

SPECIAL PROVISION TO THE CONDITIONS OF CONTRACT
ADVANCE PAYMENT ON 'WORKS' CONTRACT

- (a) The Contractor shall be entitled to an Advance Payment on the Contract amounting to 25% of the Builder's Works* (subject to a maximum of RM10 Million) on compliance with the following conditions:-
- (i) On return of the Letter of Acceptance duly signed by the Contractor together with the Performance Bond, Insurance Policies, confirmation from SOCSO Authorities (if applicable) and the receipts for all premium paid,
 - (ii) Production of a Banker's Guarantee as per attached format, equal in value to the advance proposed to be paid.
- (b) The advance payment shall be recouped when the cumulative total value of the Builder's work executed and certified (including the amount certified for materials on site) in the Interim Certificate reaches twenty five (25%) percent of the Contract value of Builder's works*; by way of a fixed percentage from the total certified value of the builder's work executed (including the amount certified for the materials on site) during the period covered by the Interim Certificate, in all the subsequent Certificate on the basis that the Advance Payment made shall be fully recovered in the Interim Certificate in which the cumulative total certified value of builder's work executed (including the amount certified for materials on site) reaches seventy five percent (75%) of the total Contract value of the Builder's work*. The deduction shall be calculated as follows:-
- $$RM D = 200 \frac{RM A}{RM B} \text{ percent of } RM P$$
- Where
- RM D = Cumulative deduction to be made in Interim Certificate
 RM A = Total amount of Advance Payment paid
 RM B = Total Contract value of Builder's work*
 RM P = Gross certified value of builder's work executed (including the amount certified for materials on site) in excess of 25% of RM B.
- (c) The liability under the Bank Guarantee shall be terminated upon realization by the Government of the full sum of Advance paid. However if the full sum of the Advance paid cannot be realized before the completion date of the Contract or any authorised extension thereof or in the case of the contract been determined before the date of the determination, then the balance of the Advance repayable to the Government shall be recovered from the Bank Guarantee.
- (d) This special provision does not apply to Nominated Sub-Contractor or Nominated Supplier.

* *Contract Sum less P.C. Sums, Provisional Sums and Contingencies (if any)*