

Decree No. (450)

President of the Republic:

Pursuant to the rules of the 7th article of Law no. 51 dated 09.12.2004 including the contract regulation, and the Finance Minister's proposal,

Decrees the following:

Article no. 1:

The attached book of general conditions is hereby ratified.

Article 2:

All books of general conditions in operation at the public bodies governed by the uniform contract regulation are hereby cancelled.

Article 3:

This decree is to be published in the official journal and applicable starting from the effective date of the contract regulation.

Damascus on / /

President of the Republic

Bashar al-Assad

THE BOOK OF GENERAL CONDITION

FOR THE UNIFORM CONTRACT REGULATION

Part One
General Rules

[Article 1-](#)

The rules of this book shall apply on bodies coming under the rules of the uniform contract regulation.

[Article 2-](#)

The rules of Part Two shall apply on import contracts, while the rules of its Part Three shall apply on works contracts.

Part Two
Import Contracts

First Chapter
Transport & Insurance

[Article 3-](#)

In all import contracts under which contracted materials are imported by sea, contractor should carry out sea transport for the contracted materials restrictively through the Syrian General Establishment for Maritime Shipping or under its approval, but with no prejudice to the contractor's responsibility towards the public body by virtue of the contract. No performance bonds shall be given back to him unless he delivers the public body a certificate issued by the said Establishment confirming that shipping is performed through it or under its approval and that he has paid it all due amounts.

[Article 4-Air Transport:](#)

In all import contracts under which contracted materials are imported by air, contractor should carry out air transport through the Syrian Arab Airlines or under its approval, but with no prejudice to the contractor's responsibility towards the public body by virtue of the contract. Documents required for releasing the documentary credit should include a statement issued by the Syrian Arab Airlines confirming that transport shall be performed through it or under its approval.

[Article 5-Land Transport:](#)

In all import contracts under which contracted materials are imported by land, contractor should carry out land transport according to the conditions stipulated in the books of special conditions, but with no prejudice to the contractor's responsibility towards the public body by virtue of the contract.

[Article 6-Insurance:](#)

When contracted materials are to be imported, they should be covered by risk insurance within the limits specified in the book of special conditions; such insurance shall be assumed by the public body in case of (FOB) or (CFR) purchase, and by contractor in other cases.

Article 7-Sea Transport:

Sea transport is carried out through one of the following methods:

A- FOB (on board of ship at shipping port):

The public body assumes costs of sea transport and insurance, while contractor assumes transport charges and risk liability of goods from the exporting factory till board of ship, in which case contractor should notify the public body about the arrival date of each shipment of the contracted materials to the shipping port at least one month prior to its arrival date to the said port, besides delivering that public body a statement on weights and sizes of goods along with all other data required for shipping within one month maximum from the date of his being notified of commencement order or opening the documentary credit.

B-CIF (on board of ship at quay of the destination port):

- 1- Contractor should procure insurance for the contracted materials restrictively through the Syrian Insurance Company from the shipping port till the destination port, but with no prejudice to the contractor's responsibility towards the public body by virtue of the contract. No performance bonds shall be given back to him unless he delivers the public body a certificate issued by the Syrian Insurance Company confirming that insurance is performed through it or under its approval and that he has paid it all due amounts.
- 2- In external contracts, contractor should open an irrevocable divisible transferable documentary credit to the interest of the Syrian General Establishment for Maritime Shipping for covering sea transport charges and other ensuing costs
- 3- Contractor should send the Syrian General Establishment for Maritime Shipping a statement on weights and sizes of goods at least two month before the first shipment date, while the Syrian General Establishment for Maritime Shipping should notify contractor on the credit amount and type of the required currency, after which he should open the credit within fifteen days from the date of being so notified. Should contractor be late in fulfilling his obligations stated in this paragraph beyond the specified dates, and then the Syrian General Establishment for Maritime Shipping shall have the right to defer the transport of the first shipment for a similar period, but with no prejudice to the contractor's commitment as regards the date of fulfilling the contract-specified obligations.
- 4- Contractor should notify the Syrian General Establishment for Maritime Shipping or its agent appointed for executing shipping about the date he defines for transporting each shipment from the shipping port at least one month before such date, besides submitting all data needed for shipping and required by the Syrian General Establishment for Maritime Shipping or its agents abroad.

C- CFR Destination Port:

Contractor assumes transport costs till the destination port, while the public body assumes insurance; sea transport is carried out as per the procedures stated in the preceding (B) paragraph.

D-Goods Delivery to the Public Body's Warehouses:

In this case, contractor carries out sea and land transport and insurance till warehouses and assumes all taxes, duties and charges due upon contracted materials till their arrival at the warehouse land, including obtaining import licenses and opening the necessary credits when required, unless it is agreed that the public body shall assume taxes and duties pursuant to the rules of Law 438 for year 1957 and its amendments. Sea transport should be performed through the Syrian General Establishment for Maritime Shipping and as per procedures

stated in paragraph (B) of this article, while procuring insurance at the Syrian Insurance Company.

E-In all cases contractor should observe all instructions and conditions defined by the Syrian General Establishment for Maritime Shipping for assuring shipping well execution.

Article 8-Packaging:

In his offer, bidder should state goods packaging and type of the material used for packaging, which should be according to the international rules of overseas transport. Contractor shall assume any damage upon contracted materials as a result of insufficient packaging. Pulleys, crates and other packaging types shall be the property of the public body, unless the contract stipulates otherwise.

Second Chapter Commitment Execution

Article 9-Increasing or Decreasing Contracted Materials:

Subject to the rules of Article 62 of Contract Regulation, quantities estimated in the quantity list or estimative statements for the various works required in this contract shall be considered only as an approximate basis liable to increase or decrease as per the work requisites during execution; settling account with contractor shall be made on the basis of the measured real quantities actually achieved by him at work site for each of the works required from him under this contract, while adding or deducting the value of such increase or decrease to/from the total contract value as per the prices defined in it.

Article 10- Manufacturing Control:

The public body shall have the right to appoint a person or company (supervisor), at its own expense, to act for it in supervising manufacturing supplies and materials during manufacturing process.

Supervisor shall have the right to carry out supervision, control and test processes at all times as regards diagrams, materials and manufacturing at offices and manufacturing sites belonging to contractor or factories employed by him, and to reject what he deems as contrary to the technical conditions; such rejection cases should be notified in writing to contractor or the manufacturing company, besides being notified to the public body; contractor shall replace rejected materials with others meeting all the required conditions.

Supervisor or any other person representing the public body shall have the right to freely enter during work hours all places in which contractor or owners of factories employed by him manufacture or store any of the import parts.

Third Chapter Receiving

Article 11-Purpose of Receiving:

The purpose of receiving the contracted materials is to check the quantity and quality conformity of the presented materials to the contracted materials, as well as the conformity of the specifications of such materials to those required or specified in the contract, besides ensuring contractor's well execution of his required obligations.

A- Contractor should deliver materials to the contract body at the place defined for such delivery under the contract, or notify it in writing that materials are ready for delivery at the place specified for that under the contract.

- B- After that, the public body shall notify contractor in writing on the date it has set for receiving and the names of the receiving committee, or on the name of the body it has charged with carrying out receiving outside Syria and invite him to attend the receiving process, or duly authorize whoever he likes to do so.
- C- At the date specified for receiving, the receiving committee shall review contract and its file, and after knowing quantities, types and specifications of the required materials and being sure that contractor has been notified of the receiving date, it shall check and examine the presented materials and ascertain their integrity, flawlessness and conformity to specifications specified in contract, contractor's offer and correspondences exchanged between him and the public body, and generally in all the file documents and documents deemed part of the contract. In case of assigning another body outside the Syrian territories to perform receiving process, receiving materials should be done as per the conditions defined in the receiving assignment instrument according to the conditions specified in contract and books of conditions.
- D- Committee or body in charge of receiving shall duly prepare a record including facts of the process of receiving materials, checking and examining them and the results of all that, in addition to the receiving hour and date, confirming the notification of contractor to attend the receiving process and the attendance or non-attendance of contractor or his legal representative, and finally the committee's recommendations justifying accepting or refusing materials, accepting part of those materials and refusing another part,etc.
All the receiving committee or the receiving-authorized body shall sign the said record, in addition to being signed by contractor or his legal representative in case of attending the receiving process; in case of the latter's refusal to sign, the same record should mention that, and in all cases a copy of the receiving record shall be sent to contractor.
- E- The public body shall notify contractor a written brief of the receiving record in case of non-attending the receiving process or refusing to sign the said record.
- F- In case of signing the receiving record with reservation, refusing to sign it or non-attending the receiving process, contractor shall have the right to object to the contents of the said record within ten days from the date of his signing record with reservation or from being notified a written brief of the receiving record; the public body shall study such objection and advise objector about the result; in case of submitting no objection within the above-mentioned period, contractor shall be deemed to have accepted the public body's viewpoint.
- G- In cases other than paying by virtue of a documentary credit, it is not permitted to pay out the value of contracted materials unless after preparing the said record and being approved by the concerned paymaster.
Moreover, it is not allowed to give back all types of performance bonds or release the various guarantees unless after the final receiving, which should be carried out after the end of the guarantee period stipulated in this book or the books of special conditions and submitting a quittance from the concerned financial circles.

Article 13-Guarantee of Imports:

Contractor shall guarantee submitting imports as per specifications, characteristics and technical data on the basis of which contracting has been concluded; such guarantee shall include all contracted materials against any flaw or defect in design, manufacture or material, as well as against any defect or malfunction resulting from bad composition, in addition to including the well functioning of the supplies subject of contract for the specified guarantee period, provided such guarantee period shall be defined in the announcement, the book of special conditions and contract according to the nature and type of materials to be supplied.

Article 14-Contractor's Responsibilities:

In addition to the above and as a result of examining and testing made during receiving, contractor shall guarantee the exact conformity of imports to the technical conditions, contract conditions and the books of special conditions and their being free of defects and flaws, irrespective of whether the public body, its representatives or supervisor have prepared specifications, diagrams and plans related with setting up or mounting imports, approved that, supervised works at the factory or mounting places, controlled materials and manufacturing and endorsed shipping all or part of those imports.

Fourth Chapter Contract Execution Sanctions

Article 15- Delay Penalties:

- A- The delay penalty stipulated in the book of special conditions shall be imposed in case contractor delays submitting contract-subject materials beyond the dates set for that or submits materials contrary to the contract conditions and specifications without replacing them within the defined periods.
- B- In case contractor, thirty days after the expiry of the period set for fulfilling obligation, does not submit contracted materials or an evidence of possessing them, then the public body shall have the right, with no need for any notice or warning, to buy contracted materials at his account, either through tendering, consensual contracts or on assignment, besides imposing the delay penalties as per the rules of item (A) of this article.
The minister in person may, in necessary cases estimated by him, warn the contractor failing to perform his obligations within a period he defines- but not less than two days- without observing the said thirty-day notice; at the end of such warning, the public body starts taking the above-mentioned procedures.
- C- Amounts due upon contractor resulting from delay penalties, price differences resulting from buying at his account or the various purchase expenses shall be collected from contractor's performance bonds; and in case these are insufficient, contractor shall be sued for such difference as per the legal rules in force.
- D- Contractor shall have no right to claim price differences from the public body in case of any decrease in the costs of buying at his account; rather, such difference shall be considered as a right acquired by the public body.

Article 16-Rejecting Imports:

The public body shall have the right to reject all or part of the presented materials in case of being wholly or partly inconsistent with contract specifications or having any defect or shortage. In such case, the public body shall have the right to withhold rejected materials and keep them at contractor's responsibility and cost till he replaces or completes them within the period specified for him, and it may deliver them to the contractor against a financial bond. The delay penalties stipulated in the preceding article shall remain operative against that contractor till the date of delivering materials as per the specifications agreed upon in contract.

Part Three Works Contracts

First Chapter Work Management & Execution

Article 17-Work Program:

Within ten days from the date specified to commence working, contractor should submit to the public body a written program elucidating procedures and steps he wishes to adopt in project execution and defining terms during which he expects to finish each of the general stages included in contract.

The public body shall have the right to request making any adjustment on that program required to its interest within the limits of contract rules and in harmony with the period set for executing the total works; contractor should abide by such amended program and observe it during execution, and he should not depart from such limits or change any part unless under the written approval of the public body. Should contractor not submit such required program within the defined period, then the public body shall have the right to have him abide by the program set by it under its option after notifying him such a program.

Article 18-Workmanship & Execution Precision:

All works required under contract should be executed in conformity to the requirements of technical charts and specifications and the public body's instructions as regards technical precision and workmanship. Contractor should immediately remove or pull down each work rejected by the public body due to any defect, shortage, inexactness or inconsistency with the requirements of technical charts and specifications and the instructions of the engineer in charge of conditions, and he should repair or renovate that at his own cost as required to become acceptable.

The public body may decide to accept such work but with deducting an amount of its price equaling the value of such flaw or defect, provided such flaw or defect is not gross and does not lead to breach the integrity of the installation as far as the technical and investment aspects are concerned.

Should contractor, or his agent, refuse or delay removing or repairing rejected works which the public body, based upon its interest, has deemed unacceptable with deduction, as well as if contractor delays doing that within the period set for him in writing for that purpose, then the public body shall have the right to have the said works repaired, removed or renovated as it deems fit and deduct all costs it incurs in this regard from contractor's payable amounts.

Article 19-Materials & Necessaries Contractor Should Submit:

- A- Contractor shall be responsible at his own cost for submitting all materials, necessities, equipment and tools and all other technical fittings needed for carrying out all required works under the contract. All those materials, necessities and fittings brought to the work site should be of the best quality and consistent with all the technical conditions and specifications required from him under the contract.
- B- All materials, necessities, equipment and tools brought by contractor shall be considered, since arriving to the work site, as retained to the interest of the project; they should not be used except in the works required under the contract, and contractor shall have no right to dispose of them or move them, whether wholly or partly, outside the workshop unless under the public body's written approval.
- C- Contractor should take all measures necessary for securing the continuity of supplying materials and needs required for all project works in the form and quantities that ensure good and regular work progress as per the program approved by the public body, with no interruption nor delay; in some special cases, the public body may require presenting some materials and needs within a period defined in the book of special conditions.
- D- Should the public body find that the materials, necessities, equipment and tools brought by contractor for use in the project are unfit for work or inconsistent with the contract conditions, then it shall have the right to refuse accepting them and request removing them

out of the work site and replacing them. In this case contractor should immediately remove them out of the work site and replace them at his own cost by other suitable kinds accepted by the public body, and should he refuse or delay removing or replacing such rejected materials within the set period, then the public body shall have the right to do that at his expense however that costs. Contractor shall have no right to claim any damage, loss, compensation, extending contract term due to procedures taken by the public body by virtue of the rules of this article.

- E- The public body may, at the contractor's expense, examine any of the materials brought for use in the contract works through any technical laboratory in Syria or in another country whenever it deems that necessary.
- F- The public body shall give contractor all documents that enable him to buy and receive materials and necessities which distribution is restricted to public bodies, within quantity and term limits specified in contract or as estimated later by the public body; the use of such materials and necessities shall be done under the public body's supervision and control.

Article 20-Materials, Necessaries & Tools Presented by Public Body:

- A- In case there is a text in the contract or the books of special conditions obliging the public body to submit any of the materials and necessities required for performing any contract part, the public body shall undertake delivering that to contractor gradually and regularly as per the work progress requirements. Such delivery shall be in the site explicitly defined in the said text; otherwise, such delivery to contractor shall be from the public body's warehouse located in the center of the governorate in which executing contract works is carried out.
- B- Contractor should take care of keeping, transporting and guarding materials and necessities received from the public body and use them exactly and carefully in contract works; he should keep a special record for them stating method, quantities and place of successive and regular use of each part of them in works. In case of any subsequent shortage, deformation or defect of those materials and necessities as a result of contractor's negligence or misuse due to utilizing them contrary to charts, technical conditions or instructions given to him by the public body, then contractor should make for the resulting shortage or replace the deformed or defected quantity at his own cost however that amounts to.
- C- Contractor should submit written applications to the public body stating now and then the quantity of materials and needs the public body has undertaken to submit and as required for works and the dates of submitting them, at least twenty days before the actual need for them in order to avoid any delay in their arrival and consequently any work progress interruption.

Article 21-Disparity & Errors in Instructions & Charts:

- A- Prior to executing any contract part, contractor should check and ascertain the validity of charts and their conformity to each other as well as to all requirements of the book of technical conditions, price and quantity lists and other rules. He should ask the public body to correct any disparity, contradiction, shortage or error he may detect in those charts, technical conditions, statements or instructions given to him (whether such instructions are in writing or in drawing, and whether attached to contract or given to contractor later during contract execution).

In such cases, contractor should abide by the final written instructions, which the public body asks him to follow during execution in this subject.

- B- Should contractor not refer to the public body in writing as regards any disparity, contradiction or shortage in the charts and technical conditions, and then after executing all or part of the works, an error unacceptable or unavoidable appears in any of the works stated in contract as a whole or in details, contractor shall assume the responsibility of the consequences of correcting, pulling down or reconstructing the part affected by such error, and he should remove such error consequences at his own account however the costs are

C- The public body is responsible for the correctness of designs submitted by it, as regards both the technical and accounting aspects.

Article 22-Work Times:

Executing works required under the contract shall be carried out during daytime for one work shift in all days of the week excluding official holidays defined under applicable regulations, except in special cases requested or approved by the public body in writing, but subject to the rules of the Labor Law.

Should contractor wish to work extra hours or during official holidays, he should apply for that in writing to the public body, which has the right to approve or refuse such request without showing reasons; in case of approving, the public body shall have the right to oblige contractor to pay compensations for officials, employees and workers for securing work control in the workshop during such extra times in a reasonable way; paying compensations for extra hours by contractor shall be through the public body's accountant or financial manager as the case is and as per legal established rules; contractor should also secure the necessary lighting for ensuring well work progress according to the conditions requested or approved by the public body.

Article 23-Procedures of Protecting Souls, Properties & Works:

Contractor shall assume the responsibility of taking all measures necessary and sufficient for preventing the occurrence of any damage or loss during contract execution upon any part of the ongoing works, needs, materials, supplies, movable or immovable properties found in the work site, whether such works or properties belong to contractor, the public body, other contractors or sub-contractors working at the site, or through theft, fire, natural and weather phenomena and the like. Contractor should also take all measures necessary for safeguarding the souls of workers, employees, people and animals, whether directly related with the contract works or not, against any damage or injury incurred upon them during contractor's execution of contract works.

In case of any such damage, contractor shall be liable for removing, renovating or repairing such damaged part at his own expense, besides being responsible for paying all material compensations resulting from the occurrence of any of the said damages, losses or injuries to the damaged body, whether the direct cause of the occurrence of such damages is his own negligence or that of his agents or those working at his work sites.

Contractor should observe all instructions deemed necessary by the public body for protecting souls and properties and safeguarding them against damage, spoil, fire and loss at work site; but none of those instructions shall relieve contractor from his absolute responsibility in making his measures taken for this purpose sufficient for preventing the occurrence of any such damages, losses and injuries that may happen during working.

Article 24-Hygiene Measures, Maintaining Order & Municipality Peripheral Spaces:

A- During executing works required under the contract, contractor should take all the hygiene measures requested by the public body or imposed upon him by the Ministry of Health at work site to keep it clean throughout contract execution.

He should erect temporary latrines sufficient for site workers, besides maintaining and keeping them healthy and clean throughout work period, and removing them after completing work.

B- Contractor should ensure keeping order at work site throughout contract execution by means of securing periodic control in cooperation with the security forces; he should inform the concerned authorities upon any accident occurrence for taking the necessary measures, in addition to abiding by all free safety peripheral spaces and special regulations imposed by the related municipality or any other official body concerning any of his contract works, how to dispose of the residues of pulling down and digging operations and how to avoid hindering

use of all nearby roads and passages during execution. Contractor shall be responsible for paying any compensation that may result from his violation of these regulations.

Article 25-Property of Relics & Materials Extracted from Work Site:

A- The property of any relics or materials considered of economic value extracted from or found in the work site shall accrue to the state.

Contractor shall take all the necessary measures for safeguarding such antiquities and materials against any breakage, deformation, shortage or damage till delivering them to the concerned official body and receiving its instructions on how to use or dispose of them.

Upon finding out such pieces of archeological or historical value, contractor shall immediately notify the public body and the General Directorate of Antiquities and cease working in the related area till receiving the necessary instruction on them.

B- In works related with contract subject, contractor should use all materials and debris extracted from or found in the work site if considered usable by the public body; the value of such materials shall be estimated based upon the price analysis table presented by contractor and deducted from amounts due to him, unless the contract explicitly stipulates otherwise

Article 26-The Public Body's Representative During Execution:

Engineers and supervisors entrusted with controlling and supervising execution of works by the public body shall be considered as its representatives in controlling all matters related with the validity of applying contract rules and executing charts, technical specifications and instructions it issues to contractor during execution.

For achieving this purpose, contractor should provide those engineers and supervisors appointed by the public body all necessary facilities to enable them carry out their duties in the best manner, and he should work by virtue of all instructions and remarks they issue under the contract rules; he shall be responsible for providing them with temporary offices at work site suitable for making those engineers and supervisors perform all official duties required from them till completing works.

Article 27-Inspecting Works & Examining Materials:

A- The public body or its authorized deputy, as well as any related official, shall have the right to enter work site at any time to supervise execution progress in workshops, plants and outside shops preparing or manufacturing any works, necessities or materials related with any part of contract works; contractor should provide all the required facilities and help to enable them perform examination, checking and inspection as they deem necessary.

B- At any time defined by the public body or any of the related officials, contractor should uncover any part of the works which has been covered to enable them examine and check execution validity; in case the result of such examination shows that the revealed works have been correctly executed under the contract rules and that they have been covered under the public body's approval, then the public body shall pay all the uncovering and re-covering costs; but should the examination result show that the work has been done contrary to charts, technical specifications and the engineer's instructions, or in case it becomes established that the revealed part, despite being correctly executed, has been covered prior to obtaining the written approval of the public body, then contractor shall assume all uncovering and re-covering costs as well as the responsibility of the work inconsistent with the required conditions. Should contractor refuse or fail to do the required uncovering within the period set by the public body, then the public body shall have the right in such case to do the required uncovering and deduct all ensuing all costs from contractor's account regardless of such uncovering result.

C-The public body or its representatives shall pay visits to the work site within reasonable periods to check work progress as they deem to be in harmony with the interest of the project, and the public body shall assume the expenses of such visits; but as for visits and checks that the public body has to do upon the contractor's request to check works already examined, then the public body shall have the right to charge contractor their costs and deduct them from his account.

Article 28-Contractor's Deputies & Controller During Execution:

- A- During contractor's absence from work site, he should appoint his deputy in charge of regulating and executing contract and works as per the instructions given by the public body or any of its representatives during work for achieving the necessary requirements; such deputy should stay at work site throughout execution hours, besides being fully authorized by the contractor to act for him during his absence in all matters related with executing contract conditions.
- B- The public body, in projects deemed by it to be of special technical nature, may stipulate that one of the controllers deputized by contractor for regulating and executing the rules of the concluded contract should be an engineer, a matter that should be stated in the books of special conditions.
- C- The deputy and the controllers appointed by the contractor to supervise execution of the works on his behalf in all cases should be of good conduct, having enough expertise and technical competence of the works required in the contract. The contractor should, before appointing the deputy or the controllers to supervise on the execution of the contractor on his behalf at work site, inform the public body in writing on their names and their technical qualifications to get its approval on their appointment. The public body has the right to accept or refuse such appointment without mentioning the reasons. It is not permitted to change the appointed deputy or controllers except after getting the written approval of the public body.
- D- The authorized deputy should be present at work site during execution working hours to get the instructions of the public body or any of its representatives during their visit to the worksite. The absence of the contractor's deputy from the worksite during the usual working hours without getting the prior approval of the public body shall be considered as discrepancy. In such case the public body may deduct from the contractor's due amounts five hundred Syrian pounds as minimum per each day of his absence. The special conditions books may state deduction of higher amount depending on the nature of the project.

Article 29-Employees, Workers & Professionals:

- A- In execution of the works, the contractor shouldn't employ workers, artisans, employees and professionals who have no competence or good manners. The public body shall have the right to ask the contractor to take out any of the employees including the controller and the deputy from the worksite if it ,as its estimate, finds them incapable for the work. In such case, the contractor is allowed to reinstate those refused persons only after getting written approval of the public body.
Using this right by the public body doesn't entitle the contractor to disclaim his general responsibilities or to claim any compensation, defect or damage incurred upon him as a result of that.
- B- The employment conditions of the workers and employees for execution of contract's works should be in conformity with regulations of Labour law and International Labour Convention No. 94 set forth in Syrian Arab Republic , and contractor has to act according to regulations of this law and convention as well as he has to apply the Social Securities Law.

Article 30-Concession of Contract and Sub-contracts:

The contractor shall not have the right to concede any work or any part thereof regarding the works for which the contract is concluded to achieve and shall not have all or part of them entrusted to or sub-contracted with other persons such as sub-contractors but after having already obtained a prior approval of the public body. Contractor's obtaining of such approval shall in no case mean binding the public body to enter into any kind of relationship with these sub-contractors, nor shall it release the contractor from his technical, administrative, legal and penal obligations and responsibilities imposed upon him towards the public body under provisions of the contract

Second Chapter Emergent Cases During Execution

Article 31-Quantities and Prices:

- A- Quantities estimated in the quantity list or estimative statements for the various works required in this contract shall be considered only as an approximate basis liable to increase or decrease as per the work requisites during execution; settling account with contractor shall be made on the basis of the measured real quantities actually achieved by him at work site for each of the works required from him under this contract.
- B- The prices stated in the Prices List on basis of which the contract is concluded shall include the wages and expenses of the workers as a whole, prices of the materials necessary for execution all works, as well as the legal fees and taxes, costs of transport, guarding, sentry wastes and profits and all various responsibilities incurred upon the contractor with all necessary tools, equipment, temporary premises and all what is required to deliver the works in satisfactory and acceptable way whether it is stated clearly in the drawings, technical specifications and prices list or tacitly comprised.

Article 32- The Amendments:

- A-The public body shall, when necessary, have the right to ask for any amendment, correction, omission or adding any of the works required in the contract whether that resulting in decrease or increase in quantities of these works required in the contract. In all cases, the contractor shall be responsible to execute all amendments or corrections required from him by written orders during work progress with no delay. Should the contractor be delay in carrying out such amendments during the time period specified for him, the public body shall have the right to carry out this amendment on his charge and it will deduct from his payable amounts all expenses spent in this regard whatever they may be.
- B- Any amendment or altering in any part of the contract works required in the drawings, specifications and quantity list shall be carried out only on the basis of written request or prior approval of the public body. And if the contractor carries out any amendment or altering for any part of contract works without obtaining the approval of the public body, the public body shall have the right to refuse it or ask for correction as required at the contractor's cost whatever the expenses may be. Moreover, if the public body finds that it possible to keep on such amendment or altering with no correction, it shall have the right to consider that as contribution without paying any amount to the contractor at settling the accounts.
- C- If the amendments required by the public body during the work call for pulling down, removal or making any altering for any work executed as per the provisions of the contract, the public body has to pay to the contractor cost of the wrecked part or expenses of the alteration necessiated for the required pulling down or removal or alteration.

Article 33-Calculation of Compensation:

The calculation of compensation provided for in Art /63/ of Contracts Regulation shall be effected by a special committee formed by the paymaster. The contractor and the public body have to render it all the necessary information for studying the circumstances and the conditions surrounding the execution of the work. As well, both parties shall have to provide a statement for all the losses and damages assumed by either with explaining the reasons of such losses.

If this committee finds that the losses and damages claimed by contractor are the result of his dereliction or breach in execution of any of his obligations or from his carelessness or non availability of the means necessary for him or from his mismanagement or his delay in carrying out the works during the time period set in the contract for unjustified reasons, he will not be granted any compensation in all these cases.

The contractor shall not have the right to cease the execution of the works in all the cases provided for in Art./63/ of Contracts Regulation, otherwise he will be considered responsible for all damages and losses caused to the management due to this stoppage and he will lose the right to ask for any compensation.

Article 34-The Additional Works Not Stated in the Contract:

- A- When the execution of works requires carrying out additional works not taken into account in the contract or changing the sources and kinds of some materials mentioned therein, the public body has to ask the contractor to carry out these works and he has to immediately start the execution. The prices of these materials shall be determined by agreement between the two parties. But if the execution of these additional works doesn't need top urgency, the public body will not give an order for execution same but after it agrees with the contractor on the prices pursuant to a contract annex. Every work carried out by the contractor before getting a written order from the public body will be considered as a contribution by him.
- B- If the public body has not charged the contractor to execute the additional works according to what is mentioned in above mentioned paragraph, it has to execute these additional works directly by itself by trust or to charge the contractor to carry out these works for its account against paying a commission not exceeding 10% of total actual costs required for execution of the work or to charge a third party to carry out such works and then the contractor has to render all the facilities and assistance necessary for the third party during execution of the additional works.
- C- When the prices of additional works agreed on differ from the prices mentioned in the contract, the public body has to carry out an inventory for the works executed by the contractor included in the original contract. The contractor will be called to attend the inventory process on a date specified by the public body. But if he or his deputy doesn't attend, he will be considered as having accepted the inventory results.

Third Chapter *Paying Out the Value of Works*

Article 35- Measurement of the Works:

- A- The works that are done under the provisions of the contract shall be measured gradually during execution and at completion of every stage of the project and before covering any part of the works not possible to be uncovered and measured after being covered. The two parties have to agree on the dates on which the measurements will be taken and that will be in their presence or in presence of their authorized representatives and they have to sign on. The

contractor has to provide, on his cost, all necessary workers and facilities to carry out the necessary measurements.

- B- When it is necessary, the public body has the right to ask the contractor or his authorized deputy to attend to the worksite on a date it specifies for carrying out the measurements of the achieved works. If the contractor or his deputy fails to be present at the site at the specified date, the public body shall have the right to take the measurements by itself and the contractor will have no objection on the correctness of the taken measurements.
- C- All the works achieved as per the contract on basis of the units registered next to in the quantity list and the statements will be measured geometrically according to the technical methods applicable in Ministry of Housing & Building, in order to deduct as the openings from all the volumes and spaces and the wastes and damaged parts will not taken into consideration unless otherwise stipulated explicitly in the contract. Any increase in quantities or dimensions carried out by the contractor without a written demand or approval from the public body will not be taken into account upon carrying out the measurements.
- D- In case of any dispute arising between the contractor and the public body regarding the obtained measurements, the public body has to settle it within a period not exceeding 48 hours from date of carrying out the measurements. It is not permitted to cover any part of the works subject of the dispute only after the public body will pronounce its final decision for this dispute or give its approval. The public body's decision in this concern will be considered as decisive and binding.

Article-36. Monthly Payments:

- A. The public body shall make out for the contractor monthly statements of the works and preparations achieved by him. These statements shall contain the following:
 - 1-The works completely executed which value is estimated as per their prices set in the contract.
 - 2-The works not completely executed which value is estimated on basis of their prices set in the contract, while taking into consideration the extent of their execution.
 - 3-The brought supplies prepared at the worksite, their quantities to be at rate of 80% of total of what were actually prepared of them and were conformity with the contract's provisions. Their value is to be estimated on basis of the current price of these supplies at time of making out the statement and their price estimated in the price analysis list, whichever is less.

At time of payment, 5% against the outstandings mentioned in Article /38/ of this book shall be deducted from the statements value. And if the public body is obliged to spend any amount of these outstandings on contractor's account, it should complete the outstandings to be 5% of total of what has been spent for the contractor by deduction from his payable amounts, if any, or by claiming him to pay according to the valid legal regulations, as may be the case.
- B- For the cases where the contractor is delay in his work progress at the speed and activity set in the schedule agreed upon, or the executed works are inconsistent with the contract provisions regarding the accuracy and conformity with the drawings and specifications, the public body has the right to deduct an amount from his monthly statements to be in proportion to the delay penalty or to the extent of the defect caused to the work.
- C- Listing of the works and supplies in the monthly statements and settlement of their value don't, in no case, mean the approval of the public body on accepting them finally or waiver of any of its rights stipulated in this book or the contract, and the public body shall have the right to review the calculation of these payments and to settle any error or omission that may appear.

- D- Contractor's signature on the monthly statements means his approval on all what has been mentioned therein and every objection or reserve in this concern should be provided within ten days as from date of signing them with reserve.
- E- The statements shall be paid out during 15 days as from date of submitting them to the management accountancy or the concerned financial management as may be the case, complete with their documents and legal conditions. Any delay in paying out after expiry of mentioned period not caused by the contractor shall be definitely added to the period of the contract.

Article 37-Final Settlement:

- A- The final statement shall be made out within six months as from date of provisional receiving. The contractor will be called to sign this statement by a letter from the public body and he has to sign with reserve or without reserve during ten days from date of being called. If he signs without reserve, that means that he has accepted the contents of the final statement and that by receiving the value of this statement, he has collected all his payable amounts and he has no claim against the public body regarding this contract except what is related to the outstanding mentioned in the following Article 38.
But if he signs with reserve, he has to state his reservations once for all in a clear detailed note mentioning the reasons of the reservation supported with all the evidential documents during twenty days from the date of calling him to sign; otherwise his reservation will be considered null and void.
The public body will disregard any reservation provided by the contractor after submitting above mentioned note and will be considered as if not submitted. The contractor who refuses to sign the statement will be dealt with as who signs with reserve.
- B- If any amount, debt or financial obligation becomes, pursuant to the contract rules, payable to the public body from contractor and not paid by him on request, the public body shall have the right to deduct it from the due amounts or those to be payable to the contractor and will be deducted directly from the statements and transferred to the benefit of the public body whether as per this contract or another contract out of his bonds or outstandings. If that is insufficient, it can collect the remaining amounts as per the law regulations applicable in this concern.

Article 38- Outstandings:

- A- The amounts deducted by the public body as per the regulations of Article 36 from all the payments due to the contractor for the achieved works and provided supplies will be considered as outstanding kept by the public body till the works required in the contract are received and accepted finally.
- B- The out standings will be returned to the contractor after having delivered the project finally, providing a quitance from the financial directorates, making sure of conformity of all achieved project works with the required conditions and non-appearance of any defect or shortage in these works till the final delivery.
- C- The public body shall have the right to deduct from the outstandings the amounts spent for completing any shortages and executing any works in behalf of the contractor based on its authorized powers as per the contract. Before returning the outstandings to the contractor, the public body has to deduct any penalty or compensation incurred on him according to the provisions of the contract and this book.
- D- During the provisional receiving, if the public body finds that the works achieved by the contractor have been executed satisfactorily and in conformity with the required specifications, it has to refund to the contractor at accounts' liquidation an amount not exceeding half of the outstandings in addition to bonds subject to paragraph/B/ of article /47/

of Contract Regulation and it will keep a reserve amount not exceeding 50% of the outstandings to be used till date of final delivery of the project.

Chapter Fourth *Receiving*

Article 39- Provisional and Final Receiving:

- A- The contractor has to inform the public body by a written letter through the party supervising execution the date on which the works required from him under contract have been completed and on which he is ready to deliver the project to the public body provisionally. The party supervising execution has to provide the above mentioned letter with a footnote stating that these works have been actually or have'nt been completed on the date set by the contractor. Should there be any shortage, defect or discrepancy to the contract provisions in the works and necessities to be delivered, the public body shall have the right to refuse receiving and to ask the contractor to complete these shortages, repair the defects and remove the discrepancies before considering such provisional delivery possible. If these shortages, defects and observed discrepancies are of the determined kind or can be repaired fairly easily and the exploitation of the project is possible, the public body, if it finds that for its interest, shall receive the works achieved according to the contract's provisions and record the shortages, defects and observed discrepancies with special reservation in order to either be completed and executed by the contractor during a time period specified for him or to deduct an amount from his payable amounts equalling, as per the public body estimate, the value of these shortages and defects to be completed by the public body at the time it deems suitable.
- B- If the public body decides to receive the works with reserve or without reserve, the receiving will be in force as from the date specified by the contractor for receiving, as per a written letter registered properly at the public body unless it appears that the works are not actually ready for receiving at that date.
- C- Before delivering the completed works provisionally, the contractor has to remove, at his expense, all residues, debris and waste materials and clean all spots and dirt by the way accepted by the public body.
- D- If any remarks about repairs or defects are mentioned in the provisional receiving protocol, the contractor is charged to carry them out during the guaranty period or during a period specified by the receiving committee. In such cases, the contractor shall bear the wages of the supervisors and controllers supervising the execution of above mentioned repairs during the actual period of repair.
- E- The final delivery of the project will be after one year as from date of the provisional receiving. The contractor shall remain responsible towards the public body during this period for any new defect or shortage that may appear in the achieved and provisionally received works during this period. He has to assume all costs of repairing and removing of these new defects and shortages. Maintenance of the project will be on his account no matter the expenses will be. Repair of the damages that may result from misuse of the achieved works by the public body during this period is not included in the responsibility of this maintenance.
- F- All the remaining outstandings will be refunded to the contractor after completion of the final receiving, and the project will be considered as completed after settlement of its related accounts.
- G- In addition to his responsibility during the guaranty period set in Paragraph (E) above mentioned, the contractor shall remain responsible during ten years for any basic defect appearing in the installations that may affect their soundness and be the result of bad execution or the contractor fraud.

H- The receiving committee shall be formed by an administrative order issued by the concerned paymaster including at least one technical member.

Fifth Chapter
Penal Sanctions

Article 40- The procedures taken in case of discrepancies or failure in execution of the contract:

- A- If the contractor ceases the works with no logical reason accepted by the public body and if the public body deems that the contractor has lagged, failed, neglected or been incapable in execution of any work required in the contract or has acted contrary to the contract provisions, it shall warn him on the necessity to be more careful and active and to abide by the regulations and conditions imposed on him during a period not less than five days except in urgent cases, stating in this warning the kind of negligence or failure or the committed discrepancies.
- B- The warning sent by the public body shall be considered as a document confirming the occurrence of the failure or the negligence or the discrepancy under consideration, unless the contractor provides during three days from date of notifying him the warning enough proofs to convince the public body that his failure or negligence is due to acceptable excuses.
- C- If the warning period ends and the contractor has not perform the request of the public body to accerelate the work and to abide by the contract's provisions, then the public body shall have the right to take the following procedures:
- 1- It shall, on behalf of the contractor and at his expense, increase the number of the workers and employees whatever their occupation or specializations and to purchase the materials and necessaries and carry out all arrangements it deems necessary to ensure the work progress as per the speed, accuracy , conditions and specifications required in the contract. The contractor has to pay all the costs and expenses born by the public body in this concern without having the right for objection on any of the procedures, prices or wages according to which the works have been executed and the materials purchased. Should the contractor delay or refuse to pay these costs and expenses , the public body shall have the right to pay them to their owners on his behalf with no delay and to deduct them from his due amounts or to collect them as per Article 37 of this book.
 - 2- It shall give the order to stop the work at any part in which discrepancy has occurred and it will not allow the contractor to proceed in the work in this part except only after he removes or repairs the said discrepancy and abides by all regualtions stipulated in the contract. In such case, the contractor should not claim any material compensation or extension of contract's period due to stopping the work in this way.

Article 41- Delay Penalties:

Should contractor be delay in completing all works required from him under the contract in a satisfactory way, and he has not delivered them provisionally to the public body during the period specified in the book of special conditions or specified as per the provisons of this book, he shall assume (in addition to the other procedures taken by the public body as per Article 40 of this book due to the delay) a financial penalty, which rate is specified in the book of special conditions provided the daily penalty will not be less than one per thousand (0.001) of the total amount of the contract, and the total penalty for one undertaking will not exceed 20% of its total amount. All that will need no warning or notice as the mere delay will be considered as substitute for it.

Article 42- Provisions of Withdrawing Execution of Works:

- A- When the public body decides to withdraw execution of all or some of the works as per the Contracts Regulations, it will call the contractor to be present at a date specified by it to participate in measuring all the works that have been achieved till date of withdrawal and in carrying out a complete inventory for all the machines, tools and necessities brought by him to the work site and all the provisional installations achieved by him.
If the contractor refuses to attend or to send his deputy or to sign the statement after being arranged, the public party has to perform the work by itself and to send a copy of the inventory and measurement list to the contractor by registered mail to state his objections on it during ten days from date of notification. After the elapse of this period, the public body shall not accept any objection in this concern.
- B- When withdrawing works, the public body shall cease paying out any amount due or may be due to the contractor for the works he has achieved or the necessities he has brought to the worksite and it has to prevent giving back the bonds and outstandings belonging to the contractor, with its right to dispose or retain or use of some or all the tools, machines, Equipments, necessities and the temporary installations brought to the work sites or installed at in the way it deems suitable to the interest of the project without being responsible for any losses or damages incurred upon contractor due to this retention, use or disposal. The public body shall continue the retention of these things after the works are achieved if it finds that as guaranty for its rights incurred on the contractor, but if a third-party provides documents of fixed date prior the contract's date proving his property for any of these retained things, the public body shall pay him its charge as from date of withdrawing the works according to the current prices or to the conditions agreed on previously with the contractor whatever is better for the public body.
- C- The contractor shall bear all expenses and costs incurred by the public body for execution of the withdrawn works as well as all the losses and damages that may be incurred upon it as a result of performing these works. All statements provided by the public body regarding what it has spent shall be considered correct, and the contractor should have no objection on these expenses or on any of the prices, charges and miscellaneous costs spent for completing works and purchasing materials and necessities and executing all other imposed obligations as per the contract's provisions whatever their value could be.
The public party shall have the right to fine the contractor in addition to what is mentioned above with some or all his bonds or outstanding as penalty against the defect and damage caused to the public body due to withdrawing works execution.
- D- The contractor should follow up the progress of the works executed by the public body but if such follow up appears to hinder and disturb the works progress, the public body should prevent him to do that for indefinite period as the interest of the works requires.
- E- If the final calculation results show that total expenses of the works achieved by the public body on contractor's account including the administrative expenses don't exceed the amounts that could be due to the contractor if he had achieved them by himself at the prices stated in the contract, the resulting savings will be belong to the public body and the contractor shall have no right in claiming them. But in this case the public body will pay to the contractor the same charges for his materials, machines, equipment and provisional installations for the period the public body uses them and within the limits of the resulting savings.
- F- Before deducting any delay penalty from the provisional statements or deciding to withdraw the works from the contractor, the public body shall take its decision concerning the requests of the contractor as regards his delay in execution, a matter on which the public body shall have the final word.

Article 43- Partnership Between Contractors:

When the works are assigned to partner contractors, all these contractors shall be considered jointly and severally responsible towards the public body for all that is related with contract execution and all resulting obligations and provisions. The public body shall deal legally with any of those contractors as a representative for the rest of partners. Moreover, it shall have the right to consider any of them responsible towards it for receiving and executing the instructions or for bearing all the financial and legal liabilities resulting from contract. All correspondences, clarifications and other procedures, whatever they are, issued by one of those contractors regarding the contract works shall be considered binding on the other contractors.

**President of the Republic
Bashar al- Assad**