MedicalProfessional.CCM.v2026-06-26.q60

Exam Code:	CCM
Exam Name:	Certified Case Manager Certification Exam (CCM)
Certification Provider:	Medical Professional
Free Question Number:	60
Version:	v2026-06-26
# of views:	129
# of Questions views:	600
https://www.freepdfdumps.com/MedicalProfessional.CCM.v2026-06-26.q60.html	

NEW QUESTION: 1
(Regarding the FIDIC Red Book (edition 2017): what two answers provide for requirements regarding a notice and other communication?
Choose all of the correct answers (multiple possibilities).)
A. If a form of communication is to qualify as a Notice, it must be identified as a notice.
B. If the recipient ' s address differs from the address stated in the Contract Data, notices and other communications may be delivered to that other correct address.
C. If a form of communication does not qualify as a notice but as other communication, it must be identified as such and shall include reference of provision of Contract under which it is issued (if appropriate).
D. Notices and other communications shall be delivered to the address of the Contractor ' s Representative.
Answer: A,C (LEAVE A REPLY)
Under FIDIC Red Book 2017, Clause 1.3 [Communications] provides strict and structured requirements governing Notices and other forms of communication. The distinction between a "Notice" and "other communication" is critical because Notices often trigger contractual rights, obligations, and time bars.
Option A is correct because Clause 1.3 expressly requires that a communication intended to be a Notice must be clearly identified as such. This ensures that both Parties understand the formal and legal significance of the communication, particularly where time-sensitive provisions (such as claims under Clause 20) are involved.
Option C is also correct. Clause 1.3 differentiates between Notices and other communications. Where a communication is not a Notice, it should still be clearly identified as another form of communication and, where appropriate, include references to the relevant contractual provision. This promotes clarity, traceability, and proper contract administration.

Option B is incorrect because communications must generally be sent to the addresses stated in the Contract Data unless formally changed by notice. Delivering to an alternative address without proper notification may render the communication invalid.
Option D is incorrect because communications are not limited to the Contractor's Representative; they must be sent to the designated addresses of the respective Parties as defined in the Contract Data.
Overall, Clause 1.3 reinforces disciplined communication management, which is a cornerstone of effective FIDIC contract administration.

NEW QUESTION: 2
Which one statement is correct regarding the FIDIC Red Book (edition 2017)?
A. Instructions to Tenderers are part of the Employer ' s Requirements.
B. No Data other than required by the General Conditions of Contract may be entered in the Contract Data.
C. Instructions to Tenderers may require the tenderer to provide information on matters in Sub-Clause 4.3 on Contractor ' s Representative and Sub-Clause 6.12 on Key Personnel.
D. General Conditions of Contract cannot be amended as it may imbalance the obligations and rights of the Parties.
Answer: C (LEAVE A REPLY)
In the FIDIC Red Book 2017, Instructions to Tenderers are part of the tender documents but are distinct from the Employer's Requirements. They guide tenderers on how to prepare and submit their tenders. Specifically, Instructions to Tenderers may require tenderers to provide detailed information about their organization, key personnel, and the Contractor ' s Representative (see Sub-Clause 4.3 on Contractor's Representative and Sub- Clause 6.12 on Key Personnel), which is essential for evaluating the capability and resources of the tenderer.
Option A is incorrect because Instructions to Tenderers are separate from Employer's Requirements; the latter define the scope and technical needs of the project.
Option B is incorrect; Contract Data may include specific data relevant to the particular project beyond just the General Conditions, including amendments and project-specific information.
Option D is incorrect because the General Conditions can be amended through the Particular Conditions (within limits), provided the amendments are balanced and agreed upon by both Parties.
References:
FIDIC Red Book 2017, Guide to Tendering Documents
FIDIC Red Book 2017, Sub-Clause 4.3 - Contractor's Representative
FIDIC Red Book 2017, Sub-Clause 6.12 - Key Personnel
FIDIC Contract Manager Study Guide, Module on Introduction to FIDIC Contracts

NEW QUESTION: 3

In a drafted FIDIC Silver Book (edition 1999), the following sentence has been added to Sub-Clause 3.5:
"In case of an Instruction regarding a pending or proposed Variation, Contractor shall carry out any determination regardless of a possible notice of dissatisfaction." What GP(s) is/are breached?

A. GP1 only

B. GP3 only

C. GP1 and GP3

D. GP1, GP2 and GP3

Answer: C ([LEAVE A REPLY])

This clause breaches Golden Principles (GP) 1 and 3:
GP1 promotes fairness and balanced risk allocation between parties. Forcing the Contractor to carry out determinations despite a notice of dissatisfaction undermines fair dispute resolution and contractual balance.
GP3 emphasizes the importance of clear and unambiguous contract drafting that reflects agreed procedures.
This sentence introduces ambiguity and overrides contractual rights to dispute determinations.
References:
FIDIC Contract Management Guidelines - Golden Principles
FIDIC Contract Manager Study Guide, Module on Contract Administration and Contract Clauses

NEW QUESTION: 4

(Under the FIDIC Red, Yellow, and Silver Books (1999 editions), the Engineer/Employer shall be entitled to withhold from the release of retention money the estimated cost of any work which remains to be executed under Clause 11 (Defects Liability) in the Red Book or under Clause 12 (Tests after Completion) in the Yellow and Silver Books. Is this statement true or false?)

A. True

B. False

Answer: ([SHOW ANSWER])

Under FIDIC 1999 Conditions of Contract, retention money is addressed primarily in Sub-Clause 14.9
[Payment of Retention Money]. The release of retention is typically split into two halves: the first half upon issuance of the Taking-Over Certificate, and the second half after the Defects Notification Period (DNP) has expired and all outstanding work has been completed.
However, the contract provides a safeguard for the Employer (and Engineer administering the contract) where there are outstanding defects or incomplete obligations. In the Red Book, Clause 11 [Defects Liability] governs the Contractor's obligation to remedy defects

during the DNP. Similarly, in the Yellow and Silver Books, Clause 12 [Tests after Completion] may require additional works or compliance activities after completion.
If there are works still to be executed or defects yet to be remedied, the Engineer is entitled to withhold an amount equivalent to the estimated cost of completing such works from the retention money due for release.
This ensures the Employer is financially protected in case the Contractor fails to fulfill post-completion obligations.
Therefore, the statement is correct, as it accurately reflects the contractual mechanism allowing withholding of retention corresponding to outstanding liabilities under the relevant clauses.

NEW QUESTION: 5
In a construction project using the FIDIC Silver Book (edition 1999), if the Parties prefer the dispute board to be appointed on an "ad-hoc" basis instead of as a standing Dispute Avoidance and Adjudication Board (DAAB), what is it called? (1 correct answer applies)
A. Ad-hoc DAAB
B. DAB
C. Ad-hoc DB
D. Ad-hoc arbitration
Answer: (SHOW ANSWER)
Under FIDIC terminology, an ad-hoc Dispute Board is known as a DAB (Dispute Adjudication Board), which is appointed for specific disputes as they arise, rather than standing continuously.
The DAAB is a standing board appointed for the project duration, providing continuous dispute avoidance and adjudication.
Option D refers to arbitration, which is a different dispute resolution method.
References:
FIDIC Silver Book 1999 Edition, Clause 20 - Dispute Adjudication Board
FIDIC Contract Manager Study Guide, Module on Dispute Boards and Resolution

NEW QUESTION: 6
You are the new Contract Manager of the Contractor in a bridge project using FIDIC Yellow Book (edition
2017). The project had been suspended due to a material change in the Employer ' s financial arrangement.
You have worked with your team to identify several failures of the Employer in carrying its obligations under the Contract. Which one of the following does NOT allow the Contractor to issue Notice to terminate the Contract?
A. A prolonged suspension for more than 1 year has affected the whole of the Works.
B. The Contractor does not receive the amount due under the latest Payment Certificate for more than 4 months after the due date.

C. The Contractor has requested the Employer but has not received any evidence that the financial arrangement is being maintained, despite having sent a notice thereto 4 months earlier.
D. The Employer failed to comply with a final and binding determination issued by the Engineer, and such failure constitutes a material breach of the Employer ' s obligations under the Contract.
Answer: C (LEAVE A REPLY)
Option C does NOT, on its own, provide grounds for termination. The Contractor's request for evidence of financial arrangement, without further contractual breach, is insufficient to terminate.
Options A, B, and D are valid grounds for termination under FIDIC Yellow Book 2017 due to prolonged suspension, non-payment beyond allowed period, or failure to comply with binding determinations.
References:
FIDIC Yellow Book 2017 Edition, Sub-Clauses 15.1 (Suspension) and 15.2 (Termination by Contractor) FIDIC Contract Manager Study Guide, Module on Suspension and Termination

NEW QUESTION: 7
A large sewage pump installation has been constructed under the FIDIC Yellow Book (edition 1999). Prior to commencement of the Tests on Completion, the Employer requires the Contractor to issue the Operation and Maintained Manuals. All contract documents are to be drafted in the English language as per Sub-Clause 1.4.
However, the Employer discovers all documents are drafted in a different language: French. The Contractor explains that the territory where the Plant was constructed is a region with French as a second official language, as result of which, this approach is acceptable. This also works for the proposed maintenance company, which is Paris-based. The Employer is surprised and asks you what to do. Select the best fitting advice you should give the Employer.
A. The Employer should check on the Appendix to Tender, Employer's Requirements and / or Particular Conditions. There could very well be specific requirements regarding the language in those. If that is not the case, the language of the Contract determined in Sub-Clause 1.4 and the language of the Operation and Maintained Manuals should in this case be English.
B. If French is indeed an official second language of the region where the Plant is built, the Contractor is entitled to deliver the documents in French. The usability in terms of language is not described in Sub- Clause 5.7, so the Employer should accept the Operation and Mantained Manuals in French.
C. Golden Principle no. 1 states: The duties, rights, obligations, roles and responsibilities of all the Contract Participants must be generally as implied in the General Conditions, and appropriate to the requirements of the project. In this case this means it is appropriate that

the Operation and Maintenance Manuals are in French, as the maintenance is based in France.
D. As the Contract is written in the English language, Sub-Clause 1.4 dictates that the Operation and Maintenance Manuals should be written in English as well.
Answer: (SHOW ANSWER)
The best advice is to verify specific contractual documents such as the Appendix to Tender, Employer's Requirements, and Particular Conditions, which may specify the required language for Operation and Maintenance Manuals. If no specific provision is made, the default language is that of the Contract as per Sub- Clause 1.4, which in this case is English.
Therefore, the Contractor is generally obliged to provide manuals in English unless otherwise specified.
Options B, C, and D are less comprehensive or may disregard contractual hierarchy or project-specific details.
References:
FIDIC Yellow Book 1999 Edition, Sub-Clause 1.4 - Language
FIDIC Yellow Book 1999 Edition, Sub-Clause 5.7 - Operation and Maintenance Manuals
FIDIC Contract Manager Study Guide, Module on Contract Language and Documentation

NEW QUESTION: 8
(Which two of the following statements are correct regarding types of Claims under the FIDIC Red, Yellow, and Silver Books (edition 2017)?
Choose all of the correct answers (multiple possibilities).)
A. The limit in time referred to in Sub-Clause 20.2.1 (also known as time bar) applies to all types of Claims.
B. If a Claim is submitted as per sub-paragraph (c) of Sub-Clause 20.1, this is dealt with by the Engineer or Employer's Representative (in case of FIDIC Silver Book) as per Sub-Clause 3.7/3.5.
C. If a Claim is submitted as per sub-paragraphs (a) or (b) of Sub-Clause 20.1, it is dealt with in accordance with Sub-Clause 20.2, which specifically covers claims for time and/or money. Part of the procedure under Sub-Clause 20.2 is for a payment and/or an extension of time-related claim to be agreed or determined by the Engineer/Employer's Representative (in case of the FIDIC Silver Book) in accordance with Sub-Clause 3.7/3.5.
D. The time bar only applies to Contractor's Claims and not to Employer's Claims.
Answer: A,C (LEAVE A REPLY)
Under FIDIC 2017, Clause 20 introduces a structured and unified claims procedure applicable to both Contractor's and Employer's Claims. Claims are categorized broadly into:
* Claims for time and/or money (Sub-Clause 20.2), and
* Other claims (e.g., disputes or matters under Sub-Clause 20.1(c)).

Option A is correct. The 28-day time bar under Sub-Clause 20.2.1 applies to all claims for time and/or money and is a fundamental procedural requirement. Importantly, unlike FIDIC 1999, this time bar applies equally to both Parties, reinforcing fairness and discipline in claims management.
Option C is also correct. Claims under Sub-Clause 20.1(a) and (b) (typically relating to payment and/or extension of time) are processed under Sub-Clause 20.2, and the Engineer (or Employer's Representative in the Silver Book) must agree or determine the claim in accordance with Sub-Clause 3.7 (Red/Yellow) or 3.5 (Silver).
Option B is incorrect because claims under 20.1(c) are not handled through Sub-Clause 3.7/3.5 in the same structured determination process as time/money claims.
Option D is incorrect because FIDIC 2017 clearly applies the time bar to both Employer and Contractor claims, which is a key update from earlier editions.
This reflects FIDIC 2017's emphasis on symmetry, procedural clarity, and proactive claim management.

NEW QUESTION: 9
The Contractor is entitled to an advance payment. Applying FIDIC Red Book (edition 1999), which two of the following statements are correct?
Choose all of the correct answers (multiple possibilities):
A. The advance payment is to help the Contractor to finance some of its early cost and expenditure until it becomes entitled to first (non-interim) payment.
B. The advance payment reflects the amount of works the Contractor has already performed up to the moment such advance payment is performed.
C. Under the General Conditions, the amount of advance payment is to be paid in full by the Employer through one instalment.
D. Under the General Conditions, the advance payment will be repaid by deducting all amounts from invoices until the entire advance payment is repaid.
Answer: A,D (LEAVE A REPLY)
Under FIDIC Red Book 1999, advance payment is intended to assist the Contractor in financing the mobilization and early works costs before the Contractor begins receiving regular payments for work performed (Option A). It is not a payment for work already completed, so Option B is incorrect.
The General Conditions provide that the advance payment is usually made in a lump sum or agreed instalments and that the Employer makes the payment in advance (Option C is partially true but generally it can be one or multiple instalments, depending on contract terms).
Importantly, the advance payment must be repaid by the Contractor through deductions from subsequent interim payments (Option D), ensuring the Employer recovers the advanced funds as the work progresses.
References:
FIDIC Red Book 1999, Sub-Clause 14.2 - Advance Payment

FIDIC Contract Manager Study Guide, Module on Payment Procedures and Financial Management

NEW QUESTION: 10

(Which two statements are correct for the FIDIC Red Book (edition 2017)?
Choose all of the correct answers (multiple possibilities).)

A. The Contract includes the General Conditions and Particular Conditions, and no other documentation.

B. Conditions of Contract means these General Conditions as amended by Particular Conditions.

C. Contract Data is part of General Conditions of Contract.

D. Contract Agreement, Letter of Acceptance and Letter of Tender are part of the Contract.

Answer: B,D (LEAVE A REPLY)

Under FIDIC Red Book 2017, Clause 1.1 [Definitions] and Clause 1.5 [Priority of Documents] define the composition and hierarchy of the Contract. The Contract is not limited to only General and Particular Conditions; it includes multiple documents such as the Contract Agreement, Letter of Acceptance, Letter of Tender, Specifications, Drawings, and Schedules. Therefore, Option A is incorrect.

Option B is correct. The term "Conditions of Contract" explicitly refers to the General Conditions as modified or amended by the Particular Conditions. This reflects how Particular Conditions adapt the standard FIDIC provisions to project-specific requirements while forming a single integrated set of contractual conditions.

Option C is incorrect because Contract Data forms part of the Particular Conditions, not the General Conditions. It contains project-specific data that complements and modifies the General Conditions.

Option D is correct. The Contract Agreement, Letter of Acceptance, and Letter of Tender are explicitly listed as core Contract documents under FIDIC 2017. These documents establish the legal formation of the Contract and define the agreed scope, price, and commitments between the Parties.

This structure ensures clarity, proper hierarchy, and enforceability of contractual obligations in FIDIC contracts.

NEW QUESTION: 11

(You are the Contract Manager for the Engineer in a highway project using FIDIC Red Book (edition 1999).

There is a Schedule of cost indexation included in the Contract. The project must be completed by 31 December of this year. If the Contractor fails to complete the Works by then, how will the adjustment of prices take place thereafter? (1 correct answer applies))

A. Each index or price applicable on the date 49 days before the expiry of the Time for Completion of the Works.

B. The current index or price.

C. Either the current index/price, or index or price applicable on the date 49 days before the expiry of the Time for Completion of the Works, whichever is more favourable to the Employer.
D. Either the current index/price, or index or price applicable on the date 49 days before the expiry of the Time for Completion of the Works, whichever is agreed by the Parties.
Answer: C (LEAVE A REPLY)
Under FIDIC Red Book 1999, Sub-Clause 13.8 [Adjustments for Changes in Cost] governs price adjustment based on cost indices. A key provision addresses the situation where the Contractor fails to complete the Works within the Time for Completion.
In such a case, the contract protects the Employer from adverse cost escalation due to Contractor delay. The adjustment of prices is calculated using whichever index is more favourable to the Employer between:
* the index applicable at the time of execution (current index), or
* the index applicable 49 days before the expiry of the Time for Completion.
This mechanism ensures that the Contractor does not benefit from price increases occurring after the contractual completion date if the delay is attributable to the Contractor. It reflects a fundamental FIDIC principle: the Contractor bears the financial consequences of delay for which it is responsible.
Option A is incomplete because it ignores comparison with current indices.
Option B is incorrect because it does not account for Employer protection.
Option D is incorrect because the rule is predefined in the Contract, not subject to agreement.
Thus, Option C correctly reflects FIDIC's balanced risk allocation regarding cost escalation after delay.

NEW QUESTION: 12
(Under the FIDIC Red, Yellow, and Silver Books (both editions), the Contractor has a contractual obligation to give notice to the Employer if it discovers errors or defects of a technical nature. Is this statement true or false?)
A. True
B. False
Answer: A (LEAVE A REPLY)
Under all FIDIC standard forms (Red, Yellow, and Silver Books, both 1999 and 2017 editions), the Contractor has a clear contractual obligation to notify the Employer (or the Engineer, depending on the form) if it discovers errors, faults, or defects in documents or instructions of a technical nature.
This obligation is explicitly stated in Sub-Clause 1.9 [Errors in the Employer's Requirements] (particularly in Yellow and Silver Books) and similarly reflected in provisions related to documents, drawings, and instructions in the Red Book. The Contractor is required to carefully examine the documents provided and promptly give notice upon identifying any discrepancies, ambiguities, or technical defects.

The purpose of this obligation is to ensure early detection and correction of design or specification issues, thereby minimizing delays, rework, and disputes. It also reflects the principle of cooperation and proactive risk management embedded in FIDIC contracts.
Failure by the Contractor to notify such errors may result in loss of entitlement to additional time or cost if the issue later impacts execution. Therefore, this notification duty is both a technical and contractual safeguard.
Thus, the statement is true, as FIDIC imposes a clear obligation on the Contractor to notify discovered technical errors or defects.

NEW QUESTION: 13
(Which two answers show characteristics of Test on Completion or Test After Completion under the FIDIC Silver Book (edition 1999)?
Choose all of the correct answers (multiple possibilities).)
A. In case of failure of the Test on Completion, the Employer may accept the Works, thereby reducing the Contract Price.
B. The Employer can either opt for Tests on Completion or Tests after Completion, but not both.
C. Tests after Completion are carried out by the Employer.
D. Although Tests after Completion fail, it may be considered as passed when performance damages specified in the contract are paid by the Contractor.
Answer: (SHOW ANSWER)
Under the FIDIC Silver Book 1999, Clause 9 governs Tests on Completion, while Clause 12.4 addresses Tests after Completion. These provisions define performance verification before and after Taking-Over.
Option A is correct. Under Sub-Clause 9.4 [Failure to Pass Tests on Completion], if the Works fail the Tests on Completion, the Employer has several options, including accepting the Works subject to a reduction in the Contract Price. This reflects the commercial flexibility within FIDIC, allowing completion despite minor deficiencies, with financial adjustment.
Option D is also correct. Under Sub-Clause 12.4 [Failure to Pass Tests after Completion], if the Works fail post-completion performance tests, the Contractor may be required to pay performance damages. Once these damages are paid, the Works may be deemed to have satisfied the required performance levels. This mechanism ensures that operational deficiencies are compensated financially rather than requiring physical rectification in all cases.
Option B is incorrect because both Tests on Completion and Tests after Completion can coexist within the same contract; they serve different purposes (pre-taking-over vs post-taking-over performance verification).
Option C is incorrect because Tests after Completion are generally carried out by or under the responsibility of the Contractor, not solely the Employer, although the Employer may witness them.

These provisions demonstrate FIDIC's structured approach to quality assurance and risk allocation across different project stages.

NEW QUESTION: 14

Regarding the FIDIC Red Book (edition 1999): which two statements are true in respect of Building Information Modelling (BIM)?

Choose all of the correct answers (multiple possibilities).

A. General Conditions of Contract require the use of BIM.

B. BIM is one of the digital data technologies used in all aspects of project planning, investigation, design, construction and operation.

C. BIM is not related to the improvement of quality, accuracy, delivery times and cost savings.

D. For construction or building projects involving BIM, many Sub-Clauses of FIDIC Red Book (edition
2017) should be thoroughly reviewed when drafting the Particular Conditions.

Answer: (SHOW ANSWER)

Option B is correct: BIM is indeed a digital data technology applicable throughout the project lifecycle.

Option D is correct: Use of BIM requires careful consideration of contract clauses and appropriate adjustments in Particular Conditions.

Option A is incorrect; the 1999 edition does not mandate BIM use.

Option C is false; BIM improves quality, accuracy, delivery times, and cost efficiency.

References:

FIDIC Red Book 1999 & 2017 Editions - BIM and Contract Amendments

FIDIC Contract Manager Study Guide, Module on BIM and Digital Technologies

NEW QUESTION: 15

(Under the FIDIC Yellow Book (edition 1999), any delay caused by Authorities will be considered as a cause of Delay under sub paragraph (b) of Sub-Clause 8.5 under the only condition that the Contractor has diligently followed the procedures laid down by the public authorities in the Country. Is this statement true or false?)

A. True

B. False

Answer: (SHOW ANSWER)

Under FIDIC Yellow Book 1999, Sub-Clause 8.5 [Delays Caused by Authorities] addresses situations where delays arise due to actions or inactions of public authorities. Sub-paragraph (b) specifically provides that delays caused by authorities may entitle the Contractor to an extension of time, provided certain conditions are satisfied.

A critical condition clearly stated in this clause is that the Contractor must have "diligently followed the procedures laid down by the relevant legally constituted public authorities in the Country." This requirement reflects an important FIDIC contract management principle:

entitlement to relief is conditional upon proper Contractor performance. If the Contractor fails to comply with statutory procedures, permit processes, or administrative requirements, then delays cannot be attributed to the authorities for the purpose of claiming time extension.
From a practical perspective, this clause ensures a balanced allocation of risk. While the Employer bears the risk of delays caused by external authorities, the Contractor retains responsibility for proper compliance with all legal and procedural obligations. The Engineer will typically assess whether the Contractor acted diligently before granting any extension of time under Clause 8.4 in conjunction with Sub-Clause 8.5.
Therefore, the statement is correct, as diligence in following authority procedures is a prerequisite for claiming delay under this provision.

NEW QUESTION: 16
Which of the following form a Contractor's entitlement, in case the Contractor does not receive an interim payment within the allocated contractual deadline for payment? (2 correct answers apply) Choose all of the correct answers (multiple possibilities).
A. Right after the expiry of the payment deadline, the Contractor may terminate the contract.
B. If the payment is not made within the time period required, after the expiry of such period, from the next day onwards, the Contractor is entitled to suspend all his/her activities on Site.
C. In case the Employer paid the Contractor late, the Contractor becomes entitled to receive financing charges applying the % included in the Contract Data (if this is not stated, then applying the percentage as included under the corresponding Sub-Clause).
D. The Contractor is entitled to suspend the works or reduce the rate of progress of the work, after giving a due Notice (21 days) about this intention.
E. Beyond receiving the financing charges, the Contractor has no further entitlements in such a case.
Answer: (SHOW ANSWER)
Option C is correct: The Contractor is entitled to financing charges (interest) on late payments, calculated as per the percentage specified in the Contract Data or corresponding Sub-Clause.
Option D is correct: The Contractor can suspend works or reduce progress after giving due notice, usually 21 days, if payments are not made on time.
Option A is incorrect; termination is not automatic right after the payment deadline expires.
Option B is incorrect; suspension requires prior notice rather than immediate action.
Option E is incorrect because the Contractor has additional remedies such as suspension, beyond just financing charges.
References:

FIDIC Red, Yellow, Silver Books 1999 & 2017 Editions, Sub-Clause 14.8 - Payment of Retention Money and Financing Charges FIDIC Contract Manager Study Guide, Module on Payment Procedures and Remedies

NEW QUESTION: 17

You are the Contract Manager of the Employer for a Data Centre Project using the FIDIC Yellow Book (edition 2017). As a Contract Manager during the procurement stage, you are to explain the difference between Dispute Avoidance and Adjudication Board (DAAB) and other alternative dispute resolutions for this type of project. Which one of the following statements of its explanation is NOT correct?

A. DAAB is to provide for a fair, timely and efficient resolution of Disputes.

B. The function of the DAAB is to remain in place as part of the Parties ' project team to assist both Parties, equally and impartially.

C. Avoidance of Disputes on the project and resolution of Disputes at or soon after the time they arise is a two-part role of the DAAB.

D. DAAB provided supports for Parties during arbitration, as a witness to give factual evidence on the background for the DAAB ' s Decision.

Answer: (SHOW ANSWER)

Option D is NOT correct. The DAAB does not act as a witness or provide support during arbitration. Its role is to avoid and adjudicate disputes early during the project lifecycle impartially and fairly, but it does not serve as witness support in arbitration proceedings.

References:

FIDIC Yellow Book 2017 Edition, Clause 21 - Dispute Avoidance and Adjudication Board

FIDIC Contract Manager Study Guide, Module on Dispute Resolution

NEW QUESTION: 18

Which one of the following is not a required document to be submitted by the Contractor if the Employer requests a proposal, prior to instructing a Variation, for FIDIC 2017 Yellow Book?

A. A description of the varied work.

B. A description of the proposed design.

C. Details of the resources and methods to be adopted by the Contractor.

D. A Programme for execution of the varied work.
Answer: (SHOW ANSWER)
When the Employer requests a proposal prior to instructing a Variation, the Contractor is typically required to submit:
A description of the varied work (Option A).
Details of resources and methods for carrying out the Variation (Option C).
A Programme showing how the Variation will be executed (Option D).
A description of the proposed design (Option B) is not always required as part of the Variation proposal, especially if the Variation is limited to changes in execution rather than design.
References:
FIDIC Yellow Book 2017 Edition, Sub-Clause 3.4 - Variation Procedure
FIDIC Contract Manager Study Guide, Module on Variations and Change Management

NEW QUESTION: 19
(Based on Clause 8 in both FIDIC Yellow and Silver Books (edition 1999), is the Contractor allowed to start the design of the Works before the Commencement Date? (1 correct answer applies))
A. Yes, but Contractor will do so on its own risk.
B. Yes, Contractor can start design and execution of the Works to make sure it won ' t lose any time.
C. No, because any design or execution before the Commencement Date is prohibited in Clause 8.
D. Yes, but Contractor will do so on Employer ' s risk.
Answer: A (LEAVE A REPLY)
Under FIDIC 1999 (both Yellow Book and Silver Book), Clause 8.1 clearly states that the Contractor "shall commence the design and execution of the Works as soon as is reasonably practicable after the Commencement Date." This clause establishes the formal contractual obligation and timing for starting the Works, but it does not expressly prohibit the Contractor from undertaking preparatory activities-such as preliminary design-before the Commencement Date.
However, any such early design activity is not covered by the contractual protections that apply after the Commencement Date. This means the Contractor proceeds entirely at its own risk. For example, if changes arise due to late Employer requirements, Engineer's instructions, or modifications in the Employer's Requirements, the Contractor cannot automatically claim additional time or cost for rework associated with pre-commencement design.
From a contract management perspective, this reflects a key FIDIC principle: risk allocation follows contractual triggers. Since the Commencement Date activates obligations and entitlements (including EOT and cost claims under Clause 20), activities

performed before this date fall outside those mechanisms unless explicitly agreed otherwise.
Therefore, while early design is not forbidden, it is commercially risky, and prudent Contractors typically avoid significant pre-commencement commitments without formal authorization.

NEW QUESTION: 20
In a drafted FIDIC Silver Book (edition 1999), the following sentence has been added to Sub-Clause 3.5:
" In case of an Instruction regarding a pending or proposed Variation, Contractor shall carry out any determination regardless of a possible notice of dissatisfaction. " What GP(s) is/are breached?
A. GP3 only
B. GP1 only
C. GP1, GP2 and GP3
D. GP1 and GP3
Answer: (SHOW ANSWER)

NEW QUESTION: 21
Which of the following obligations are relevant to the Engineer ' s roles with regards to insurance? [2017 Edition] (2 correct answers apply) Choose all of the correct answers (multiple possibilities).
A. The Engineer shall receive a copy of the evidence(s) demonstrating Contractor ' s payment of the necessary insurance premiums.
B. The Engineer is entitled to take out an insurance on behalf of the Contractor, in case the Contractor fails to extend the validity of a specific insurance.
C. The Engineer should continuously monitor that the Contractor ' s insurance policies are kept valid, and extensions are duly arranged, when necessary.
D. The Engineer shall immediately suspend all construction activities at the Site, in case the Contractor failed to take out any necessary insurance.
Answer: (SHOW ANSWER)
Option A is correct: The Engineer is entitled to receive evidence that the Contractor has paid for the necessary insurance policies.
Option C is correct: The Engineer has the role of monitoring the validity of these insurances and ensuring that renewals or extensions are arranged in a timely manner.
Option B is incorrect; the Engineer does not have the authority to take out insurance on behalf of the Contractor.
Option D is incorrect; suspension of construction activities is not automatically the Engineer's role for insurance lapses but may require instructions from the Employer.
References:

FIDIC Red, Yellow, Silver Books 2017 Edition, Sub-Clause 18 - Insurances FIDIC Contract Manager Study Guide, Module on Contract Administration and Insurance

NEW QUESTION: 22
Which of the following cases will allow the Employer to claim under the Performance Security? [2017 Edition] (2 correct answers apply) Choose all of the correct answers (multiple possibilities).
A. The Contractor failed to renew the Tender Security.
B. The Contractor abandons the Works and the Employer did not issue Notice of termination.
C. The Employer had submitted a claim under Sub-Clause 20.2.
D. The Engineer had issued instruction to replace part of the Works.
E. The Contractor failed to extend the validity of the Performance Security.
Answer: (SHOW ANSWER)
Under FIDIC 2017 editions, the Performance Security protects the Employer against failure by the Contractor to fulfill contractual obligations. The Employer may claim under the Performance Security in the following cases:
Option A: Failure to renew the Tender Security as required during the tendering or contract formation phase can allow Employer to make a claim, since the security guarantees the Contractor's commitments at this stage.
Option E: Failure to extend the validity of the Performance Security when requested or required breaches contractual obligations and enables the Employer to claim under the security.
Option B is incorrect because abandonment without termination notice does not immediately entitle the Employer to claim under Performance Security; formal termination is usually required first.
Option C is incorrect because submitting a claim under Sub-Clause 20.2 (Employer's claims) does not directly correlate with claiming under Performance Security.
Option D is irrelevant; instructions to replace works do not relate to Performance Security claims.
References:
FIDIC Red, Yellow, and Silver Books 2017 Edition, Sub-Clause 4.2 - Performance Security
FIDIC Contract Manager Study Guide, Module on Risk Management and Securities

NEW QUESTION: 23
(You are the Contract Manager of the Employer ' s Representative in a Thermal Power Plant Project under FIDIC Silver Book (edition 2017). The Contractor submits two claims:
(1) USD 200,000 for additional costs due to an error in national piling standard NTS-PW-01 referenced in the Employer's Requirements.
(2) USD 300,000 for constructing an additional flood wall due to incorrect hydrological data in Site Data (water level miscalculated).

What is your determination for the Contractor?)
A. The Contractor is not entitled to either of the Claims.
B. The Contractor is entitled to the Claim for additional costs in relation to the piling, based on errors in the Employer ' s Requirements only.
C. The Contractor is entitled to the Claim for the additional floodwall based on Unforeseeable difficulties only.
D. The Contractor is entitled to both claims.
Answer: B (LEAVE A REPLY)
Under FIDIC Silver Book 2017 (EPC/Turnkey), the Contractor bears extensive risk responsibility, particularly for design, site conditions, and data interpretation. However, there are important exceptions- especially concerning errors in the Employer's Requirements.
For the first claim (piling works):
The Employer's Requirements explicitly mandated compliance with a specific national standard (NTS-PW-
01), which contained a proven technical error. Under Sub-Clause 1.9 [Errors in the Employer's Requirements]
, the Contractor is entitled to claim additional cost and/or time if it suffers due to such errors. Since the Contractor relied on a prescribed standard, the risk remains with the Employer. Therefore, this claim is valid.
For the second claim (flood wall):
Although the Site Data contained incorrect hydrological information, under the Silver Book (Sub-Clause 4.10
[Site Data]), the Contractor is deemed to have taken full responsibility for interpreting Site Data. The Contractor assumes the risk of inaccuracies unless expressly stated otherwise. Additionally, "Unforeseeable physical conditions" relief is significantly restricted in the Silver Book compared to Red/Yellow Books.
Therefore, the Contractor is not entitled to additional payment for this item.
Thus, only the piling-related claim is admissible, making Option B correct.

NEW QUESTION: 24
(Which one of the following statements is correct regarding the Employer ' s Representative under the FIDIC Silver Book (edition 1999)?)
A. The Representatives of both the Employer and the Engineer have no authority to amend the Contract at all.
B. The Employer may appoint an Employer ' s Representative to act on his behalf under the Contract.
C. The Employer must always appoint an Employer ' s Representative to act on his behalf under the Contract.
D. The Employer may appoint an Employer ' s Representative to act on his behalf under the Contract but has to consult the Contractor to agree to this Representative.

Answer: (SHOW ANSWER)
Under the FIDIC Silver Book 1999, Sub-Clause 3.1 [The Employer's Representative] provides that the Employer may appoint an Employer's Representative to act on his behalf. This reflects the optional nature of this role in EPC/Turnkey contracts, where the Employer typically has a more limited involvement compared to Red Book arrangements.
Option B is correct because the contract explicitly allows (but does not mandate) such an appointment. The Employer's Representative can carry out duties and exercise authority as delegated by the Employer.
Option A is incorrect because while neither the Employer's Representative nor any other party can unilaterally amend the Contract, this statement is misleading and not specific to the role defined in the Silver Book.
Option C is incorrect because the appointment is not mandatory; the Employer may choose not to appoint a Representative.
Option D is incorrect because the Employer does not need the Contractor's agreement to appoint an Employer' s Representative. The appointment is at the Employer's discretion, although it must be notified to the Contractor.
This reflects a key feature of the Silver Book: greater Employer control and flexibility, with fewer administrative layers compared to contracts involving an independent Engineer.

NEW QUESTION: 25
If defects are identified during the Tests on Completion, which one of the following options is not available to the Parties under the Contract?
A. If the defects do not affect the use of the Works for their intended purpose, the Engineer can issue the Taking-Over Certificate.
B. By giving reasons, the Engineer can refuse to accept the Works until repeated tests have been successfully performed.
C. The Employer can request to take over the Works.
D. The Party which is not liable for the cost of rectifying defects can expect the other Party to pay the cost of performing the repeated tests.
Answer: D (LEAVE A REPLY)
Under FIDIC contracts, when defects are identified during Tests on Completion, the Engineer may still issue the Taking-Over Certificate if the defects do not materially affect the intended use (Option A). The Engineer can refuse acceptance until defects are rectified and tests repeated (Option B). The Employer can also request to take over the works (Option C).
However, Option D is not a standard contractual provision; the contract does not stipulate that the Party not liable for rectifying defects is entitled to payment for repeated tests. Typically, costs of repeated tests due to defects are borne by the liable party.
References:

FIDIC Red, Yellow, and Silver Books, Sub-Clause 10.1 and 10.3 - Taking Over and Tests on Completion FIDIC Contract Manager Study Guide, Module on Project Close-Out and Defects

NEW QUESTION: 26

The procurement process of a project executed based on any FIDIC Contract model is exactly the same in terms of definitions, time and steps, which makes it universal and more easy to use worldwide. Is this statement true or false?

A. True

B. False

Answer: B (LEAVE A REPLY)

This statement is false. While FIDIC Contracts provide standardized contractual frameworks, procurement processes vary widely depending on local laws, employer requirements, contract editions, and project specifics. Definitions, timelines, and procurement steps may differ between models and jurisdictions, making the procurement process not universally identical.

The FIDIC contracts are adaptable tools, not rigid procurement procedures, so users must tailor procurement to local and project needs.

References:

FIDIC Contract Manager Study Guide, Module on Contract Formation and Procurement Strategies Various National Procurement Regulations and Practices

NEW QUESTION: 27

Which one of the following documents constitutes a contract and is considered binding on both parties, when the Employer wants to award the Contract to the tenderer?

A. Letter of Acceptance

B. Memorandum of understanding

C. Letter of Intent & Memorandum of understanding

D. Letter of Intent

Answer: A (LEAVE A REPLY)

NEW QUESTION: 28

The Employer has prepared a contract for a waste-to-energy project based on the FIDIC Yellow Book (edition
1999). You are preparing negotiations on behalf of one of the Subcontractors with the Contractor. The main Contractor will manage the design and build of the Works, whereby the Subcontractor will deliver critical systems regarding power generation and cooling. The Contractor intends to contract the main Contract back- to-back with the Subcontractor. In the proposed back-to-back subcontract, the following amendment is proposed through Particular Conditions:

" Sub-Clause 4.4. The following paragraph is added: The Subcontractor is required to scrutinize the Employer
' s Requirements in a manner identical to the obligations of the Contractor as stated in Sub-Clause 5.1 of the Main Contract. The Subcontractor will indemnify and hold harmless (up to the maximum liability of the Subcontractor) the Contractor with regard to any error, fault or other defect found in the Employer ' s Requirements, its items of reference or Contractor ' s design of the Works for the scope part for which Subcontractor is contracted.
" What is your advice to the Subcontractor (SC) in regard to entering this proposed subcontract?

A. I would advise the SC to enter the Contract with the request to the Contractor to delete this amendment in the Particular Conditions. If the Contractor does not agree to do so, at least the Subcontractor has tried its best.

B. I would advise the SC not to enter this contract because the Contractor is obliged to act in accordance with good faith. A proposed paragraph like this opposes good faith.

C. I would advise the SC not to enter this contract, because Sub-Clause 4.4 describes the obligations of SC towards Contractor, but this amendment positions the SC in a vulnerable position for claims regarding all errors, faults or other Defects (whether originating from the Employer ' s Requirements or the design of the Contractor). Essentially, this means the SC becomes liable for the design part, which is within the scope of Contractor even without SC having the opportunity to review it.

D. I would advise the SC to discuss this amendment with the insurance company just to be sure there will be no transfer of risks. This amendment is mainly a consequence of the FIDIC Yellow Book structure, where the Contractor has obligations in terms of scrutinizing the Employer ' s Requirements. This amendment makes this obligation more explicit. If the insurance company has no problems with insuring the parts which will be delivered by SC to Contractor, the SC can accept this risk and enter into the subcontract.

Answer: C (LEAVE A REPLY)

In FIDIC Yellow Book (1999), the Contractor is responsible for scrutinizing the Employer ' s Requirements per Sub-Clause 5.1 and must notify any discrepancies or errors. However, passing this obligation to a Subcontractor, and requiring the Subcontractor to indemnify the Contractor for errors or defects arising from the Employer ' s Requirements or the Contractor ' s design, unfairly shifts risk and liability to the Subcontractor. The Subcontractor is likely not in a position to fully review or control the Employer's Requirements or the overall Contractor's design. This exposes the Subcontractor to excessive risk, beyond their scope and capacity.

Advice C highlights that the Subcontractor becomes vulnerable to claims for design defects outside their control. This misallocation of risk is generally not recommended and can be challenged during contract negotiation. Good contract management practice and risk allocation principles (FIDIC Contract Manager Study Guide, Module on Claims and Dispute Resolution) support this position.

While Options A, B, and D propose different approaches, only C correctly identifies the fundamental contractual and risk management issue that should prevent the Subcontractor from entering the contract as is.
References:
FIDIC Yellow Book 1999, Sub-Clause 5.1 - Contractor's General Obligations FIDIC Contract Manager Study Guide, Module on Claims and Dispute Resolution FIDIC Contract Manager Study Guide, Module on Risk Management

NEW QUESTION: 29
The FIDIC Red Book (edition 1999) deals with Value Engineering Clause. It follows from this clause that the Contractor shall give notice to the Engineer with supporting particulars. Upon receiving this notice, the Engineer shall proceed in accordance with Sub-Clause 3.5 to agree or determine this Cost, which shall be included in the Contract Price.
A. True
B. False
Answer: A (LEAVE A REPLY)
Under FIDIC Red Book (1999), the Value Engineering Clause requires the Contractor to notify the Engineer with full details and cost implications when proposing Value Engineering changes. The Engineer then follows the Variation procedure in Sub-Clause 3.5 to agree or determine the cost adjustment, which will be reflected in the Contract Price. This ensures transparent handling of Value Engineering proposals and proper contractual adjustments.
References:
FIDIC Red Book 1999 Edition, Sub-Clause 13.1 - Value Engineering
FIDIC Contract Manager Study Guide, Module on Variations and Value Engineering

NEW QUESTION: 30
What are two differences between a notice and other communications under the FIDIC Red Book (edition
2017)? (2 correct answers apply)
Choose all of the correct answers (multiple possibilities).
A. Notice is a defined term, while other communications are not defined as a term in the General Conditions.
B. Contractually there is no difference between a notice and other communications.
C. Both 'Notice' and 'Other Communications' are defined terms under the Conditions of Contract.
D. The Parties and Engineer shall be given original or copy of any Notice, Notice of Dissatisfaction (NOD) and Certificates, which is not always the case for other communications.
Answer: (SHOW ANSWER)

Option A is correct: "Notice" is a defined term under FIDIC 2017 Red Book; "Other Communications" is a separate category, also defined but distinct.
Option D is correct: Notices, Notices of Dissatisfaction, and Certificates require delivery to all Parties and the Engineer, whereas other communications may not have such strict requirements.
Option B is incorrect as there are contractual differences.
Option C is partially correct but "Other Communications" and "Notice" are distinct terms, so A is more precise.
References:
FIDIC Red Book 2017 Edition, Sub-Clause 1.1 - Definitions
FIDIC Contract Manager Study Guide, Module on Contract Communication

NEW QUESTION: 31
You are the Contract Manager in a highway project using FIDIC Red Book (edition 1999). You work for the Employer - a highway management agency. During the tender period, you are informed of a specific Commencement Date required by the directors of the agency. Which two of the following approaches to inform the tenderers of this date are clearly and unambiguously drafted?
Choose all of the correct answers (multiple possibilities).
A. Specify Commencement Date in the Minutes of Meeting of Contract Negotiation.
B. Specify Commencement Date in the Contract Agreement.
C. Specify Commencement Date in the Particular Conditions.
D. Inform the Commencement Date to the tenderers by email, and attach that email in the list of Contract Documents.
Answer: (SHOW ANSWER)
The Commencement Date is a critical contractual milestone that triggers contractual obligations including the start of time for completion. For clarity and enforceability, it must be specified clearly in contract documents forming part of the formal contract. The Contract Agreement (Option B) and the Particular Conditions (Option C) are the standard places to unambiguously specify the Commencement Date.
Minutes of meetings (Option A) or emails (Option D), while useful for informal communication, do not have the legal certainty or binding contractual effect unless expressly incorporated into the contract documents.
Therefore, specifying the Commencement Date solely in meeting minutes or emails is not advised for clarity and risk mitigation.
References:
FIDIC Red Book 1999, Sub-Clause 8.1 - Commencement of Works
FIDIC Contract Manager Study Guide, Module on Contract Formation and Execution

NEW QUESTION: 32
(Under the FIDIC Red and Yellow Books (edition 1999), which two of the following answers are correct regarding the application for Interim Payment Certificates? Choose all correct answers.)
A. The Contractor shall submit a Statement in five copies to the Employer.
B. The statement submitted by the Contractor shall include, if applicable, any amounts to be added for Provisional Sums.
C. Each statement must be accompanied (or preceded) by supporting documents, including the progress report specified in Sub-Clause 4.21, for the relevant period.
D. The statement submitted by the Contractor shall include, if applicable, any amounts to be added and deducted for Plant and Materials.
Answer: B,C (LEAVE A REPLY)
Under FIDIC Red Book and Yellow Book 1999, Sub-Clause 14.3 [Application for Interim Payment Certificates] governs the Contractor's obligations when submitting statements for interim payments.
Option B is correct because the Statement must include amounts relating to Provisional Sums where applicable. These sums form part of the Contract Price adjustments and must be reflected in interim applications when instructed or executed.
Option C is also correct. Sub-Clause 14.3 explicitly requires that each Statement be accompanied by supporting documents. This includes records of progress and, importantly, the progress report under Sub- Clause 4.21 [Progress Reports], ensuring that the Engineer can properly assess the value of work done.
Option A is incorrect because FIDIC does not mandate submission "in five copies" nor submission directly to the Employer; typically, submissions are made to the Engineer, and the number of copies is not fixed in the General Conditions.
Option D is incorrect as stated. While Plant and Materials may be considered under Sub-Clause 14.5 [Plant and Materials intended for the Works], their inclusion is subject to specific conditions and certification, not simply "added and deducted" generically within every Statement.
Thus, the correct application aligns with procedural compliance, proper substantiation, and inclusion of relevant financial components as per Clause 14.

NEW QUESTION: 33

(If a Section or Part has been taken-over but the Taking-Over Certificate has not been issued for the Works, the Engineer has the right to instruct a Variation to that Section/Part. Is this statement true or false?)

A. True

B. False

Answer: B (LEAVE A REPLY)

Under FIDIC Red and Yellow Books (both 1999 and 2017), once a Section or Part of the Works has been taken over by the Employer, even if a formal Taking-Over Certificate has not yet been issued, the practical effect is that the Works (or relevant Section) are considered completed and under the Employer's control.

Clause 13 [Variations and Adjustments] allows the Engineer to instruct Variations only before the Works or a Section are taken over. After taking-over, the Contractor's obligations shift from execution to remedying defects under Clause 11 [Defects Notification Period] . At this stage, the Contractor is no longer required to carry out new work beyond rectification unless separately agreed.

Therefore, once a Section/Part is taken over, the Engineer cannot instruct a Variation to that part of the Works. Any further work would require a separate agreement or contract, not a Variation under Clause 13.

This reflects a key FIDIC principle: Variations relate to the execution phase, not the post-completion (defects liability) phase. Thus, the statement is false.

NEW QUESTION: 34

Which one of the following statements is NOT correct in respect of FIDIC Red Book (both editions)?

A. The Letter of Tender may be worded by the Contractor (at its discretion) so as to allow for the alternative of the Contract to become effective when the Employer issues a Letter of Acceptance.

B. The Contract typically becomes legally effective when the Employer issues the Letter of Acceptance to the Contractor.

C. The Contract is administered by the Engineer who is appointed by the Employer. If disputes arise, they are referred to a Dispute Adjudication Board (DAB) for its decisions.

D. The General Conditions allocate the risks between the parties on a fair and equitable basis.

Answer: A (LEAVE A REPLY)

Option A is NOT correct because the wording of the Letter of Tender is usually governed by the tender documents and contract terms; it is not solely at the Contractor ' s discretion to dictate when the Contract becomes effective. The standard process is that the Contract becomes effective upon the Employer's issuance of the Letter of Acceptance.

Options B, C, and D correctly describe standard FIDIC practices.

References:

FIDIC Red Book 1999 & 2017 Editions - Contract Formation and Tendering

FIDIC Contract Manager Study Guide, Module on Contract Formation

NEW QUESTION: 35

Which FIDIC Book (edition 2017) should be considered first by an Employer that is an experienced employer who knows exactly what they want from a design & engineering perspective?

A. Yellow Book

B. Red Book

C. Silver Book

D. Yellow or Silver Book

Answer: (SHOW ANSWER)

The FIDIC Red Book (2017 edition) is traditionally used for construction contracts where the Employer provides the design, and the Contractor primarily executes the construction works. This form is suitable for Employers who have detailed and well-defined design and engineering requirements and want to retain control over the design.

* TheRed Bookis ideal for experienced Employers who have a clear and fixed design and require the Contractor to build accordingly.
* TheYellow Bookis typically used where the Contractor is responsible for both design and construction (design & build). It suits Employers who want to delegate design responsibility to the Contractor.
* TheSilver Bookis used for turnkey or EPC contracts where the Contractor takes full responsibility for design, procurement, construction, and commissioning, suitable for Employers seeking minimal involvement in design and execution details.
* Hence, for an Employer whoknows exactly what they wantfrom a design and engineering perspective and wants to maintain control, theRed Bookis the first and most appropriate choice.

References:

FIDIC Red Book 2017 Edition - Conditions of Contract for Construction

FIDIC Yellow Book 2017 Edition - Conditions of Contract for Plant and Design-Build FIDIC Silver Book 2017 Edition - Conditions of Contract for EPC/Turnkey Projects FIDIC Contract Manager Study Guide, Module on Contract Selection

NEW QUESTION: 36

Which of the following situations form legally binding contracts? (2 correct answers apply)
Choose all of the correct answers (multiple possibilities)

A. The Employer received the Contractor ' s Letter of Tender and issued a Letter of Intent.

B. The Employer and the Contractor signed the Contract Agreement.

C. The Employer received the Contractor ' s Letter of Tender and issued a conditional Letter of Acceptance.

D. The Employer received the Contractor ' s Letter of Tender and issued Letter of Acceptance.

Answer: B,D (LEAVE A REPLY)

A legally binding contract is typically formed when there is an offer, acceptance, and intention to create legal relations. Under FIDIC contracts:

Option B (signing the Contract Agreement) unequivocally forms a binding contract.

Option D (Letter of Acceptance issued after receiving the Contractor's Letter of Tender) generally forms a binding contract unless otherwise specified, as the Letter of Acceptance is the formal acceptance of the tender.

Option A (Letter of Intent) is not necessarily a binding contract; it often serves as an interim arrangement signaling intent but may lack definitive terms to form a contract.

Option C (conditional Letter of Acceptance) may not form a binding contract unless the conditions are fulfilled.

References:

FIDIC Red and Yellow Books 1999 and 2017 Editions - Contract Formation Clauses FIDIC Contract Manager Study Guide, Module on Contract Formation and Execution

NEW QUESTION: 37

You are the Contract Manager of the Engineer in a condominium project under FIDIC Yellow Book (edition

2017), with Time for Completion of 5 months.

The Contractor received a Letter of Acceptance on 1 May 2022. The Contract Agreement was signed on 1 June 2022. The Contract Agreement states that the Commencement Date shall be notified by the Engineer, but it shall be no later than 14 days after the signing of the Contract Agreement, subject to the issuance of the construction permit.

1 July 2022 is the first day the Engineer was at Site. On the same day, the Engineer issued a Notice to the Contractor that the Commencement Date shall be 15 July 2022. However, the construction permit was issued only on 1 August 2022.

The Project was completed on 1 December 2022. After completion, the Employer submitted a claim for Delay Damages. Following consultations, the Parties could not reach agreement on the Commencement Date.

What is the correct Commencement Date?

A. 12 June 2022

B. 15 June 2022

C. 15 July 2022

D. 1 August 2022

Answer: D (LEAVE A REPLY)

According to the FIDIC Yellow Book 2017, the Commencement Date is the date notified by the Engineer as the date on which the Contractor shall start the execution of the Works (Sub-Clause 8.1). In this case, although the Engineer notified 15 July 2022 as the Commencement Date, it was subject to the issuance of the construction permit. Since the construction permit was only obtained on 1 August 2022, work could not legally commence before that date.

FIDIC recognizes that the Contractor cannot be expected to start before all necessary permissions are granted.
Hence, the effective Commencement Date must be the earliest date on which the Contractor can legally commence work, i.e., the date when the permit was issued (1 August 2022). The contract's requirement that the Commencement Date notification occur no later than 14 days after signing is subject to actual readiness conditions (permit availability).
Therefore, for purposes of delay and completion, the Commencement Date is 1 August 2022. This affects the calculation of the Time for Completion and any delay claims accordingly.
References:
FIDIC Yellow Book 2017 Edition, Sub-Clause 8.1 - Commencement of Works
FIDIC Yellow Book 2017 Edition, Sub-Clause 2.1 - Right of Access to Site and Permits
FIDIC Contract Manager Study Guide, Module on Contract Formation and Execution

NEW QUESTION: 38
The details of all the matters that have been clarified and agreed between the Employer and tenderers during the tender stage are recorded by, for instance, a memorandum of understanding. The Employer may award the contract to the tenderer through a letter of formal acceptance, signed by the Employer. This process is in compliance with which one of the following Golden Principles (GP's)?
A. GP 3
B. GP 1
C. GP 2
D. GPA
Answer: (SHOW ANSWER)
FIDIC's Golden Principles (GPs) guide good contract management and administration.Golden Principle 1 (GP1)emphasizes"Clear communication and documentation"to avoid misunderstandings and disputes. It specifically promotes thorough documentation of all agreements and clarifications reached during the tender process. The use of a memorandum of understanding or similar record ensures transparency and mutual understanding. Furthermore, the formal award of the contract by a signed letter of acceptance aligns with the principle of clear and formal contract formation.
* GP1ensures that all key matters, changes, and agreements are properly documented during the tender phase and contract award to form an unambiguous contractual basis.
* GP2 and GP3relate more to ongoing contract administration, risk management, and dispute resolution rather than the contract formation process.
* GPA(Golden Principle A) is not a standard FIDIC term associated with contract formation or tender stage documentation.
Therefore, the described process aligns best withGolden Principle 1 (GP1).
References:

FIDIC Contract Manager Study Guide, Section on Golden Principles of Contract Management FIDIC Guidelines for Contract Managers

NEW QUESTION: 39

When is the Employer obliged to return the Performance Security (PS) under the FIDIC Red Book (edition
1999)?

A. Without undue delay after the issuance of the Taking-Over Certificate.

B. Without undue delay after the issuance of the Performance Certificate.

C. Within 21 days after the issuance of the Taking-Over Certificate.

D. Within 21 days after the issuance of the Performance Certificate.

Answer: (SHOW ANSWER)

Under FIDIC Red Book 1999, the Performance Security (or Performance Guarantee) is held to ensure the Contractor's performance during the defects liability period. The security is typically released only after the Employer issues the Performance Certificate, which confirms the completion of defects liability obligations and that the Contractor has fulfilled the contract.

The contract commonly specifies a fixed period (often 21 days) within which the Employer must return the Performance Security after issuance of the Performance Certificate (Option D). The Taking-Over Certificate (Options A and C) marks substantial completion but does not end the Contractor's obligations for defects.

References:

FIDIC Red Book 1999, Sub-Clause 10.2 - Taking-Over Certificate

FIDIC Red Book 1999, Sub-Clause 10.4 - Performance Certificate

FIDIC Red Book 1999, Sub-Clause 10.5 - Release of Performance Security

FIDIC Contract Manager Study Guide, Module on Payment Procedures and Financial Management

NEW QUESTION: 40

Under the FIDIC Red Book (edition 2017), if the Contractor fails to comply with Site clearance obligation, what two options does the Employer have?

Choose all of the correct answers (multiple possibilities)

A. The Employer may sell or otherwise dispose any remaining items and reinstate the Site at the Contractor ' s Cost.

B. The Engineer cannot sell or otherwise dispose any remaining items and reinstate the Site at the Contractor ' s Cost.

C. The Employer is entitled to the cost of reinstating, clearing the Site and disposal cost to the extent they exceed the money received from selling the remaining Contractor ' s items on the Site.

D. The Employer cannot reinstate and clear the Site and dispose the remaining Contractor ' s items on the Site if the Contractor fails, as this is the Contractor ' s obligation.

Answer: A,C (LEAVE A REPLY)
* Option A is correct: The Employer may sell or dispose of any items left by the Contractor and reinstate the Site, recovering costs from the Contractor.
* Option C is correct: The Employer is entitled to recover costs for clearing, reinstatement, and disposal exceeding proceeds from sale.
* Option B is incorrect; the Engineer does not hold this authority, but the Employer does under the contract.
* Option D is incorrect; if the Contractor fails to clear the Site, the Employer may take action to protect the Site.
References:
FIDIC Red Book 2017 Edition, Sub-Clause 8.7 - Contractor ' s Use of Site FIDIC Contract Manager Study Guide, Module on Contract Administration Procedures

NEW QUESTION: 41
(The Employer is a leading company in the hospital and medical care sector who wishes to build a new hospital. The Employer is considering approaching a financial institute to secure most of the funds; therefore, he requires clarity and stability in terms of the Project ' s budget and time for completion. Which book do you recommend?)
A. Red Book
B. Yellow Book
C. Silver Book
D. All the above
Answer: C (LEAVE A REPLY)
The key requirement in this scenario is certainty of cost and time, particularly because the Employer intends to secure financing from a financial institution. Lenders typically require a high degree of predictability regarding project completion date and final contract price.
The FIDIC Silver Book 2017 (EPC/Turnkey Contract) is specifically designed for such situations. Under this form, the Contractor assumes full responsibility for both design and construction, as well as a significant portion of project risks, including many that would otherwise remain with the Employer under other FIDIC forms. This results in a lump-sum, fixed-price contract with greater certainty in final cost and schedule.
In contrast, the Red Book allocates design responsibility to the Employer and allows for more variability due to remeasurement and variations, making cost less predictable. The Yellow Book, although design-build, still allows more balanced risk sharing and potential adjustments, which can reduce price certainty compared to the Silver Book.
From a contract management perspective, the Silver Book is commonly used for privately financed infrastructure or projects requiring strong lender confidence, as it minimizes Employer risk and enhances bankability.
Therefore, for a hospital project requiring financial backing and maximum certainty in cost and time, the Silver Book is the most appropriate choice.

NEW QUESTION: 42
(Under the FIDIC Red, Yellow, and Silver Books (edition 1999), which of the following entitlements of the Employer can result in a deduction of the Contract Price and Payment Certificates subject to Sub-Clause 2.5?
(2 correct answers apply))
A. Paying the Nominated Subcontractor directly.
B. Compensation for the costs of the initial review of the Contractor ' s Documents.
C. Delay Damages.
D. Cost of using the Employer ' s materials.
Answer: A,C (LEAVE A REPLY)
Under FIDIC 1999, Sub-Clause 2.5 [Employer's Claims] provides that the Employer is entitled to make claims against the Contractor, which may result in deductions from the Contract Price and from Interim Payment Certificates.
Option C is correct. Delay Damages (Sub-Clause 8.7) are a classic example of Employer's entitlement. If the Contractor fails to complete within the Time for Completion, the Employer is entitled to delay damages, which are typically deducted directly from payments due.
Option A is also correct. Under provisions relating to Nominated Subcontractors (Sub-Clause 5.4), if the Employer pays a nominated subcontractor directly (e.g., due to Contractor default), such payments may be recovered from the Contractor and deducted from the Contract Price via Sub-Clause 2.5.
Option B is incorrect because costs related to reviewing Contractor's Documents are generally part of the Engineer's duties and are not recoverable from the Contractor unless explicitly stated.
Option D is incorrect because the use of Employer's materials is typically accounted for within the contract pricing structure and not treated as a claim under Sub-Clause 2.5.
Thus, Sub-Clause 2.5 serves as a key mechanism for the Employer to recover amounts due through deductions, particularly in cases like delay damages and payments made on behalf of the Contractor.

NEW QUESTION: 43
Under the FIDIC Red and Yellow Books (edition 2017), which two of the following elements shall form part of the initial time Programme?
A. The date on which the right of access to and possession of (each part of) the Site is to be given to the Contractor.
B. The actual progress to date, any delay to such progress and the effects of such delay on other activities (if any).
C. The sequence and timing of the remedial work.
D. All key delivery dates of Plant and Materials.
Answer: (SHOW ANSWER)

Option A is correct: The initial programme must include the date for the Contractor's access to the Site.
Option D is correct: Key delivery dates for Plant and Materials are essential elements of the programme.
Option B relates to updated/revised programmes, not the initial programme.
Option C generally relates to remedial work and is part of revised or detailed programmes.
References:
FIDIC Red and Yellow Books 2017 Edition, Sub-Clause 8.3 - Programme
FIDIC Contract Manager Study Guide, Module on Time and Delay Management

NEW QUESTION: 44
You are the Contract Manager for the Engineer in a highway project using FIDIC Red Book (edition 1999).
There is a Schedule of cost indexation included in the Contract. The project must be completed by 31 December of this year. If the Contractor fails to complete the Works by then, how will the adjustment of prices take place thereafter?
A. Each index or price applicable on the date 49 days before the expiry of the Time for Completion of the Works.
B. The current index or price.
C. Either the current index/price, or index or price applicable on the date 49 days before the expiry of the Time for Completion of the Works, whichever is more favourable to the Employer.
D. Either the current index/price, or index or price applicable on the date 49 days before the expiry of the Time for Completion of the Works, whichever agreed by Parties.
Answer: A (LEAVE A REPLY)
Under FIDIC Red Book 1999, price adjustments after the Time for Completion are based on the indices or prices applicable on the date 49 days before the expiry of the Time for Completion, not the current index. This prevents the Contractor from benefiting from price fluctuations after the contract period.
This clause ensures fairness by locking the price basis as of a fixed reference date, protecting the Employer from increased costs due to delays.
References:
FIDIC Red Book 1999 Edition, Sub-Clause 13.8 - Adjustments for Changes in Cost FIDIC Contract Manager Study Guide, Module on Price Adjustment

NEW QUESTION: 45
(Which two FIDIC Books (edition 2017) should especially be considered for use if the Employer needs the Contractor to take responsibility for the design and execution of the project. The construction will involve substantial work underground or work in other areas which tenderers cannot inspect.
Choose all of the correct answers (multiple possibilities).)

A. Yellow Book
B. Red Book
C. Silver Book by amending Sub-Clause 4.12 in the Particular Conditions
D. Silver Book without amending Sub-Clause 4.12 in the Particular Conditions
Answer: A,C (LEAVE A REPLY)
The key issue in this question is the allocation of design responsibility and the treatment of unforeseeable physical conditions (particularly relevant for underground works or inaccessible areas).
The Yellow Book 2017 is specifically designed for projects where the Contractor is responsible for both design and execution, while still maintaining a balanced risk allocation.
Importantly, Sub-Clause 4.12
[Unforeseeable Physical Conditions] allows the Contractor to claim additional time and/or cost for conditions that could not reasonably have been foreseen. Therefore, for projects involving underground or uninspectable works, the Yellow Book is highly appropriate.
Hence, Option A is correct.
The Silver Book 2017 (EPC/Turnkey) also places full responsibility for design and execution on the Contractor. However, it adopts a much stricter risk allocation: the Contractor generally bears the risk of unforeseen physical conditions. This makes it less suitable for projects with significant uncertainty-unless amendments are made. By modifying Sub-Clause 4.12 in the Particular Conditions to reallocate risk (e.g., allowing relief for unforeseeable conditions), the Silver Book can be adapted for such projects.
Therefore, Option C is correct.
Option B (Red Book) is incorrect because design responsibility primarily lies with the Employer, not the Contractor.
Option D is incorrect because using the Silver Book without amendment would place excessive and potentially unmanageable risk on the Contractor in cases involving unknown subsurface conditions.
This reflects a core FIDIC principle: selecting the appropriate form depends heavily on risk allocation and the degree of uncertainty in site conditions.

NEW QUESTION: 46
(In the FIDIC Yellow Book (edition 1999), the Contractor has to provide the Engineer with documents as stated in Sub-Clause 5.2. Who is responsible for ensuring there is sufficient time allocated for reviewing these documents in relation to the Schedule of the Works?)
A. Contractor
B. Engineer
C. Employer
Answer: (SHOW ANSWER)
Under FIDIC Yellow Book 1999, Sub-Clause 5.2 [Contractor's Documents] requires the Contractor to submit design documents to the Engineer for review. Importantly, the responsibility for planning and coordinating these submissions lies with the Contractor.

The Contractor must ensure that the programme (Clause 8.3) allows sufficient time for the Engineer's review process, including any resubmissions that may be required if documents are not approved initially. This reflects the design responsibility placed on the Contractor in the Yellow Book, where the Contractor controls both design and execution.
The Engineer's role is to review and respond within the time stated in the Contract, but the Engineer is not responsible for integrating this review time into the overall project schedule. Similarly, the Employer has no direct role in managing this timing.
From a contract management perspective, failure by the Contractor to allow adequate review time may lead to delays for which the Contractor bears responsibility, as such delays would not typically qualify for Extension of Time unless caused by the Engineer exceeding prescribed review periods.
Thus, proper programming and coordination of document submissions is a key Contractor obligation, making Option A correct.

NEW QUESTION: 47
The Contractor is entitled to an advance payment, it has obtained such payment and it has not yet been entirely paid back. Under FIDIC Red Book (edition 1999), in which two situations will the outstanding balance of the advance payment become immediately due? Choose all of the correct answers (multiple possibilities).
A. If the advance payment is not completely repaid before Time for Completion.
B. If advance payment is not completely repaid before the Performance Certificate is issued.
C. If the advance payment is not completely repaid before the Taking-Over Certificate is issued.
D. If the advance payment is not completely repaid before termination of the Contract.
Answer: (SHOW ANSWER)
Under the FIDIC Red Book 1999, advance payment is a sum paid to the Contractor to help cash flow early in the project. It must be repaid through deductions from interim payments according to a specified schedule.
* Sub-Clause 14.5 (Advance Payment)states that the Contractor must repay the advance payment by installments, typically by the Time for Completion. If the advance payment has not been fully repaid by the Time for Completion, the outstanding balance becomes

immediately due and payable by the Contractor (Option A). This ensures the Employer recovers the advance by the time the project completes.
* Additionally,upon termination of the Contract(Sub-Clause 15.2 or relevant termination clauses), any outstanding balance of the advance payment becomes immediately due (Option D). This protects the Employer's financial interest if the Contract ends prematurely.
* Option B (before the Performance Certificate is issued) and Option C (before the Taking-Over Certificate is issued) arenotexplicitly linked in FIDIC Red Book 1999 to triggering immediate repayment of the advance payment. The Taking-Over Certificate marks practical completion and may precede the final repayment schedule, while the Performance Certificate is issued after the Defects Notification Period.
Therefore, the correct situations for immediate repayment of outstanding advance payment balance arebefore Time for Completion and upon termination of the Contract.
References:
FIDIC Red Book 1999 Edition, Sub-Clause 14.5 - Advance Payment
FIDIC Red Book 1999 Edition, Sub-Clause 15.2 - Termination by Employer (Payment obligations) FIDIC Contract Manager Study Guide, Module on Payment Procedures and Financial Management

NEW QUESTION: 48
(Which of the following two statements are correct regarding subcontractors under FIDIC Red, Yellow, and Silver Books (edition 2017)?
Choose all of the correct answers (multiple possibilities).)
A. The Contractor shall obtain the Engineer's and the Employer's prior consent to all Subcontractors.
B. If no maximum allowable accumulated value of work subcontracted is stated in the Contract Data, the Contractor shall not be entitled to subcontract the whole of the Works without prior consent of the Engineer.
C. The Contractor shall not be responsible for the acts or defaults of any Subcontractor.
D. The Contract Data may identify parts of the Works which the Contractor is not entitled to subcontract.
Answer: B,D (LEAVE A REPLY)
Under FIDIC 2017 (Clause 4.4 [Subcontractors]), the Contractor is generally permitted to subcontract parts of the Works, but subject to specific controls and limitations.
Option B is correct. FIDIC expressly provides that the Contractor shall not subcontract the whole of the Works without prior consent of the Engineer. This ensures that the Contractor remains the primary responsible party and does not transfer the entire contractual obligation to others without oversight.
Option D is also correct. The Contract Data may specify certain portions of the Works that cannot be subcontracted, preserving critical elements under the direct responsibility of the Contractor.

Option A is incorrect because only the Engineer's consent is generally required for subcontracting (not both Engineer and Employer), except in specific cases defined in the Contract.
Option C is incorrect because the Contractor remains fully responsible for the acts, defaults, and neglect of all Subcontractors, as if they were the Contractor's own actions. This is a fundamental FIDIC principle ensuring a single point of responsibility.
These provisions maintain control, accountability, and quality assurance in project execution while allowing flexibility in subcontracting arrangements.

NEW QUESTION: 49
Applying FIDIC Silver Book (edition 1999), which one of the following elements shall not form part of the time Programme/revised programme?
A. The intended order of the works.
B. The sequence and timing of inspections and tests.
C. The remedial work (if any) instructed under Sub-Clause 7.6.
D. Review periods under Sub-Clause 5.2.
Answer: (SHOW ANSWER)
According to the FIDIC Silver Book, 1999 Edition (The Conditions of Contract for EPC/Turnkey Projects), the Contractor is required under Sub-Clause 8.3 ("Programme") to submit a time programme that illustrates the sequence and timing of the works, including milestones and key events. The intended order of the works (Option A), sequence and timing of inspections and tests (Option B), and review periods (Option D) related to contract management processes such as approval of design or submissions (Sub-Clause 5.2) are integral to effective scheduling and coordination.
However, remedial work instructed under Sub-Clause 7.6, which concerns remedying defects or damage, is generally not part of the initial or revised programme. Instead, remedial works are typically handled as separate tasks or incorporated into specific defect liability or rectification schedules after the main programme has been executed. Such remedial works arise from defects liability obligations and do not belong to the original or revised time programme used to plan the main construction phases.
This distinction is important because the programme reflects planned works execution, whereas remedial work is reactive and may be scheduled separately under defects liability clauses or final project close-out arrangements.
References:
FIDIC Silver Book 1999 Edition, Clause 8.3 - Programme
FIDIC Silver Book 1999 Edition, Clause 7.6 - Remedial Work
FIDIC Contract Manager Study Guide, Module on Time and Delay Management

NEW QUESTION: 50
Which two statements are correct regarding the FIDIC Red Book (edition 2017)?

A. Words and expressions stated in Sub-Clause 1.1 Definitions do not apply in respect of Specifications and Drawings.
B. Contract Data contains information which is required by certain Sub-Clauses in the General Conditions.
C. There is never a difference in effect whether in the Particular Conditions when the term " Works " is used, or when the term " works " is used.
D. In some cases, if a certain information is not provided in the Contract Data, the relevant Sub-Clause shall not be applicable.
Answer: B,D (LEAVE A REPLY)
Option B is correct: The Contract Data provides information required by specific Sub-Clauses in the General Conditions to complete the contract.
Option D is correct: If required data is missing in the Contract Data, some Sub-Clauses may not apply.
Option A is incorrect; definitions generally apply throughout the contract including Specifications and Drawings.
Option C is incorrect; case sensitivity of terms can affect contractual meaning.
References:
FIDIC Red Book 2017 Edition, Sub-Clause 1.1 - Definitions and Contract Data FIDIC Contract Manager Study Guide, Module on Contract Documents

NEW QUESTION: 51
There are four reasons that the Employer/Contractor shall advise in advance each other and the Engineer of any known or future events or circumstances.
Which two of the following statements are NOT applicable reasons?
(Choose all correct answers - multiple possibilities)
A. Delay the execution of the Works or a Section.
B. Decrease the Contract Price.
C. Adversely affect the work of the Contractor ' s Personnel.
D. Increase the performance of the Works when completed.
Answer: (SHOW ANSWER)
Under the FIDIC Red Book 2017 (similar principles apply in other editions), Sub-Clause 4.1 ("Contractor's General Obligations") and Sub-Clause 3.4 ("Delay Damages") require both Employer and Contractor to notify the Engineer in advance about any events or circumstances which may delay the works or adversely affect the Contractor's personnel or progress. This early notification ensures proper management and mitigation of risks that could impact the project timeline or quality.
* Option A (Delay the execution of the Works or a Section) is a core reason for notification since delays affect the critical path and programme, requiring possible extensions or adjustments.
* Option C (Adversely affect the work of the Contractor ' s Personnel) is also a valid reason because issues affecting workforce productivity or availability can impact project delivery.

On the other hand:
* Option B (Decrease the Contract Price) is not a reason to notify. Changes in contract price usually arise from variations or claims but are not a "known or future event" requiring prior notification unless linked to a variation or compensation event.
* Option D (Increase the performance of the Works when completed) is positive and does not negatively affect project progress or cost; therefore, it is not a reason for advance notification under these contract provisions.
Thus, the two not applicable reasons are B and D.
References:
FIDIC Conditions of Contract for Construction, 2017 Edition, Sub-Clause 4.1 - Contractor's General Obligations FIDIC Conditions of Contract for Construction, 2017 Edition, Sub-Clause 3.4 - Delay Damages FIDIC Contract Manager Study Guide, Module on Communication and Reporting

NEW QUESTION: 52
Under the FIDIC Red Book, which one of the following statements is correct for a claim by the Contractor?
A. The Employer has the authority to accept a claim by the Contractor, even in the case of the Contractor ' s failure to comply with the notice requirements.
B. If the Engineer does not make a determination, the Employer and the Contractor are unable to agree to settle an issue that gave rise to a claim.
C. The Engineer ' s response to the Contractor ' s submission of detailed particulars that are required by the procedure for claims by the Contractor must include the Engineer ' s final decision on the quantum.
D. It is the Employer ' s Representative who must first respond to the claim by the Contractor.
E. The Engineer ' s response to a claim by the Contractor is final and binding upon the Employer.
Answer: B (LEAVE A REPLY)
Under FIDIC Red Book 1999, the Engineer plays a key role in determining claims submitted by the Contractor (Clause 20). If the Engineer fails to make a determination within the prescribed time, the Parties may be unable to resolve the dispute and thus the matter may proceed to dispute resolution mechanisms.
Option B is correct because if the Engineer does not decide, the claim remains unsettled, and the Parties are left to resolve the dispute, often via Dispute Adjudication Board or arbitration.
Option A is incorrect; claims must comply with notice requirements to be valid.
Option C is incorrect because the Engineer may request further particulars but is not obligated to give a final decision on quantum immediately.
Option D is incorrect as the Engineer, not the Employer's Representative, first responds to claims.

Option E is incorrect since the Engineer's decision is not final and binding if disputed; it may be challenged.
References:
FIDIC Red Book 1999 Edition, Clause 20 - Claims, Disputes and Arbitration FIDIC Contract Manager Study Guide, Module on Claims and Dispute Resolution

NEW QUESTION: 53
What does discharge confirm under the FIDIC Red Book (edition 1999)?
A. It confirms interim settlement of all money due to the Contractor
B. It confirms full and final settlement of all money due to the Contractor.
C. It confirms the immediate end to the Contract unconditionally whenever issued.
D. None of the above three statements is correct.
Answer: B (LEAVE A REPLY)
Discharge under FIDIC Red Book 1999 confirms full and final settlement of all money due to the Contractor.
It signifies the Contractor's acceptance of the Final Payment Certificate and releases the Employer from further financial obligations related to the contract.
Options A and C misrepresent the nature of discharge.
Discharge is not a unilateral immediate termination but a financial closure.
References:
FIDIC Red Book 1999 Edition, Sub-Clause 14.13 - Discharge
FIDIC Contract Manager Study Guide, Module on Final Account and Discharge

NEW QUESTION: 54
Which two statements reflect an INCORRECT application of a Golden Principle?
A. Any deletions of General Conditions (GC) must be replaced with Particular Conditions (PC) that cover the same scope, and do not leave any roles, duties, obligations, rights, and risk allocation undefined.
B. When applying the FIDIC Red Book or Yellow Book, the Commencement Date shall be within 60 days after the Contractor receives the Letter of Acceptance, in lieu of 42 days.
C. The Contractor ' s right to suspend work (or reduce the rate of work) effective after giving not less than
3 months (in lieu of 21 days) notice to the Employer.
D. Deleting all the clauses in the General Conditions that refer to the DAAB/DAB.
Answer: B,D (LEAVE A REPLY)
FIDIC's Golden Principles emphasize clarity, fairness, and completeness in contract drafting and administration. Incorrect applications often create risks, ambiguities, and disputes.
* Option A is correct and reflects a good application of Golden Principles. When deleting clauses from the General Conditions, these must be replaced adequately in the Particular

Conditions so that no essential contractual scope or responsibilities are lost or left undefined.
* Option B is incorrect and reflects an improper deviation from the standard. The standard Commencement Date notification period is 42 days after the Contractor receives the Letter of Acceptance (per Sub-Clause 8.1). Extending it to 60 days without valid reason or clear agreement introduces uncertainty and potential delay.
* Option C can be a legitimate contractual modification, provided it is agreed by the parties. Extending the Contractor's notice period for suspension from 21 days to 3 months is a significant change but not inherently contrary to Golden Principles if done transparently and fairly.
* Option D is incorrect and reflects a poor application of Golden Principles. Deleting all clauses referring to the DAAB/DAB (Dispute Adjudication Board) removes a critical dispute avoidance and resolution mechanism, undermining contract fairness and efficiency.
Therefore, Options B and D represent incorrect applications of the Golden Principles.
References:
FIDIC Contract Manager Study Guide, Module on Legal and Ethical Considerations and Golden Principles FIDIC Red Book 2017 Edition, Sub-Clause 8.1 - Commencement of Works FIDIC Red Book 2017 Edition, Clause 21 - Disputes and DAAB

NEW QUESTION: 55
(Upon review of the revised programme, submitted by the Contractor, if the Engineer (under FIDIC Red or Yellow Books) or Employer (under FIDIC Silver Book) does not give a Notice of Non-Compliance within 14 days after receiving a revised programme, then... [complete the sentence, thereby considering FIDIC Red, Yellow, and Silver Books (edition 2017)]. (1 correct answer applies))
A. The Contractor shall submit a Notice to the Engineer or the Employer reminding him to give its approval on the revised programme.
B. The Engineer shall be deemed to have given a Consent and the revised programme shall be the Programme.
C. The Contractor cannot proceed in accordance with the Programme.
D. The Engineer is deemed to have no objection to use the revised Programme for the Works.
Answer: B (LEAVE A REPLY)
Under FIDIC 2017, Sub-Clause 8.3 [Programme] introduces a clearer and more structured mechanism for the review and acceptance of the Contractor's Programme. When the Contractor submits a revised programme, the Engineer (or Employer in the Silver Book) has a defined period-typically 14 days-to review it and issue a Notice of Non-Compliance if the programme does not meet contractual requirements.
If no such notice is issued within this timeframe, the contract provides a "deemed acceptance" (deemed consent) mechanism. This means that the Engineer is considered to

have accepted the revised programme, and it becomes the operative Programme for the Works.
Option B correctly reflects this concept. It ensures continuity of project execution and prevents administrative delays caused by inaction. This is aligned with FIDIC 2017's emphasis on efficiency, proactive management, and avoidance of bottlenecks.
Option D is incorrect because "no objection" is weaker than "deemed consent." FIDIC explicitly uses the concept of consent, not merely absence of objection. Options A and C contradict the contract's intent of maintaining workflow.
Thus, the clause ensures that lack of response does not hinder progress, reinforcing disciplined contract administration.

NEW QUESTION: 56
(Both FIDIC Silver Book (SB) and Yellow Book (YB) (edition 1999) mention the Contractor scrutinising the Employer ' s Requirements. Which statement is correct?)
A. Scrutinising in FIDIC Yellow Book 1999 and Silver Book 1999 means that the Contractor must ask the Employer to check the Employer's Requirements very well to see if the Works can be built on that location according to the Employer's Requirements.
B. Scrutinising in FIDIC Silver Book 1999 means that the Contractor should read the Employer's Requirements very thoroughly after the contract closes and see if the Employer's Requirements is complete or if something is missing.
C. Scrutinising in FIDIC Yellow Book 1999 means the same as in FIDIC Silver Book 1999; in both models it means that after the contract closes and before starting the actual making of the design, the Contractor has to read the Employer's Requirements very thoroughly and check on any errors, omissions or conflicts.
D. Scrutinising in FIDIC Yellow Book 1999 means that the Contractor has the opportunity after the contract close to report on any errors, mistakes or conflicts in the Employer's Requirements. In the FIDIC Silver Book 1999 scrutinising provides that obligation during the tender period; the Contractor has to review and verify the Employer's Requirements more strictly before submitting the tender.
Answer: D (LEAVE A REPLY)
Under FIDIC 1999, both Yellow Book and Silver Book include provisions requiring the Contractor to scrutinise the Employer's Requirements, but the timing and level of responsibility differ significantly.
In the Yellow Book, Sub-Clause 5.1 allows the Contractor to review the Employer's Requirements and, after contract award, notify errors, ambiguities, or inconsistencies. The risk remains more balanced, and the Contractor may rely on the Employer's Requirements to a reasonable extent.
In contrast, the Silver Book (EPC/Turnkey) imposes a much stricter obligation. The Contractor is deemed to have fully scrutinised and satisfied itself as to the correctness and sufficiency of the Employer's Requirements during the tender stage. This reflects the Silver

Book's risk allocation, where the Contractor assumes greater responsibility for design and project risks, including errors in the Employer's Requirements (with limited exceptions).
Therefore, Option D correctly captures this fundamental distinction:
* Yellow Book # scrutiny mainly after contract award with notification rights.
* Silver Book # stronger pre-contract obligation during tender, with greater risk assumed by the Contractor.
This difference is a key element in FIDIC risk allocation philosophy between design-build (Yellow) and EPC
/turnkey (Silver) contracts.

NEW QUESTION: 57
(Under the FIDIC Red Book, which of the following statements are correct? [2017 Edition] (2 correct answers apply) Choose all of the correct answers (multiple possibilities).)
A. An attempt to reach an amicable settlement is a mandatory requirement before an Engineer ' s ruling can be referred to a DAAB.
B. A decision by a DAAB is not final and binding on the Parties until it is confirmed by an arbitration award.
C. The FIDIC Red Book ' s General Conditions specify a standing DAAB.
D. A DAAB member nominated by one of the Parties must be agreed by the other Party.
E. If the Employer or the Contractor fails to notify its dissatisfaction with an Engineer ' s ruling within the specified time, the DAAB ' s decision is final and binding.
Answer: C,D (LEAVE A REPLY)
Under the FIDIC Red Book 2017, Clause 21 establishes a standing Dispute Avoidance/Adjudication Board (DAAB) as a default requirement. This is a major evolution from the 1999 edition, where a Dispute Adjudication Board (DAB) could be ad hoc.
Therefore, Option C is correct, as the General Conditions clearly provide for a standing DAAB appointed at the outset of the Contract.
Option D is also correct. The appointment procedure for DAAB members requires mutual agreement between the Parties. Even if one Party nominates a member, that nomination must be accepted by the other Party to ensure neutrality, independence, and confidence in the dispute resolution process.
Option A is incorrect because amicable settlement (Clause 21.5) is required after a DAAB decision and before arbitration, not before referring a matter to the DAAB.
Option B is incorrect because DAAB decisions are binding immediately (whether or not final), unless and until revised by arbitration. They are not dependent on prior confirmation by arbitration to be binding.
Option E is incorrect because failure to give a Notice of Dissatisfaction (NoD) relates to a DAAB decision becoming final and binding-not an Engineer's determination. The statement incorrectly mixes procedural steps.
These provisions reflect FIDIC's structured multi-tier dispute resolution system, promoting early resolution through DAAB before escalation to arbitration.

NEW QUESTION: 58
Under the FIDIC Red, Yellow, and Silver Books (both editions), the Employer has an obligation to give a detailed notice to the Contractor about intended changes that are material to its financial arrangements.
A. True
B. False
Answer: A (LEAVE A REPLY)
The Employer must provide detailed notice to the Contractor regarding intended changes material to financial arrangements, enabling transparency and allowing the Contractor to assess impacts and prepare claims or adjustments accordingly.
This obligation supports fair risk allocation and project control.
References:
FIDIC Red, Yellow, Silver Books 1999 & 2017 Editions - Various clauses on Notices and Variations FIDIC Contract Manager Study Guide, Module on Communication and Financial Notices

NEW QUESTION: 59
Under the FIDIC Red and Yellow Books (edition 1999), which two of the following statements are correct regarding the issuance of Interim Payment by the Engineer? (Choose all correct answers - multiple possibilities)
A. The Employer is bound by the Certificate issued by the Engineer, and must make payment in full, except for any compensation arising from any claim which the Employer may have against the Contractor.
B. The Employer is not bound by the Certificate issued by the Engineer.
C. The Employer is bound by the Certificate issued by the Engineer and must make payment in full, irrespective of any entitlement to compensation arising from any claim which the Employer may have against the Contractor.
D. If the Employer considers itself entitled to claim against the Contractor, notice and particulars must first be submitted under Sub-Clause 2.5. The Employer ' s entitlement is then to be agreed or determined by the Engineer, and then, incorporated as a deduction in a Payment Certificate.
Answer: A,D (LEAVE A REPLY)
Under the FIDIC Red Book and Yellow Book, 1999 editions, the Engineer issues Interim Payment Certificates certifying the amounts due to the Contractor for completed works and materials on site (Sub- Clause 14.6). The Employer is generally bound by the Payment Certificate and must pay accordingly, except where there is a lawful set-off or compensation claim against the Contractor.
Option A is correct because the Employer must pay the amount certified except for compensation claims that may be offset against the payment (Sub-Clause 14.6).

Option D is also correct: If the Employer intends to claim against the Contractor (e.g., for damages or defects), it must notify the Contractor under Sub-Clause 2.5 and provide particulars. The Engineer then assesses and decides on the claim and incorporates any agreed deductions into the Payment Certificate.
Option B is incorrect because the Employer is indeed bound by the Payment Certificate unless lawful deductions or disputes arise.
Option C is incorrect as the Employer can withhold amounts due for compensation claims once these are properly notified and substantiated.
References:
FIDIC Red and Yellow Books, 1999 Edition, Sub-Clause 14.6 - Interim Payments FIDIC Red and Yellow Books, 1999 Edition, Sub-Clause 2.5 - Employer's Claims FIDIC Contract Manager Study Guide, Module on Payment Procedures and Financial Management

NEW QUESTION: 60
When does discharge become effective under the FIDIC Red Book (edition 1999)? (1 correct answer applies)
A. When the Contractor receives full payment certified through the Final Payment Certificate.
B. When the Contractor receives its Performance Security from the Employer.
C. When the Contractor receives full payment certified through the Final Payment Certificate and return of the Performance Security.
D. When the Employer counter signs a discharge notice as issued by the Contractor, following full payment and return of the Performance Security.
Answer: C (LEAVE A REPLY)
Under the FIDIC Red Book 1999, discharge becomes effective when the Contractor has received full payment certified by the Final Payment Certificate and the return of the Performance Security (Sub-Clause 14.10).
Both elements must be completed for the contract to be considered fully discharged, releasing the Contractor from further obligations or liabilities under the contract.
Option A is incomplete as payment alone does not fully discharge the Contractor.
Option B is incomplete as return of Performance Security alone is insufficient.
Option D is incorrect because the contract does not require a discharge notice signed by the Employer beyond these conditions.
References:
FIDIC Red Book 1999 Edition, Sub-Clause 14.10 - Final Payment and Discharge FIDIC Contract Manager Study Guide, Module on Project Close-Out and Final Account