



General conditions services consulting contract

Passed by Managing and Planning Organization
Subject of Circular No. 102-1088/54-842, dated May 24, 1999
(Publication 4311) shall be applied to this contract.



General Condition

Contents:

- Article-1 Definitions and interpretations
- Article-2 Startup and enforcement of the contract
- Article-3 Scope of service and their changes
- Article-4 Schedule of rendering the services
- Article-5 Progress of work
- Article-6 Personnel of consulting engineer
- Article-7 Representatives
- Article-8 Diligence and accuracy
- Article-9 Standards, criteria, regulations and technical instructions
- Article-10 Consulting engineer's proceedings which need client's approval
- Article-11 Submission and approval of documents and reports
- Article-12 Facilities to be provided by the client
- Article 13- Extra services
- Article 14- Good performance guaranty
- Article 15- Remuneration
- Article 16- Remuneration payment procedure
- Article 17- Advance payment
- Article 18- Final invoice and settlements of account
- Article 19- Alterations of the duration and remuneration of the services
- Article 20- Delay loss
- Article 21- Suspension
- Article 22- Termination of the contract
- Article 23- Cancellation of the contract
- Article 24- Settlement of disputes
- Article 25- Tax, insurance and other legal claims and duties
- Article 26- The consulting engineer's responsibilities
- Article 27- Legal prohibitions
- Article 28- Force majeure
- Article 29- Transfer to others
- Article 30- Third persons or agreements
- Article 31- Accessibility of the places
- Article 32- Observing security regulations
- Article 33- Training
- Article 34- Title of deeds
- Article 35- Notifications
- Article 36 – Language of the contract
- Article 37- Applicable Law

Article-1 Definitions and interpretations

1-1 Contract

All the documents and deeds which according to article 2 are integral parts shall be the contract which in order to render the services, mentioned in the contract, are exchanged between the parties.

1-2 Agreement

Agreement is a document in which major specifications of the contract, such as specifications of the parties, subject matter, duration, wages and liabilities of the parties shall be described and signed by the parties.

1-3 General conditions

General conditions are the terms of this contract which shall determine the general condition and regulations, governing this contract.

1-4 Specific conditions

Specific conditions are arranged in order to complete the general conditions according to the situation and nature of the contract. The terms of particular condition may not be in contrast to the general condition and may not increase financial liabilities of the client.

1-5 Client

Client shall be a legal party who sign the contract and shall assign the rendering of services of this contract to the consulting engineer. The client's legal successors and permitted representatives shall be regarded as the client itself.

1-6 Project manager

Project manager is a legal party to whom all or a part of the client's assignable authorities are assigned as the manager of the project.

1-7 Consulting engineer

Consulting engineer is the other party who shall sign the contract and shall be responsible for rendering the services of this contract. Legal successors and representatives of consulting engineer shall be considered as the consulting engineer.

1-8 Services

Services include the activities and proceedings which the consulting engineer undertakes to perform in order to implement the subject of the contract.



1-9 Phase, stage

Phase is a dividable and independent part of the services which is determined in this contract under this title with determined duration and payment. Each phase, based on the scope of services, may be divided into some sub-stages with determined payments.

1-10 Documents and reports

Texts, documents, drawings, instructions, technical specifications, technical calculations, evaluation of quantities, prices and etc. shall be provided by the consulting engineer in order to render the services.

1-11 General schedule

General schedule is a schedule in which all the beginning and ending dates of any stage of the contract shall be shown in month and shall be mentioned in documents of the contract.

1-12 Detailed schedule

Detailed schedule is a schedule in which all the beginning and ending dates of the activities mentioned in the scope of services and within the framework of general schedule shall be shown in detail.

1-13 Preliminary duration

The preliminary duration of any stage shall be the mentioned duration in article 3 of the agreement for that stage.

1-14 Average of monthly wages

Average of the monthly wages of each stage shall be the division of the preliminarily evaluated amount of the wages of that stage by the related preliminary duration.

1-15 Day, month, dates, singular and plural and titles

1-15-1 Day and month shall be according to the Iranian solar calendar and dates shall be based on the official calendar of the country.

1-15-2 In any case which the definition of the term necessitates, singular words shall be interpreted as plural ones and vice versa.

1-15-3 Titles in this contract or general condition and other documents and deeds shall be for convenience and guidance for the better understanding of the terms and conditions of this contract and may not be used for interpretation of contract documents and deeds.

1-15-4 The expressions which are not mentioned in this article, shall be defined under the rules and regulations of the budget and planning organization.

Article-2 Startup and enforcement of the contract

2-1 This contract shall be enforced from the date of signing (notification from client).

2-2 The beginning of the first stage shall be after notification of the contract from the client and receiving the prepayment. Beginning dates of the next stages shall be the date of notification of performing that stage from the client.

2-3 After approving the documents and reports of any stage, if the client decides to carry out the next stage, the client must, within 1 month after the approval of the documents and reports, notify the consulting engineer from performing that stage, otherwise he must declare his decision to cancel the contract. If the next stage is the stage of constructing and delivering, the aforementioned period shall be 3 months.

2-4 If the client does not notify to perform any stage within the aforementioned periods, the consulting engineer may propose the termination of the contract in accordance with the clause 22-9-1.

Article-3 Scope of services and their changes

3-1 The client may during the work, change, decrease or increase the services of consulting engineer in a normal and acceptable extent and within the subject of the contract and by observation of clause 3-2.

3-1-1 If application the client's changes during the work or during the reviewing of documents and reports of consulting engineer causes any change in previous approvals and increase the services, the consulting engineer shall be responsible to render those services, with the observance of clause 3-2.

3-1-2 The consulting engineer may, in a necessary case, suggest any changes in his duties or scope of services in any finished and completed stage with acceptable reason and in detail, with observance of clause 3-2.

3-2 If any amendment or change shall be necessary in the scope of services, in any case the consulting engineer shall be responsible to report the duration and cost of rendering the changed services to client. Client, reviewing the report, within a 10 (ten) day period may negotiate with the consulting engineer and agree upon that cost and duration. After the agreement, the client shall notify the amendments and changes.

3-3 Activities which are related to amendments of the documents and reports of consulting engineer and are due to any breach in rendering the services shall not be included in the extra services mentioned in clauses 3-1 and 3-2 and the consulting engineer shall not be paid for the related costs.

3-4 In the cases where rendering the services shall be dependent on any other plan or plans, the consulting engineer is responsible to get the related technical information and documents from the client, according to the schedule arranged with other organizations. The consulting engineer should then account for this information in rendering his services in order to coordinate various aforementioned plans.

Article-4 Schedule of rendering the services

4-1 The general schedule of rendering the services is presented in appendix 4.

4-2 After notification of the contract, if there would be no time determined in appendix 4, the consulting engineer shall prepare the detailed schedule of each phase or stage within the general schedule framework, based on the shorter period of one-eighth of the duration of that stage or one month and present it to the client. The Client shall declare his opinion on approval or modification of the schedule within 15 (fifteen) days from receiving the detailed schedule. Any amendment in detailed schedule shall just be permitted upon both parties agreement.

Article-5 Progress of work

The consulting engineer shall submit his work progress report in 2 copies to the client at the end of each month or at the intervals determined in detailed schedule. This report may include the amount of performed works, delays and the reasons, the solutions to the problems and obstacles of the work. The client shall declare his opinion about the report within 10 days, otherwise the report shall be deemed as approved.

Article-6 Personnel of consulting engineer

6-1 All the persons who, along with the contract, do a work or render any services for the consulting engineer, whether full-time or part-time and are paid by the consulting engineer, shall be considered as consulting engineer's personnel and the responsibility of their performance related to the subject of the contract shall be undertaken by consulting engineer.

6-2 Before the startup of the work, the consulting engineer shall be liable to submit to the client the list of his key staff and executive departments who do not have any bad record and misconduct in their field of expertise with their duties, expertise for execution of the contract services, in accordance with appendix 6.

6-3 The consulting engineer shall have sufficient qualified personnel in order to perform different stages of this contract in its office and workshops.

6-4 If, rendering the services of the contract necessitates the employment of foreign citizens, consulting engineer shall observe laws and regulations of working of foreign citizens in Iran and shall submit their residential and work license to client.

6-5 The consulting engineer shall not be able to employ the personnel of the client, project manager and Management and Planning Organization in order to render services of this contract without a prior written license from that department.

6-6 Employment of the consulting engineer's personnel is not permitted by the client or the project manager in order to render services of this contract.

Article 7- Representatives

7-1 The client's representatives:

7-1-1 The client shall introduce his representative(s) to the consulting engineer after notifying the contract, together with determining their scope of authorities.

7-1-2 The documents and instructions notified to the consulting engineer from client's representative, within the scope of his assigned authorities, shall be deemed as the client's orders. In the case of the client representative's being substituted, the earlier documents and instructions signed by the previous representative shall obviously remain valid.

7-1-3 The client is able to assign all or a part of his assignable authorities in relation to this contract to the project management unit. In this case, this unit shall be introduced to the consulting engineer with his scope of authorities. The PMU decisions in relation to the assigned authorities shall be considered as the client's decisions.

7-2 The consulting engineer's representatives:

7-2-1 After notification of the contract, the consulting engineer shall introduce his representative(s) to the client together with determining their scope of authorities.

7-2-2 If the contract services include the services of construction and delivery of the work, the consulting engineer shall appoint a supervisor engineer as his representative and responsible in any of its workshops. The supervisor engineer shall be introduced to the client and other contractual parties.

7-2-3 In absence of the supervisor engineer, the consulting engineer shall be responsible to introduce a successor in that workshop to client and other contractual parties.

Article-8 Diligence and accuracy

8-1 The consulting engineer shall be responsible to render the services of this contract in accordance with technical and engineering principles and under professional and expertise standards and with the observance of economic and financial concerns, as well as applying the highest level of diligence and accuracy through professional, expert and qualified personnel. In the cases where the consulting engineer is assigned to make a comment or suggestion, he must be impartial and disinterested.

8-2 The consulting engineer shall be responsible to examine and study the best solutions, alternatives and possibilities and to propose the most suitable one to the client. Also, the documents and reports of each stage, provided by the consulting engineer shall be such that the minimum possible amendment or changes would be necessitated in the prior approvals.

8-3 The consulting engineer shall be responsible to control and supervise the executive operation in a way that the works shall be executed by the contractors in accordance with the drawings and technical specifications, attached to the contract. The consulting engineer must provide well-timed and necessary guidance to the contractors to avoid any delay in performing responsibilities and the project operations. The consulting engineer shall take the prompt actions in the cases in which, based on the scope of services, he is responsible for.

8-4 The consulting engineer shall be responsible for the good performance supervision. Therefore, the consulting engineer shall proceed to issue instructions and order to perform tests to ensure the quality of materials before their consumption and application, and also to inspect construction operation and quality of executive operation regularly and to adjust them with technical standards and specifications and executive charts. Moreover, the consulting engineer, through regular control, shall be responsible to prevent possible consuming of non-standard materials and performing the operations contradictory to technical specifications.

Article-9 Standards, criteria, regulations and technical instructions

9-1 System of measuring units in all technical documents of project shall be metric; unless otherwise determined in appendix 5 in a necessary or otherwise agreed during performing the work.

9-2 The consulting engineer shall provide and arrange documents and reports and render services according to technical regulations and instructions of the Management and Planning Organization or other credible standards. In the absence of such standards and regulations, the regulations and standards determined in appendix 5 or accordingly agreed, shall be used.

9-3 The consulting engineer, along with his undertakings determined in the scope of services of appendix 2, is responsible to perform his duties and provide all the notifications, work orders and implement other proceedings in relation to the contractor or other contractual parties, in accordance with the contract documents and deeds and the related regulations and instructions.

Article-10 Consulting engineer's proceedings which need client's approval

Whenever the consulting engineer during performing the work, finds out the necessity for holding a meeting or meetings in order to determine procedure and methods of work, he shall be responsible to submit an explanatory report about the subject to the client. The client, within 15 days from the date of receiving the report, shall take actions to hold the meeting and arrange a minute to record the decisions and immediately submit to the consulting engineer. If the client shall fail to arrange for holding the meeting and notify the decisions within the determined period, the consulting engineer may arbitrarily make a decision decide by his own and notify the results to the client.

Article-11 Submission and approval of documents and reports

11-1 The consulting engineer shall submit to the client, the documents and reports of his researches of each stage of the work at the end of that stage or at any time which is predicted in detailed schedule, first in two copies as well as a copy in form of software file. The client shall review them and declare his clear and precise comments in one stage, within 1 month or within the predicted time in detailed schedule after receiving the aforementioned documents and reports.

11-2 If the client approves the documents and reports, the consulting engineer shall submit to the client the documents and reports in 2 copies as well as the software copy and a written manual as well as summary of the reports in order to be notified by the client. If the client shall propose any amendment of the documents and reports, the consulting engineer shall be responsible to amend them according to client's comments within the longer of 1 month or 10% of duration of that stage, and then submit the amended documents to the client in 4 copies as well as the software copy and summary of the reports in order to be approved and notified by the client. Any breach of the mentioned period shall be subject to reduction of determined wages in contract, unless the client agrees with the extension of the period formerly.

11-3 If the client's amendment comments conflict with the consulting engineer's opinion, the consulting engineer shall request the client to reinvestigate the documents by sending an explanatory and justification report. If the client still insists on his previously stated comments, the consulting engineer shall be responsible to modify the documents and reports in accordance with the client's view. The consulting engineer shall not be liable for such decisions.

11-4 If the client shall fail to declare his opinion about the consulting engineer's documents and reports within the determined period, the consulting engineer shall inquire the client's opinion and if within 15 days after receiving the inquiry, the client shall not declare his opinion, submitted documents and reports shall be deemed as approved.

11-5 The client shall submit a copy of approved documents and reports to the consulting engineer with "approved" seal.

11-6 The approved documents and reports shall be the basis for the next activities and the consulting engineer shall be paid according to the contract.

11-7 The consulting engineer shall provide the summary of each stage and shall submit them to the client as the attachments of reports. Also, after temporary delivery of the work, a report including history of the performed works shall be submitted to the client in construction stage.

Article-12 Facilities to be provided by the client

The client shall provide essential facilities and strategies for the consultant engineer in order to render services of this contract, especially in following cases requested by the consultant engineer:

12-1 Providing the relative information free of charge and under the terms of particular condition

12-2 Issuance of entrance permit for the consultant engineer's personnel to prohibited areas in relation to the project

12-3 Providing entrance visa, departure license and work permit of foreign workers as well as taking passport and visa for Iranian experts

12-4 Cooperation and relation with ministries, organizations and other institutions

12-5 Taking relative actions to provide tools and equipments which providing and distribution of them is government monopoly

12-6 Taking relative procedures to provide, import and discharge of equipments, tools, books, literatures, software and other essential items which their provision inside the country is not possible

12-7 Providing special facilities which under appendix 5 of this contract shall be provided by client for consultant engineer

All costs of the clauses 12-3 to 12-6 shall be paid by the consultant engineer.

Article 13- Extra services

13-1 Extra services, including providing topography and geology maps, cadastre, overhead photos and satellite pictures as well as performing geotechnical, geophysical and material resistance tests, providing meteorological and hydrological information, hydrological model, pedology, hydrology and other same works and tests which basically shall not be included in subject of this contract but shall be done by qualified consulting engineers under conditions of relative contracts and their cost shall be paid by client. Then, the consulting engineer shall be responsible to describe and determine required side services and technical specifications and information and to notify them to client with a schedule. The consulting engineer shall be responsible to adjust the results with project requirements.

13-2 If the client proposes to exploit the consultant engineer's services for providing documents of this contract, reviewing and remarking reports and supervising on side services, the consulting engineer shall be responsible to engage qualified experts in order to render these services. The scope of these extra services and their cost shall be subject to conditions of clause 3-2.

Note: Supervising and confirming operation of topography including providing topography maps, overhead photos, hydrology shall be undertaken by the surveying organization of the country.

13-3 If the consulting engineer shall not confirm the results of extra services, implemented by other firms, he must submit his well-timed and explanatory comments to the client. If the client confirms aforementioned reports, the consulting engineer shall be responsible to exploit their results in his studies. The consulting engineer shall not be liable for such decisions.

Article 14- Good performance guaranty

14-1 In order to ensure the good performance, 10% of each of the consulting engineer payments shall be deducted and kept by client as the retention of good performance.

14-2 In the case of cancellation of the contract, in accordance with article 23, the retention of good performance shall be confiscated by the client.

14-3 The retention of each stage of research and design shall be released after approval of documents and reports of that stage and at the time of final settlements of accounts, under article 18. Half of the amount of retention of good performance in constructing stage shall be released at the time of temporary delivery and the remaining shall be released at the time of permanent delivery.

If the client shall receive parts of the performed works temporarily before the expiration of the contract, the retention shall be reduced proportionally. Reduction of the retention of good performance shall be returned against receiving a promissory note or any other pledge.

Article 15- Remuneration

15-1 Consultant engineer's remuneration for rendering the services of each stage of this contract shall be determined under relative regulations and conditions, according to appendix 3 and shall be paid by client with observance of terms of this contract.

Article 16- Remuneration payment procedure

16-1 85% of the remuneration of each stage of the studies, during rendering the services and until submission of the documents and reports of that stage, shall be paid in proportion to the work progress and according to the determined and agreed schedule in appendix 3.

16-2 The last remaining part of the remuneration of each stage shall be paid under article 18 and after approval of relative documents and reports.

16-3 The payment of construction and delivery stage shall be implemented based on the related instructions in appendix 3.

16-4 The time of extra services payment, subject of clause 3-2, depending on the case, shall be paid according to work progress and upon both parties agreement.

16-5 Any allotment of the remuneration shall be paid by the client after receiving the consulting engineer's invoices and their being reviewed by the client.

16-6 The client shall be responsible to review the invoices within 15 days after receiving them and after legal and contractual reduction the client shall pay the wage and shall submit a copy of approved invoice and related documents to the consulting engineer.

16-7 If the consulting engineer has any objection against client's amendments of invoices, he shall submit his objection with reason, documents and evidences to the client within 15 days of receiving that invoice in order to be reviewed by client. If the client insists on the amendments, the client shall pay the wage that is acceptable by him. In this case, the consulting engineer shall be able to take action to get the extra amount under article 24 and if the consulting engineer shall be entitled, the full amount must be paid to him in addition to the delayed payment losses.

16-8 If the client delays to pay all or part of the amount of any approved invoice more than 1 month after receiving that invoice, in order to compensate the extra loss than 1 month, the client shall pay an amount equal to multiplication of long term interest rate (5 years) investment deposit (in Iran Banks) by the delayed amount to consulting engineer in addition to delayed amount. Maximum period of payment of this compensation shall be 3 month.

Article 17- Advance payment

17-1 Upon the request of the consulting engineer, the client shall pay 20% of primary amount of each stage of services of this contract in advance against receiving a valid promissory note or any other valid guarantee from the consulting engineer after notifying that stage. The amount of this advance payment in the case of construction and delivery stages shall be 10% of the primary amount of that stage. This amount shall be proportionally deducted and the consultant engineer's guarantee shall be equally released.

17-2 In the case of cancellation or termination of this contract, if the consultant engineer becomes indebted to the client for the advance payments at the time of final settlements of accounts, the consultant engineer shall be responsible to pay his debts, otherwise; the client shall take legal actions to receive his claims from the deposits, retentions and guarantees of consulting engineer by receiving the related costs.

Article 18- Final invoice and settlements of account

18-1 Final invoice of each part of researches, after approval of documents and reports of that stage and invoice of each stage of construction and delivery stage after completion of that services shall be provided by consultant engineer and shall be submitted to the client in order to approve. This invoice including wage of that stage and other amounts which upon the terms and conditions of this contract shall be added or deducted, legal deductions, on account or prior payments, wages of increasing or decreasing the services, costs of extension or suspension, damages and legal actions and such other proceedings. The final invoice shall be provided in the aforementioned manner and shall be reviewed and approved by the client within 15 days after the date of receiving.

Note: if the wage shall be calculated in form of a percentage of evaluation of work performance, the evaluated approved amount of each stage or research stages shall be the base for settlement of irrevocable wage of that stage and cost price of operation shall be base for settlement of irrevocable wage of services of construction and delivery stages.

18-2 If it would be required to amend the aforementioned invoice, the client shall state the amendments to the consulting engineer in a meeting which shall be held within the aforementioned period. The parties shall agree upon the results.

18-3 The agreed invoice shall be deemed as irrevocable by the parties, there would be no objection against it and it shall be the base for final settlements of accounts by consulting engineer. In any case, it shall be acted as the following clause otherwise it shall be acted upon clause 16-7.

18-4 If the consulting engineer shall be the creditor according to final invoice, his retention of good performance shall be released immediately under article 14 and his claims shall be paid within 15 days after approval of final invoice.

18-5 If the consulting engineer shall be the indebted the consulting engineer shall pay his debts to the engineer within 15 days of date of approval of that invoice. In this case, his retention of good performance shall be released immediately and if he refuses to pay shall be entitled to receive his debts from deposits, retentions and other charges of consulting engineer, then he must free the remaining amount of consulting engineer's retention of good performance. If the aforementioned amounts shall not be sufficient for receiving debts, the client shall receive his debts from other assets and properties of consulting engineer according to applicable laws of country.

Article 19- Alterations of the duration and remuneration of the services

Duration of the contract shall be extended in the case of following events on the proposal of any of the parties. In these cases, the consulting engineer shall determine the required amendments in duration and wage, according to terms of this contract, and their effect on performed services and future planning as well as financial results and shall submit them to the client in form of a report. Client shall submit his opinion within 15 days after receiving the report. The results shall be provided in a minute and it must be acted upon that minute.

Amendments of duration of each stage, according to controls during the work, shall be reviewed finally at the end of each stage (or at the time of expiration or cancellation of this contract) and then the parties shall agree upon reduction or extension of duration and authorized and unauthorized delays and the results shall be recorded in a minute.

In the case of disagreement between parties about different delays, the issue shall be settled upon article 24 on propose of each party.

19-1 amendments of scope of services

19-2 delay because of some reasons other than consulting engineer's fault

- 19-3 force majeure events and emergency conditions
- 19-4 suspension of the works by client
- 19-5 unauthorized delay by consultant engineer

Article 20- Delay loss

20-1 In the case of unauthorized delay by consulting engineer, the consulting engineer shall be liable to pay a compensation equal to multiply of proportion of unauthorized delay period to duration of that stage by wage of that stage and at last up to 20% of wage of that stage.

20-2 In the case of authorize delay by consulting engineer, an amount equal to 50% of average of monthly wage would be added to the original wage in the total number of extra month and according to related circulars. For the research stages, the maximum time for payment of wage of authorized delay shall be half of the duration of that stage, maximum to 6 month. For the construction and delivery stages, this period shall be subject to condition of work performance.

After this period and if there wouldn't be any notification of suspension from the client, the consulting engineer shall be able to act upon clause 22-9-3.

Note: wage of consulting engineer residents or supervisors of workshops in delay period shall be calculated according to related instructions.

Article 21- Suspension

21-1 The client shall suspend all or part of the services of any stage, during the performance of the work of that stage by submitting a written 10 day notification to the consulting engineer.

21-2 Notification of suspension for research services shall be valid before passing three forth of primary duration and concerning authorized extension for each stage shall be authorized and suspension of construction and delivery stages shall be subject to suspension of executive works under supervisory of consulting engineer.

21-3 Suspension of the works by the client shall be authorized only one time in each stage. The duration of suspense in any stage of services must be at last one forth of primary duration and/or 4 month, anyone which is shorter.

21-4 If there would be any need to extend the suspense, the client shall suggest the issue to the consulting engineer up to 10 days before the expiration of suspension. In the case of consultant engineer's agreement, the contract shall be extended up to 3 month without any payment for the extended period. In the case of consultant engineer's disagreement, the contract may be cancelled by the consultant engineer.

21-5 Payment of the costs of suspension period services, with the exception of construction and delivery services which are subject to related circulars, shall be equal to 30% of average monthly wage. The payment of this cost shall be authorized at last in 4 month and in monthly allotment.

21-6 The consulting engineer shall responsible to cease the related works on the beginning of suspension and to provide the report of service situation till the time of suspension with determining suspension costs, subject of clause 21-g and to submit it to the client.

21-7 The consulting engineer shall inquire client's opinion about future of the contract within 20 days before the expiration of suspension period. If the client shall decide to continue the work, the work must be continued after passing the suspension period. If until the expiration of suspension period, the client shall not declare his decision, the consulting engineer may ask to terminate the contract.

21-8 If during suspension period the client decides to cancel the suspension, he shall notify the issue to the consulting engineer. In this case, the work shall be continued at last up to 10 days after notification.

Article 22- Termination of the contract

22-1 The client may terminate the contract at any time.

22-2 At any stage which the client decides to terminate the contract, he shall declare his decision to the consulting engineer with a 2 month deadline.

22-3 The consulting engineer, after receiving the notification of termination shall cease the work immediately and provide and submit the report of work progress till the date of notification of termination within 15 days. This report may include situation of the work of each stage of the services and the amount of its progress as well as those parts of the work which their completion concerning work profits shall be essential and possible in the 2 month deadline with determination of their wages.

22-4 If the client, directly or upon the consulting engineer's report, decides to terminate all or part of incomplete services, he shall submit the issue to the consulting engineer. In this case, the consulting engineer shall responsible to complete the aforementioned works in the 2 month deadline.

22-5 In any case, the consulting engineer shall be responsible to take actions to submit the original of all the documents and deeds of the work, to deliver client's possessions, to discharge its possessions from the workshop (if any) and to submit the minute of wages of rendered services and list of costs accrued by work termination such as agreements, consulting engineer's liabilities before his personnel or other departments, abolition of local supervisory department as well as cost of departure of foreign employees and their family to their homeland and cost of shipping of their equipments to their homeland, provided that these costs are related to this contract and there were no payment to the consulting engineer for these costs.

22-6 The client shall be liable to settle the accounts to the consulting engineer after

receiving the invoices and list of costs of clause 22-5 and reviewing them according to terms and conditions of this contract and amount of performed works under article 18. In this case, the retention of good performance of consulting engineer shall be released under article 18.

22-7 If the termination of the contract is proposed after rendering the services of each stage, the client shall terminate the contract without any formalities after the settlement of the accounts for rendered services.

22-8 In the case of clause 27-1-2, if the legal prohibition is settled, the contract shall be terminated by the client and it shall be acted upon terms and conditions of this article.

22-9 The consulting engineer shall be able to ask the termination of the contract in following events:

22-9-1 If next services are not notified within 2 month deadline

22-9-2 in the case of delay over than 3 (three) month in payment of wage, subject of clause 16-8

22-9-3 In the case of passing maximum determined deadline for payment of wages of authorized delay, subject of clause 20-2.

22-9-4 In the case of disagreement or non-extension of suspense duration more than four (4) Month, subject of article 21-4, or if the client doesn't submit his opinion to continue the work.

22-9-5 If the subject of clause 12-1 is not performed by the client more than three (3) month from determined date in schedule

22-9-6 If the verdict of place of arbitration for settlement of disputes is not observed by the client

22-9-7 In the event of occurrence of conditions in clause 28-1

22-10 If the client settles the issues that cause the contract to be terminated by consulting engineer, the consulting engineer may cancel the termination and continue the works, otherwise after expiration of 1 month deadline, the contract shall be deemed terminated and in the other cases shall be acted upon this article.

Article 23- Cancellation of the contract

23-1 the client shall be able to cancel the contract in the following cases without prior notice and shall notify the issue to the consulting engineer.

23-1-1 proof of applying law of governmental agents non-interference in services of consulting engineer at the time of concluding the contract or during the contract, with the exception of first part of clause 27-1-2

23-1-2 non-notification to the client about clause 27-1-2

23-1-3 transferring of the contract to a third person(s) without client's license

23-1-4 culpable bankruptcy or dissolution of the company

23-1-5 proof of this issue that the consulting engineer paid wage, awards or presents to client's personnel or their brokers to obtain the work or made them a partner in his profit

23-2 the client in the case of fulfillment of following events, first may notice the consulting engineer to settle the faults and defects and to return the conditions to the satisfactory



situation. If the consulting engineer shall not take any action to settle the faults within the determined deadline, the termination of the contract shall first be reviewed and confirmed by a group of three persons ho elected by the Minister or the client's highest organizational position and after obtaining acceptance of the said position shall be notified to the consulting engineer.

23-2-1 unauthorized delay in rendering the services of each stage more than 30% of duration of that stage

23-2-2 non-observance of technical standards and professional conventions

23-2-3 the consulting engineer, receiving the notification of termination, shall be liable to cease the works, and immediately report the situation of the work to the client and during the deadline determined by client (minimum 2 weeks), submit the original documents and reports of rendered services to the client.

23-3 the client, after notification of termination, immediately shall take action to confiscate the retention of good performance and determine the wage of acceptable rendered services till the date of termination according to the terms and conditions of the contract. It's clear that the client shall declare the issue to the Managing and Planning Organization immediately.

Article 24- Settlement of disputes

24-1 whenever there shall be a disagreement between the parties about performance or interpretation of terms and conditions of this contract, the parties may immediately act upon clauses 24-1-1 and 21-1-2 before reference the case to arbitration subject to clause 24-3.

24-1-1 in the case of different interpretation of the parties of circulars subject to article 23 of Budget and Planning law which is legislated by Management and Planning Organization, any of the parties may inquire the execution of the circular from Management and Planning Organization and the parties shall be responsible to act upon Management and Planning Organization's comment.

24-1-2 if any case happens other than content of clause 24-1-1, examination and making remark about them shall be assigned to an expert or a mission of experts who shall be elected by the parties and the parties shall be responsible to act upon their comment according to this contract and applicable laws and regulations.

24-2 if the parties shall not agree in the election of expert or mission of experts mentioned in clause 24-1-2 or shall not accept the declared comment in clauses 24-1-1 and 24-1-2 to settle the dispute they may act upon clause 24-3.

24-3 if there shall be any disagreement in performance or interpretation of terms and conditions of this contract, any of the parties may ask to refer the disputable issue(s) for arbitration to head of Management and Planning Organization.

Note 1: if the head of the organization reject their call, the dispute shall be referred to The

Technical Supreme Council for arbitration.

Note 2: examination and comments of The Technical Supreme Council shall be in accordance with this contract and applicable laws and regulations. After declaring the comment, both parties shall be acted upon that comment.

24-4 referring the disputable issues to The Technical Supreme Council shall not amend any liability and responsibility of the parties and the parties shall be liable to perform their responsibilities.

Article 25- Tax, insurance and other legal claims and duties

25-1 payment of any tax, duty, premium and other governmental claims related to consulting engineer and his personnel as well as custom claims and duties related to required equipment of consulting engineer which are enforced at the time of signing of this contract or in future, or their amounts change in future, with the observance of article 25-2 shall be done by the consulting engineer. Some amounts of these tax, duty, premium and other governmental claims which must be received by the client upon applicable laws and regulations, shall be reduced from payments to consulting engineer and transfer as a draft to his account. If these legal deductions shall not be paid or paid with delay, the client shall be responsible to compensate.

25-2 in the case of any change in tax, duty, premium and other governmental claims other than those which are established at the time of this contract, the consulting engineer's wage shall be adjusted by the client in proportion and according to instructions of Management and Planning Organization.

Article 26- The consulting engineer's responsibilities

26-1 the consulting engineer shall be responsible before the client and for rendering predicted services in appendix 1 and 2 of this contract.

26-2 approval of services and confirmation of documents and reports of researches, calculations and designs of consulting engineer by the client shall not decreased consulting engineer's responsibly to observe technical and scientific principals and standards and in any case, the consulting engineer is responsible for any defect in his work.

26-3 the responsibility of the consulting engineer against transferring parts of services to a third party including real or legal persons, which must be approved by the client, in any necessary case shall not be changed and still shall be the same responsibilities of this contract. The client's approval to transfer parts of services to a third party shall not release the consulting engineer from his responsibilities before the client.

Article 27-Legal prohibitions

27-1 the consulting engineer states that on the time of concluding this contract, is not subject to prohibition of Principle 141 Constitution and the law of governmental agents non-interference, passed on 12/1/1959.

27-1-1 if otherwise shall be proved to the client, or there will be any change in shareholders, managers or inspectors in contrast to mentioned terms and conditions, the contract shall be terminated.

27-1-2 if there shall be any change in governmental or client departments which are subject to mentioned prohibition, the consultant engineer shall be responsible to declare the situation to the client and if the legal prohibition is not settled, the client shall terminate the contract. Whenever the consulting engineer shall not declare the situation to the client immediately, the client may terminate the contract.

27-2 the consulting engineer, his managers and partners during this contract shall not be a partner or interested in other contractual contracts, purchasing required material, equipment and tools for executive operation, directly or indirectly.

27-3 foreign personnel of consulting engineer and their companions shall not be entitled to interfere in political issues of Iran.

27-4 the consulting engineer shall be responsible to keep confidential any knowledge or information which he shall obtain or produce during this contract and try his best effort to avoid their revelation to unauthorized persons.

Article 28-Force majeure

In the case of force majeure events and emergency conditions, such as declared and non-declared war, revolution and public strike, outbreak of transmissible disease, earthquake, flood, abnormal rebellion, unprecedented drought and extend fire, storm, and other same events which are not consequent of works of consulting engineer, it shall be acted as follows:

28-1 in the case that because of any emergency condition the performance of the contract for the parties shall become impossible, he may terminate the contract.

28-2 in the case that the emergency condition is temporary and the continuance of the works shall become impossible temporarily; it shall be acted upon suspension article.

Article 29-Transfer to others

29-1 the consulting engineer shall not be entitled to transfer subject of this contract to other legal or real person(s) without client's agreement, in the case of client's agreement to transfer parts of the services to another third party, the consulting engineer's responsibilities shall not be reduced.

29-2 the clients may assign all or parts of his authorities or rights to another person, observing this contract.

Article 30- Third persons or agreements

If in a necessary case in order to render the services, applying or performing other contract or agreement become essential, it shall be acted as follows:

30-1 if the authorities or duties shall not be included in appendix 2, the consulting engineer shall act as an impartial person, concerning his technical knowledge and experience.

30-2 if in contracts with other contractors or third parties, the consulting engineer has the right to amend the scope of liabilities, the consulting engineer shall issue orders in the scope of contracts and submit the amendments to the client.

Article 31- Accessibility of the places

31-1 the client shall provide for the consulting engineer access to the place of the project without any obstacle in order to render the services.

31-2 obtaining required licenses for rendering services in related lands and tracks, shall be undertaken by the client with the client's cost.

31-3 the consulting engineer, for obtaining required licenses shall cooperate with the client with his best effort.

Article 32- Observing security regulations

32-1 the consulting engineer shall ensure that his personnel render the services securely and observe all the security regulations during different stages.

32-2 the consulting engineer shall watch all the contractors or any other groups who are active in this project to do their works under security and protection rules, regulations and instructions. It shall not release contractors or other executive groups from their responsibilities.

Article 33- Training

33-1 the client may in proportion to amount of the work, introduce to consulting engineer a number of his engineers and trainees as well as his experts or university students, related to the subject of this contract, for training courses and the consulting engineer shall be responsible to accept and train them.

33-2 costs of trainee's residence, wage, fringe benefits and other costs related to them shall be undertaken by the client.

Article 34- Title of deeds

All the documents which shall be provided by the consulting engineer in relation to this agreement including original copies, scanned or software shall be in possession of the client and the consulting engineer may keep a copy of them with client's permission. If there is no constraints in particular condition, the consulting engineer shall be entitled to publish or submit his researches for this contract and other scientific essays under his own name in seminars, conferences and technical and scientific publications.

Article 35- Notifications

Any kind of announcement, instruction, comment, and notification of suspension, notification of termination and such other notifications shall be valid only in written form. The receipt of both parties' secretariat and/or post delivery receipt is the ground for submission of reports, documents and mails.

Article 36 – Language of the contract

The language of this contract is Farsi, if the contract shall be translated to other languages; the Farsi version is preferred as the valid version. The consulting engineer shall provide documents and reports of research stage, reports of evaluation and progress of works and such other documents in Farsi. In the cases which under client's opinion, an international bid shall become necessary, the consulting engineer may provide related documents in the required language by client in addition to Farsi. If translation of the documents to any other language is not predicted in service description, translation shall be deemed as an extra service and its wage shall be paid by the client.

Article 37- Applicable Law

The applicable law to this contract is the Law of Islamic Republic of Iran and this contract shall be interpreted under this Law.