



# **CONSTRUCTION OF TERMINAL 3 CAIRO INTERNATIONAL AIRPORT (TB3/03)**

**Dispute Review Board (DRB)  
Application in Egypt**

**By**

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# Parties of the Project

- **Employer:** Cairo Airport Company; Egypt
- **Engineer:** Dar Al-Handasah; Lebanon
- **Designer:** NACO-ECG; Netherlands, Egypt
- **Financer :** World Bank; US
- **Main Contractor:** TAV-HC JV; Turkey, Egypt

# Basic Facts & Figures

- Project Initial Budget: 347,000,000 USD
- Project Completion Value: 523,000,000 USD
- Contract: Re-measured (FIDIC, Red Book, 1992) under World Bank Guidelines
- Governing Law: Egypt
- Contract Language: English
- Conciliation & Arbitration Rule: ICC
- Current Status: Under Defect Liability Period of 24 months

# Structure of DRB

- Composed of 3 members appointed as follows:
  - One by Employer (Egyptian)
  - One by Main Contractor (British)
  - One (Chairman) by other two (German)
- Each member was approved by Employer and Main Contractor
- Basic DRB Procedure was in the Contract

# Disputes of the Project

- Disputes raised during the Project and impacts:
  - Remuneration of Precast Members (cost)
  - Information Technology (time)
  - Interior Design (cost)
  - Insulation for HVAC ducts (cost)
  - Cost of Various Mechanical Items (cost)
  - HVAC valves (cost)
  - Payment for a non-performing subcontractor (cost)

# Project Implementation

- Disputes have gone to Dispute Review Board (DRB) for recommendation. Conclusions are:
  - Remuneration of Precast Members (Main Contractor won)
  - Information Technology (Main Contractor won)
  - Interior Design (Main Contractor won)
  - Insulation for HVAC ducts (Main Contractor won)
  - Cost of various mechanical items (Main Contractor won)
  - HVAC valves (Main Contractor won)
  - Payment for a non-performing subcontractor (Employer won)

# Keynotes

- DRB Application was smooth in strict compliance with DRB procedures and the Contract.
- In case of conflict between the Contract and Law, Law governed.
- All recommendations were conclusive
- All recommendations became binding 14 days after announcement since any Party did not ask for arbitration

# Outcomes in the Country

- DRB procedure is well applicable in special and large size projects
- DRB recommendations are binding and acknowledged
- Governing law has protective measures for local entities
- DRB process is time-saving, economical and conclusive prior to the arbitration