

ARTICLE 14 – TERMINATION AND SUBCONTRACT

The SECOND PARTY agrees that the contract shall not be assigned, transferred, pledged, subcontracted or make any other disposition of the contract or any part of interest therein except with the approval of the FIRST PARTY. Approval of the subcontract shall not relieve the main contractor from any liability or obligations under the SECOND PARTY'S contract with the FIRST PARTY nor shall it create any contractual relation between the subcontractor and the FIRST PARTY.

ARTICLE 15 – TERMINATION OF CONTRACT

To ensure timely and effective remedial steps in response to delays in project implementations, the FIRST PARTY or his duly authorized representative shall undertake the following calibrated actions whenever contracts for infrastructure projects reach the level of Negative slippage or 5% ('Early Warning' Stage)

The SECOND PARTY shall be given a warning and required to submit a "catch-up" program to eliminate the slippage. The FIRST PARTY of his duly authorized representative shall provide enough supervision and monitoring of the work.

Negative slippage 10% ('ICU' Stage)

The SECOND PARTY shall be given a second warning and required to submit a detailed action on a program on a fortnightly (two weeks) basis which commits him to accelerate the work and accomplish specific physical targets which will reduce the slippage over defined input resources – money, manpower, materials, machines and management – which he should mobilize for this action program. The FIRST PARTY of his duly authorized representative shall exercise closer supervision and meet the SECOND PARTY every week to evaluate the progress of work and resolve any problems and bottlenecks.

Negative slippage 15% ('Make-or-Break' Stage)

The SECOND PARTY shall be issued a final warning and required to come up with a more detailed program of activities with weekly physical targets, together with the required additional input resources. Onsite supervision shall be intensified and evaluation of project performance will be done at least once a week. At the same time, FIRST PARTY or his duly authorized representative shall prepare contingency plans for the termination/rescissions of the contract and/or takeover of the work by administration or contract.

Negative slippage 15% ('Make-or-Break' Stage)

The FIRST PARTY or his duly authorized representative shall initiate termination/rescission of the contract and/or take-over of the remaining work by administration or assignment to another contractor/appropriate agency. Proper transitory measures shall be taken to minimize work disruptions, e.g., take-over by administration while re-bidding is going on.

In case that the delay in the completion of the work exceed a time duration equivalent to twenty percent (20%) of the specified contract time plus any time extension duly granted to the SECOND PARTY, the FIRST PARTY may forfeit the SECOND PARTY'S performance security and take over the prosecution of the project or award the same to a qualified contractor through negotiated contract.