

## **Clause 1**

### ***1.1 Software***

La Constructa leader team is familiar with Microsoft office software and he has the ability to communicate easily with PRIMAVERA and MICROSOFT PROJECT Software to revise and develop the master schedule of the construction project according to the progress of the work that is linked to the site and weather conditions, material availability, crew size whether in house or resourced, timeliness and changes we will inevitably make to the original contract after construction has already begun etc...

## **Clause 2**

### ***2.1 PROJECT MANAGEMENT***

This section is intended to clarify La Constructa project management approach. Accordingly, the project organization structure foreseen by La Constructa is added herein.

#### **2.1.1 Project Organization**

For the different project tasks La Constructa allocates dedicated Project Manager who leads and supervises the site team while coordinating the site works and reporting to the “Project Manager” the overall project progress. The required Structural, electrical, mechanical engineers, and inspectors are allocated for the site works as shown in the project organization chart. The head-office performs all the required services throughout the project phases as well as supports the site team as needed.

#### **2.1.2 Kick-of-meeting with Consultant along with the Owner Representatives**

On finalization of the Contract, the Contractor and the A/E shall be called for a kick-of-meeting in presence of the Owner assigned Project Manager, wherein A/E shall handover all technical data, drawings and the concept of design.

#### **2.1.3 Monthly Progress Reports**

By the fifth working day of each month, the Contractor will transmit a written Progress Report to the A/E covering all aspects of this project. This report will include progress related to the Milestone Plan and the Schedule Plan. The original schedule will be shown and the current status, remaining time, and forecasted completion dates will also be identified. The report will reflect project status as of the last day of the prior month. In addition, the Progress Report will include an appropriate explanation of existing and forecasted schedule variances, the impact on the project, the cause or source of the variance, alternatives considered, propose solutions to be adopted or recommended, and

the outcome achieved or anticipated. In particular, the report will note the lack or imminent lack of any furnished information which is needed to keep the project on schedule. The progress Report will also identify decisions due or outstanding. This will include a description of the item and the original due date, the consequences of delay, and any recommendations pertinent to the decision process.

#### **2.1.4 Project Meetings & Minutes**

Project meetings will be held to review project status, to ensure correct interpretation of the Work Statement, to review design, and to maintain general coordination between Project Manager, the A/E and the Contractor's project personnel. Project meetings will include monthly, weekly or biweekly as well as technical meetings. The meetings will occur at either the Contractor's facilities or at site. The agenda for the meetings will be submitted to the Project Manager who will make comments and approve the final version. The agenda and the location will be adapted according to the Project implementation. It will include in particular a quick review of each activity progress, with an emphasis on the difficulties if any and technical issues which need to be solved. Technical problems will be dealt with during these meetings. No approval will be given during these meetings but documents approval status and technical pending points will be reviewed with a special emphasis on urgent needed decisions. According to the meeting agenda, the Project Manager, the Consultant and the Contractor shall assign the relevant specialists and decision makers bearing in mind that these meetings shall remain working meetings with technical issues (therefore it is advisable to limit the number of participants). The minutes of the meetings will be prepared by the Consultant and will be distributed to be agreed and circulated within a week time to all parties for approval and signature. The final minutes as approved shall become the official minutes for the given meeting.

#### ***2.2 DOCUMENTS HANDLING AND APPROVAL PROCEDURE***

The Project technical/management documents are necessary to carry out the works execution. These documents submitted by the Contractor shall be either approved (or at least reviewed) to enable the Contractor to proceed with the Project implementation. Here after a procedure is defined describing the steps that La Constructa follow to ensure a correct approach for the project monitoring, the tracking of any decisions and a consistent recording. A contractual document is submitted with the corresponding document transmittal sheet( refer to submittal form & transmittal sheet-APPENDIX B , the date of reception by the Consultant is the contractual date T0 for the Document. The Consultant verifies the Document Transmittal Sheet here after referred as DTS, the Consultant checks the action needed, he may change the action (eg. Convert a document for information into a document for approval, or the reverse). After such a check is performed, the Consultant makes the corresponding modifications, signs the DTS as received, keep the DTS original and gives back a copy to the Issuer. For documents needing an action, at T1 = T0 + 2 weeks (or ten working days), the Consultant will issue his draft comment to the Owner Project Team, a joint review will permit to issue no later than T2=T0 + 3weeks, (or fifteen working days), his comments and status to the document to the Contractor. The

Owner/Engineer will sign the DTS with the appropriate status: Approved, Approved with comments, Rejected. In case the Owner is not wishing to make official comments at T2, he shall instruct the Consultant to proceed. Then, the Consultant proposed status and comments will be sent to the Contractor as signed by the Consultant. A document stamped as "Rejected" prevents the Contractor to proceed further with the concerned works. The Contractor shall resubmit with diligence and no later than one month after the date of reception of the signed DTS, a revised version of the document. A document stamped as "Approved with Comments" allows the Contractor to proceed with the works except for the portions that are subject to comments. The Contractor shall resubmit with diligence and no later than one month after the date of reception of the signed DTS, a revised version of the document. An "Approved" document entitles the Contractor to proceed with the works according to the document. The approved documents become part of the Contractual documentation used to perform the works monitoring, supervision, inspection, testing and payments release. Each new version of any document shall be resubmitted with a corresponding DTS and follows the here above described procedure.

### **Clause 3**

This Clause is intended to cover the frequency of payment/progress payment that is indicated in the General Condition of the Contract and the billing procedures

#### ***3.1 Frequency of payment/Progress Payment***

Payments will be made, as set out in the General Condition of the Contract, whether is it on actual progress of the contracted works or monthly basis. In both case payments will be made if the percentage of the contracted works is completed properly and on time, as approved by the Owner or his dedicated representative. Payment will be made, also, on account of approved materials and equipment delivered to and suitably stored at the site and may be off the site for subsequent incorporation in the contracted work. Payment for mobilization equal to 10% of the contract amount will be made upon signing of the contract.

The Owner will retain ten percent 10% of each progress payment until a period of warranty beyond the end of the Contract that will be released upon the completion of that warranty period.

#### ***3.2 Billing procedures***

All payments shall be made in two copies, submitted to the A/E to check review and approve the achieved work activities, unit price and the total price in respect to issue a final copy in a format approved by the Owner to be paid.

### **3.2.1 Mobilization Payment**

Upon full signature and acceptance of the contract and submission to the Owner of an acceptable performance Bond required under the Contract, La Constructa submit the mobilization payment to the Owner's Accounts Unit equal to 10% of the contract amount to cover the mobilization and the site preparation fees. This amount will be deducted in full or in portion from the progress payment towards the adjustment of the payment starting from the second progress payment.

### **3.2.2 Progress payments**

La Constructa submit the first invoice to be paid within a limited period following the completion of a milestone covered by the payment statement, equal to ninety (90) percent of the portion of the Contract amount properly allocable to labor, materials and equipment incorporated suitably stored at the site or at other location.

La Constructa submit the second, third, etc... payment as per the procedure and the completed work.

Upon Substantial completion of the entire work, La Constructa submit the last payment to be paid equal to ninety five percent (95%) of the Contract Price, less such amount as the Owner shall determine for all incomplete work and unsettled claims as provided in the Contract Documents.

### **3.2.3 Final Payment**

Once the Contract is fully performed, punching list deficiencies is properly completed, as built drawings and electro-mechanical manuals are submitted and warranty period has been elapsed to the satisfaction of the Owner, La Constructa submit the final payment.

## **Clause 4**

In the case of any unforeseen conditions A/E errors and omissions; genuine scope changes and use of unit prices is subject to change order.

### ***4.1 INTRODUCING A CHANGE ORDER***

The Owner have the right to propose, and subsequently require to make any change, modification, addition or deletion to, in or from the Services (the "Change"), provided that such Change falls within the general scope of the Services and does not constitute unrelated work and that it is technically practicable, taking into account both the state of advancement of the Services and the technical compatibility of the Change envisaged with the nature of the Services to be specified in the Contract.

The Contractor may from time to time during its performance and implementation of the

contract of the Contract propose to the Owner any Change to cover unforeseen works, or to improve the quality, efficiency or safety of the Services. The Owner may at its discretion approve or reject any Change proposed by the Contractor.

The procedure on how to proceed with and execute Changes is specified below.

#### **4.1.1 Changes Originating from Owner**

If the Owner proposes a Change, it shall send to the Contractor a "Request for Change Proposal," requiring the Contractor to prepare and furnish as soon as reasonably practicable a "Change Proposal," which shall include the following:

- brief description of the Change;
- effect on the Time for Completion;
- estimated cost of the Change; and
- Effect on any other provisions of the Contract.

Prior to preparing and submitting the Change Proposal, the Contractor shall submit an "Estimate for Change Proposal," which shall be an estimate of the cost of preparing and submitting the Change Proposal.

Upon receipt of the Contractor's Estimate for Change Proposal, the Owner shall,

- accept the Contractor's estimate with instructions to the Contractor to proceed with the preparation of the Change Proposal;
- advise the Contractor of any part of its Estimate for Change Proposal that is unacceptable and request the Contractor to review its estimate; or
- Advise the Contractor that the Owner does not intend to proceed with the Change.

Upon receipt of the Owner's instruction to proceed (the "Change Order"), the Contractor will, with proper expedition, proceed with the preparation of the Change Proposal.

The pricing of any Change shall, as far as practicable, be calculated in accordance with the prices included in the Contract (unit prices, where applicable). If such prices are inequitable, the Parties thereto shall agree on specific rates for the valuation of the Change.

If, before or during the preparation of the Change Proposal, it becomes apparent that the aggregate effect of compliance therewith and with all other Change Orders that have already become binding upon the Contractor would be to increase or decrease the Contract Price by more than 20 per cent, the Contractor may give a written notice of objection thereto prior to furnishing the Change Proposal. If the Owner accepts the Contractor's objection, the Owner shall withdraw the proposed Change and shall notify the Contractor in writing thereof.

The Contractor's failure to object shall neither affect its right to object to any subsequent requested Changes or Change Orders herein, nor affect its right to take into account, when

making such subsequent objection, the percentage increase or decrease in the Contract Price that any Change not objected to by the Contractor represents.

Upon receipt of the Change Proposal, the Owner and the Contractor shall mutually agree upon all matters therein contained. No later than 14 days after such agreement, the Owner shall, if it intends to proceed with the Change, issue the Contractor with a Change Order.

If the Owner decides not to proceed with the Change for whatever reason, it shall notify the Contractor prior to the expiration of 14 days after the agreement on the Change. Under such circumstances, the Contractor shall be entitled to reimbursement of all costs reasonably incurred by it in the preparation of the Change Proposal, provided that these do not exceed the amount given by the Contractor in its Estimate for Change Proposal submitted.

If the Owner and the Contractor cannot reach agreement on the price for the Change, an equitable adjustment to the Time for Completion, or any other matters identified in the Change Proposal, the Owner may nevertheless instruct the Contractor to proceed with the Change by issue of a "Pending Agreement Change Order."

Upon receipt of a Pending Agreement Change Order, the Contractor shall immediately proceed with effecting the Changes covered by such Order. The parties shall thereafter attempt to reach agreement on the outstanding issues under the Change Proposal.

## **Clause 5**

In order to meet budget objectives without effecting project quality and performance, La Constructa follows the latest and modern project management techniques. In brief, some of these techniques are listed below:

### ***5.1 'TIME SCHEDULE' IMPLEMENTATION***

Contractor will prepare a "Project Network" up to L2 level showing:

- All tasks/activities to be performed in each and every months.
- Estimated time required for each phases of the project, such as 'Engineering', 'Procurement', 'Civil & electrical works' and 'Commissioning'.
- Resource allocation i.e. deployment of men, machines, construction materials and erection items. Consultant shall review and approve, suggest changes, if any on the "Project Network", take approval from Project Manager and implement it on Contractor.

### ***5.2 MONITORING AND CONTROL***

The project monitoring and control activities which will be performed as a continuing effort that extends throughout the development and implementation of the Project. The process

includes all actions taken to define the current status of the project, to predict the likely time target for activity completion, to identify problem areas, to initiate needed corrective actions, and to forecast revised completion dates, if appropriate. Schedule monitoring will be based on a comparison of completed tasks versus scheduled tasks and definition of remaining tasks. Percent-completed calculation based on time applied versus scheduled time shall not be utilized but upon percent of tasks completed. Further the consultant will build and maintain a database for recording, updating and follow up on all the actions, decisions and the documentation progressing agreed upon during the project execution.

### ***5.3 MODERN STRATEGIC PROJECT MANAGEMENT TECHNIQUES***

In order to reach the desired objectives without violating the quality and performance target, new modern project management techniques are followed, a summary on these techniques is listed herein:

- Perform the necessary PEST analysis
- Perform SWOT analysis
- Perform Gap Analysis
- Perform the strategic review and control:
  - Balanced score card
  - Implement Grundy and Brown model of Strategic Project Management
  - Use fish bone and wish bone analysis whenever required

### **Clause 6**

At the substantial completed work, the A/E and the Contractor inspect and pinpoint any deficiencies related to the architectural finishing works trade by trade that are noted in a list "Punch List" or "Snag List" and that the Contractor shall correct those deficiencies as quick and efficient within a time frame approved by both parties.