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

Dispute Review Board (DRB)
Application in Egypt

By
Cumhur KAUR
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
- 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