

**ABSTRACT**

**ANALYSIS ON RED FLAG CLAUSES**

**UNDER FIDIC RAINBOW 2017**

By

**Jo Johnson**

**Student ID Number : 327172008**

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*With the rise of complexity and risks within construction industry, added by low awareness of contract administration in Indonesia, therefore, claim in construction project becomes a common thing. One of the strategy usually used by Employer was to use FIDIC General Conditions of Contract. The kind of FIDIC commonly practiced in Indonesia was FIDIC Rainbow Series 1999 which consists of FIDIC Construction of Contract for Construction 1999 (Red Book), FIDIC Conditions of Contract for Plant & Design Build 1999 (Yellow Book), and lastly FIDIC Conditions of Contract for EPC/Turnkey Project 1999 (Silver Book). However, there were enormous claims based on certain clauses within FIDIC Conditions of Contract 1999 that lead to disputes. Clauses mentioned above were related to changes of both volume and time, caused by an increase of contract price known as red flag clauses. For that matter, informations regarding red flag clauses of FIDIC Rainbow Series 1999 claimed by contractors are required.*

*This research was conducted with the aim to find out which red flag clauses are commonly used by Contractor as the basis for issued claims under FIDIC Rainbow Series 1999 and compare these red flag clauses with FIDIC Rainbow Series 2017. This research used mixed method, started from literature review. Expert test was carried out by Delphi Technique. The questionnaire used a 6 Likert Scale. The qualitative analysis was carried out by "display data" and "triangulating data" to compare the red flag clauses with FIDIC Rainbow Series 2017.*

*The result of this research shows the most dominant red flag clause under FIDIC Rainbow Series 1999 is Sub-Clause 2.1 [Right of Access to the Site]. The qualitative analysis shows that the FIDIC Rainbow Series 2017 clarifies the contents of these clauses to minimize the misinterpretation.*

*Keywords: Construction Contract, Claim, FIDIC, Red Flag Clauses*