shall notify the other Party of the event or circumstances constituting the Force Majeure and shall specify the obligations, the performance of which is or will be prevented, if it is or will be prevented from performing any of its obligations under the Contract by Force Majeure. Within 14 days of the Party's becoming aware of, or should have become aware of, the pertinent occurrence or situation giving rise to Force Majeure, the notice must be given.
ANALYSIS
Despite sharing similarities with the FIDIC force majeure clause, the Force Majeure clause retains the engineer's discretion to determine whether or not the delay is warranted. If similar conditions arise during construction, this could cause problems down the road between the owner and the contractor. The section pertaining to the engineer's authority in the event of a force majeure event requires additional clarification.

LIQUIDATED DAMAGES
The contractor will closely adhere to the time allotted to complete the job by the specified date of completion, which will be considered the essential terms of the contract.
Subject to a maximum of 5% of the contract price, LD will be calculated as 0.5% of the contract price for each week of delay.
MOSPI
Liquidated damages (L.D.) may be assessed in the event of a contract delay, up to a maximum of 10% of the contract price, and at the rate of half (½%) of the contract price for each week of delay.
FIDIC
Not accessible
ANALYSIS
This phrase, which is directly lifted from the MOSPI clause, shields the owner from financial damage brought on by a delay brought on by the contractor's carelessness. This will guarantee that the contractor monitors the project timeline and takes proactive measures to prevent setbacks. According to MOSPI, the Liquidated Damages may exceed 10% of the agreed-upon sum. However, the current contract caps it at 5% of the agreed-upon cost. The contractor would find this easier because delays are unavoidable under Indian settings.

VARIATIONS IN QUANTITY AND SCOPE OF PROJECT
During the course of the work, the engineer should have the authority to order any alteration in the form, quality, or amount of the works.
No more than +/-25% of the original contract amount may be changed in the overall contract price. If there is a variation, it will be modified by the amount that was previously decided.
MOSPI
Permitted deviations should be limited to ± 10% of the overall contract price and ± 25% of the quantity of each individual item. Notice of the contractor's intention to claim additional payment or a varied rate or price, or the owner's intention to vary a rate or price, must be given to the contractor within 14 days of the date of instruction for executing varied work, extra work, or substitution, and before the commencement of such work.
FIDIC
Before the Taking-Over Certificate for the Works is issued, the Engineer may commence variations by giving instructions or by asking the Contractor to submit a proposal.
ANALYSIS
While MOSPI explicitly indicates that variation should be tolerated within ± 10% of the total contract price and within ± 25% of the quantity of each individual item, FIDIC is quiet on the precise percentage of variation allowed. The live contract clause is

biased in favor of the contractor in this way. With a variation allowance of ± 25%, the contractor has greater flexibility in terms of variances, which is advantageous given Indian conditions. So, there is no need to change this clause.

FINAL BILLS

The Contractor is required to provide the Engineer with four copies of the Final Bill along with any supporting documentation no later than forty-five days from the day the Engineer issues the Completion Certificate.

MOSPI

The contractor has sixty days from the date the defects responsibility certificate is issued to submit the final bill. Within 60 days of receiving the bill, the client's engineer must review it and send it back to the contractor for any necessary adjustments. When the contractor returns the bill, half of the amount that is uncontested must be paid.

FIDIC

Application for final payment certificate: Six copies of the contractor's draft final statement must be sent to the engineer by the contractor within 56 days of receiving the performance certificate. Following the engineer's examination, the contractor will, as agreed, provide the final statement.

ANALYSIS

Although the number of days has been altered and interest has been excused in the owner's favour, this clause is comparable to the MOSPI clause once more. This section, however, gives the engineer a great deal of authority and could cause problems when the defects liability certificate is being issued.

ESCALATION IN THE PRICES OF MATERIALS

Any increases in the cost of materials, consumables, etc. during the Contract Period, including any extensions, will be considered to be covered by the rates and prices set by the Contractor; claims made by the Contractor for such escalation or extra expenses will not be accepted.

MOSPI

Not accessible.

FIDIC

The contractor must give the engineer four copies of the final bill no later than 45 days after the engineer issues the completion certificate. The engineer must accept it and give the owner a certificate stating that he is happy with the work done within ninety days of receiving it. The engineer is required to get the dimensions confirmed upon obtaining that certificate. The owner has sixty days to pay the contractor the final bill after the engineer certifies to the owner that the final charge must be paid.

ANALYSIS

The current contract does not take the escalation into consideration. This presents a significant risk to the contract since, although he may have quoted reduced rates, they could increase as a result of changing market conditions while the project is being completed. To be fair to the contractor, the clause needs to be modified and escalation needs to be taken into account.

MAINTENANCE PERIOD

The term "period of maintenance" refers to the 12-month period that starts on the certified date that the works are completed, or, if there are multiple certificates of completion (because the works will be completed and taken over in sections), the dates that each certificate of completion has been certified by the engineer. During this time, the engineer will notify the contractor of any defects or damage to the works. After that, the Contractor would have to fix the issue or make the repairs that the Engineer had recommended.

MOSPI

A 12-month period, measured from the certified date of work completion, will be considered the maintenance period. Until the engineer issues a maintenance certificate certifying that the works have been satisfactorily done, the contract will not be deemed complete. This is the engineer's given maintenance certificate.

FIDIC

Not accessible.

ANALYSIS

a simple sentence lifted verbatim from MOSPI. There is no need to change this since it works well for the existing project.

INFERENCE & RECOMMENDATIONS

The analysis yielded the following results: •

Key contractual provisions were identified and analyzed, primarily affecting project performance. To provide further clarity, these were examined using the general conditions clauses of FIDIC and MOSPI. In order to improve the efficacy of the comparative study, this research has determined the most widely used contract type and procurement method from Developed Countries and India, namely, FIDIC contracts in Developed Countries and MOSPI contracts in India, along with the design and build procurement method.

- Due to a lack of clarity in the scope of work briefing, the customer was found to be the primary origin agent of variation orders. It was noted that the client's requirements were not stated in detail. Thus, research is required to ascertain the most effective ways to support customers in identifying their needs.
- Even if mistakes and omissions in design cannot always be prevented, they can be minimized, particularly if designers evaluated their workloads prior to accepting new assignments. To deliver a sound design within the suggested time frames, they need make sure they have enough experienced human resources and time. The following suggestions were made, among others, to lessen the frequency of variation orders:

- Before beginning development on the site, all concerned parties must conduct sufficient advance preparation;
- The consultant will create a final design, working drawings, and a contract.

- Drawings ought to be finished at the tender stage;
- Enough time ought to be dedicated to the pre-tender planning stage;
- Customers must give a detailed brief outlining the scope of the project;
- Everyone involved should prepare for unforeseen circumstances;
- At the design stage, closer coordination with consultants is needed;
- Improve communication, and everyone involved should always take the initiative;
- Work should be overseen by a committed, experienced supervisor;
- The consultant should make sure that the specs and design adhere to the authorized
- During the design phase, the budget and the budget team should be appointed and included.
- Obtain precise information and conduct research on the procurement process, materials, and plants.

4. RISK RESPONSE STRATEGY

Options and activities that increase opportunities or lessen hazards are known as risk responses. The decision regarding the response action to risks indicated in the risk register is made by the project team, PMRT, PRM, or PM. The individual in charge of carrying out and overseeing the selected risk response is then given the response action. Planned risk responses need to be timely, relevant to the risk, affordable, feasible within the project's parameters, and approved by all stakeholders. They also need to be owned by a single person and appropriate to the risk's significance.

INFERENCE & RECOMMENDATIONS

The research result aims to enhance the contractual risk management practises of the Indian construction sector. Specifically, the risk mitigation procedures will equip contractors with the necessary skills to better manage the inherent risks in their contracts going forward.
The interpretation of the Clauses allowed for the identification of the project's inherent hazards. The research survey determined the chance of occurrence and impact intensity, which helped select the top risks. The data analysis procedure also revealed the contractual risk mitigation strategy for the top risk factors.

5. BENEFITS & CHALLENGES

Benefits

Standardization: By providing a uniform method, FIDIC contracts lessen uncertainty and promote consistency amongst projects.
Fairness and Transparency: By safeguarding the interests of all parties, the contracts encourage fair and transparent transactions.
International Acceptance: Generally acknowledged and welcomed in global initiatives, promoting cross-border cooperation.

Challenges

Complexity: Parties who are not familiar with the terms of FIDIC contracts may find them intimidating due to their comprehensive nature.
Local Adaptation: It might be difficult to modify FIDIC contracts to comply with local laws and regulations.
Cost: Because FIDIC contracts are so thorough, there may be greater upfront expenses associated with their implementation and management.

6. CONCLUSION

Because they offer a strong framework for project management, risk mitigation, and dispute resolution, FIDIC contracts are essential to the successful completion of construction projects. Although they present certain difficulties, their advantages in advancing efficiency, fairness, and transparency make them indispensable resources in the building sector. The use of FIDIC contracts is anticipated to rise, further strengthening their position in the industry as global construction projects continue to grow in complexity and scale.

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