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ADVICE NOTE

Suspension of Works

Both the FIDIC Red Book 2017 and the Yellow Book 1999 give the Employer, acting through the Engineer, the authority to suspend the Works. Although the wording differs slightly between the two editions, the effect is similar: the Contractor must protect, store, and secure the Works during suspension, while preserving his right to claim for the consequences.

Where suspension is not due to the Contractor's default, the Contractor is entitled to relief. Under the 1999 forms, this relief consists of an Extension of Time and recovery of Cost. The 2017 Red Book goes further by allowing recovery of Cost plus reasonable Profit. Any such claims by the Contractor must follow the prescribed contract procedure, requiring timely notice and the submission of detailed particulars under Clause 20.

Suspension also raises issues of payment for plant and materials. If the suspension lasts beyond 28 days under the 1999 forms (or as provided in the 2017 edition), the Contractor may seek payment for plant and materials intended for the Works, provided they are properly identified, documented, and due for payment. Valuation is made as if the items were incorporated into the Works at the suspension date.

Prolonged suspension may escalate matters further. Where suspension continues for more than 84 consecutive days, the Contractor may issue notice to the Engineer. If work is not resumed within 28 days, the Contractor may treat the suspended part as an omission or, if the entire Works are affected, may terminate the Contract altogether.

Once instructed to resume, the Contractor must restart work promptly. The Engineer, Employer, and Contractor inspect the Works together, recording any deterioration or loss. While the Contractor must remedy such issues, the associated costs are recoverable unless they result from the Contractor's own failure to secure the Works.

Summary

1. Employer may suspend Works, but risks exposure to EOT and Cost claims (including profit under the 2017 Red).
2. Prolonged suspension may allow the Contractor to terminate or reallocate resources.
3. Payment for Plant/Materials may be claimed where suspension is extended.
4. Upon resumption, inspection and rectification is required, with cost responsibility depending on cause.
5. Contractors must comply with Clause 20 claim procedures to preserve entitlements.

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