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ARAB ENGINEERING BUREAU

13 FAILURE BY THE CONTRACTOR TO MEET ACCEPTABLE QUALITY PERFORMANCE

13.1 INTRODUCTION

13.1.1 General

- 1 Should the Contractor not maintain acceptable quality performance then the Owner or Engineer may, in addition to any other amounts withheld under the Contract, withhold sum of money from the Contractor equivalent to the work which has not met the required standards. The criteria used for determining acceptable performance are as defined the Contract and the Engineer's decision shall be final. The following items shall be taken into consideration when assessing non-acceptable performance;
- (a) any 'stop work' instructions issued to the Contractor
 - (b) any Nonconformity issued to the Contractor
 - (c) any adverse comments arising from quality inspections or quality audits
 - (d) any adverse formal communication from the Owner or enforcing authorities or government organisations to the Contractor regarding sub-standard quality performance.
 - (e) Any failure to meet the requirements of the QCS

13.1.2 Penalty for Unacceptable Quality Works

- 1 Further to Clause 13.1.1, should the Contractor not maintain acceptable quality performance then the Owner or Engineer shall impose penalties on the Contractor. A general set of unacceptable performance criterion that shall be imposed by the Owner or Engineer for poor quality work is defined in below table. This list shall be expanded by the Owner or Engineer in the Contract to suit the nature of the Works being undertaken. The financial penalties for poor quality work shall be defined within the Contract.

Penalty for Unacceptable Quality Work

No	Unacceptable performance criteria	Penalty (QR)
1	Commencement of Work on the Worksite without an approved Quality Management System and/or Quality Plans after due date	_____ per day worked
2	Commencement of Work on the Worksite without the approved quality staff who are to be appointed and employed on a fulltime or part-time basis at the Worksite	_____ per day worked per staff
3	Commencement of Work without an approved method statement or Inspection and Test Plan	_____ per day worked
4	Failure to follow any of the Quality Assurance or Quality Control measures mentioned in the approved Quality Management System or QCS or Contract Documents	_____ per incident

No	Unacceptable performance criteria	Penalty (QR)
5	Failure to provide Plant, Materials, Goods and workmanship as per Specification or provision of sub-standard Plant, Materials, Goods and workmanship that do not meet the Specification requirements (this includes Plant, Materials, Goods and workmanship that have been sent for testing as per Specification requirements and fail to meet the specified criteria)	_____ per incident
6	Failure to notify the Owner of a quality related incident or failure to provide a quality related incident report to the Owner in a timely manner	_____ per incident
7	Failure to provide an accurate monthly quality report or failure to provide a monthly quality report in a timely manner	_____ per day of delay
8	Failure to provide the required information requested by the Engineer during quality audits	_____ per instance
9	Failure to conduct quality audits at periods not exceeding 3 months or as stipulated in the Contract Documents (whichever the minimum) throughout the duration of the Work	_____ per instance
10	Failure for each inspection request issued to the Engineer not approved within 30 days	_____ per instance
11	Failure to carry out adequate / effective corrective action resulting in repetitive failures	_____ per 4 occurrences

13.1.3 Penalties not Defined in the Contract

- 1 Should penalties not be defined in the Contract, the Contractor shall agree with the Owner or Engineer unacceptable performance criteria and penalties within 30 days of the award of the Contract.

END OF PART