

IChemE-Based Contract Document Project Title: Development of Key Infrastructure Projects in Saudi Arabia Contract Type: IChemE Red Book (Lump Sum - Fully Designed Works)

1. Introduction

This document outlines a comprehensive IChemE-based contractual structure for a sample Quantity Surveying (QS) and Commercial Management project in Saudi Arabia. The contract follows the IChemE Red Book framework and is adapted to encompass the specific needs and scope of major national infrastructure and real estate developments.

2. Project Overview

The Kingdom of Saudi Arabia (KSA) is undergoing rapid infrastructure development as part of its Vision 2030 plan. The following flagship projects represent the current transformation:

2.1 Major Projects

- **King Abdullah Economic City (KAEC)**

- Estimated Cost: US\$103 billion
- Scope: Smart city, port, financial district, industrial zone, residential complexes, beach resort, schools, and hospitals.

- **King Khaled International Airport - Terminal 5**

- Estimated Cost: US\$400 million
- Scope: Airport expansion with additional terminal and improved passenger handling facilities.

- **Jeddah Corniche**

- Cost: SAR 1.73 billion
- Scope: Twin towers, hotel and apartment developments, recreational public space (4.5 km stretch).

- **Abraj Kudai Development (Mecca)**

- Scope: 12 towers, 30-45 storeys; over 10,000 residential and hotel units, transportation hubs, retail areas.

- **Riyadh Metro**

- Estimated Cost: US\$22.5 billion
- Scope: 176 km dual-line metro rail, 85 stations.

- **Jeddah Metro**

- Estimated Cost: US\$12 billion

- Scope: Integrated public transport system (metro, tram, buses, ferries, taxis).
-

3. Contractual Parties

- **Employer:** Government of the Kingdom of Saudi Arabia / GACA / Relevant Development Authority
 - **Contractor:** Binladen Group, AECOM, BACS Consortium, Lamar Investment & Development Co., etc.
 - **Project Manager/Engineer:** Appointed by the Employer (e.g., Parsons, AECOM, etc.)
 - **Quantity Surveyor:** [Insert Name or “Vidos Solutions (Sample QS Consultant)”]
-

4. Scope of Work

- **Pre-Contract Services**
 - Feasibility study & cost planning
 - Procurement strategy & risk analysis
 - **Post-Contract Services**
 - Tender management & contractor negotiation
 - Cost control, valuation, and payment certification
 - Variations and claims assessment
-

5. IChemE Contract Clauses Overview

5.1 Clause 1 - Definitions and Interpretation

- Definitions tailored to Saudi Arabian legal context.

5.2 Clause 3 - Duties of the Contractor

- Contractor must carry out fully designed works in accordance with agreed specifications and local regulations.

5.3 Clause 7 - Time for Completion

- Includes liquidated damages, delay protocols, extension of time mechanisms.
- Specific milestones for each sub-project (e.g., Metro Line 1 – 24 months).

5.4 Clause 11 - Variations and Adjustments

- QS to certify variations using valuation mechanisms per IChemE guidance.

5.5 Clause 17 - Claims

- Comprehensive dispute resolution and claims evaluation pathway.
- Refers to arbitration under Saudi Centre for Commercial Arbitration (SCCA).

5.6 Clause 23 - Payment

- Monthly valuations and milestone-based payments.
 - Currency: Primarily SAR, with USD for international contractors.
-

6. Risk Allocation

- **Employer Risk:** Site availability, unforeseen ground conditions (with capped liability), third-party consents.
 - **Contractor Risk:** Design compliance, resource management, labour conditions, and quality control.
-

7. Quality and Standards

- All works must conform to Saudi Building Code (SBC), international FIDIC/IChemE equivalents, and ISO 9001.
-

8. Insurance and Bonds

- Performance Bond: 10% of contract value
 - Advance Payment Bond: As required
 - Insurance: Contractor to maintain Works Insurance, Third-Party Liability, and All-Risks Insurance.
-

9. Health, Safety, and Environment (HSE)

- Contractor must comply with Saudi Labour Law and applicable HSE regulations.
 - Regular HSE audits and monthly reports.
-

10. Document Control & Deliverables

- All project communications must be maintained through official document control platforms (e.g., Aconex).

- Deliverables: BOQ, Work Schedules, Method Statements, QA/QC Reports, Payment Applications.

11. Schedule of Key Deliverables

Milestone	Description	Due Date
M1	KAEC Port Operational	Q4 2026
M2	Metro Line 1 Testing	Q2 2027
M3	Jeddah Corniche Towers Top-Out	Q1 2026
M4	Kudai Towers Completion	Q3 2027

12. Dispute Resolution

- Tiered mechanism:
 - Negotiation → Mediation → Arbitration (SCCA)

13. Appendices

- Appendix A: Project BOQ Samples
- Appendix B: IChemE Clause Matrix vs Local Regulations
- Appendix C: HSE Plan Sample
- Appendix D: Sample Interim Payment Certificate Template
- Appendix E: Risk Register

14. Notes

- This is a sample IChemE-based contract document tailored for academic or conceptual purposes.
- In actual deployment, project-specific customization and legal review are essential.

Prepared By: Vidos Solutions – Quantity Surveying & Construction Management AI Assistant **Date:** July 2025