

**CONTRACT AGREEMENT FOR WORK  
OF  
FRONT END COLLECTION AND DISPOSAL OF MUNICIPAL SOLID  
WASTE FOR ZONE EAST (DMC EAST AREA) KARACHI SINDH  
PAKISTAN.**

**Note:** The contract agreement shall be executed on stamp paper duly stamped at the rate of 0.35% of the sanctioned price and or as stated in letter of acceptance. Stamp duty will be paid by the contractor.

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OF  
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**CONTRACT AGREEMENT FOR WORK**

**OF**

**FRONT END COLLECTION AND DISPOSAL OF  
MUNICIPAL SOLID WASTE FOR ZONE EAST**

**(DMC EAST AREA) KARACHI SINDH**

**PAKISTAN**

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CHNO 44  
7/11/2016

35478001



7-11-16

## CONTRACT AGREEMENT

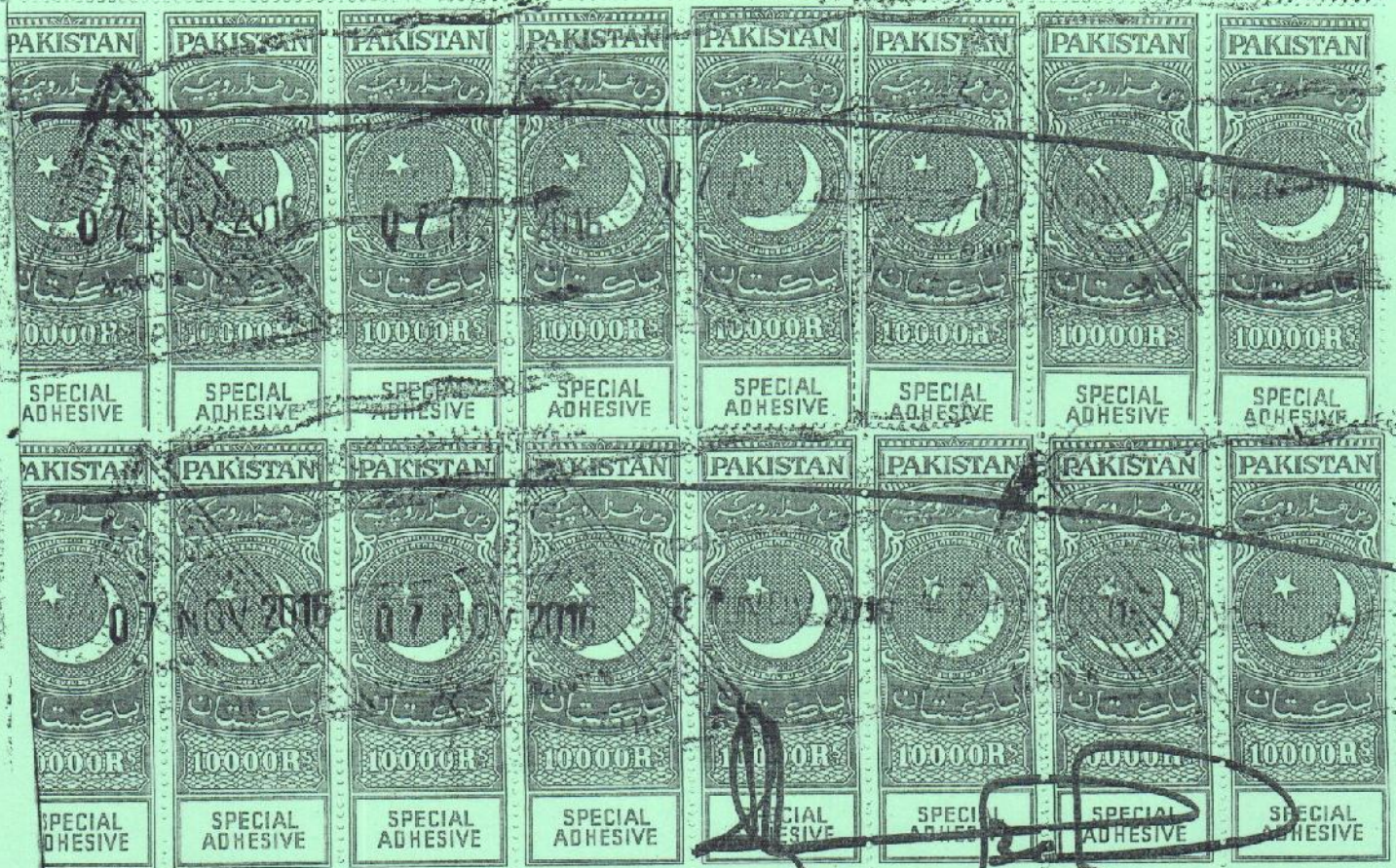


This OPERATION AND SERVICES AGREEMENT  
(Hereinafter called the "AGREEMENT") is made and  
entered into this day of 7<sup>th</sup> November 2016 by and  
between M/S SINDH SOLID WASTE MANAGEMENT  
BOARD (SSWMB), (Hereinafter referred to as the  
"CLIENT" or alternatively "Procuring Agency"),

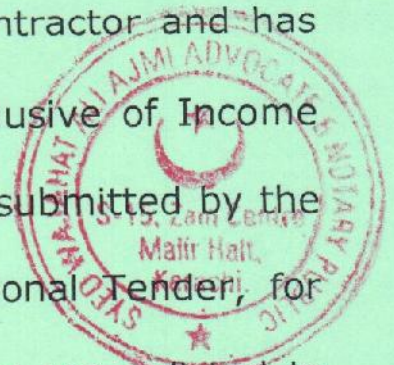
AND

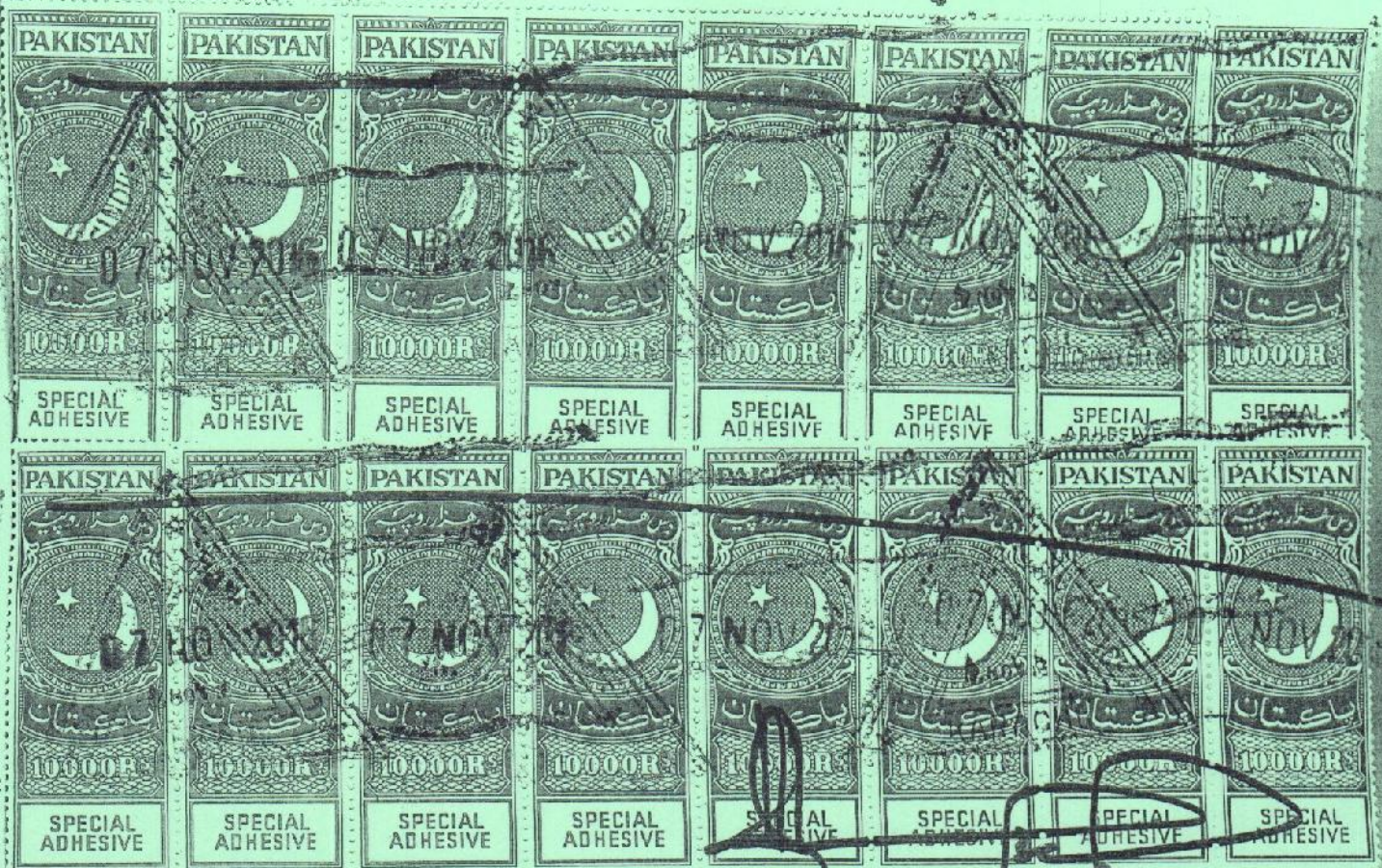
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M/S CHANGYI KANGJIE SANITATION ENGINEERING



Whereas the procuring agency is desirous that the work of Front End Collection and Disposal of Municipal Solid Waste for East Zone (DMC EAST Area), Karachi Sindh Pakistan should be executed by the contractor and has accepted the bid (US\$9,650,723.87 inclusive of Income Tax, Sales Tax and other taxes, if any) submitted by the contractor, in response to the International Tender, for execution & completion of such work as are enlisted in Bill of Quantity (B.O.Q.) /Price list of the contract. / tender document and as per proposed plan of the procuring agency, scope of work, assignment as stated in contract document in accordance with technical specification, term of reference & condition of contract, and remedying of any negligence, deficiency and defects





time as specified in the contract or shall be penalized as per penalty clause of the contract.

NOW, THEREFORE, based upon the principles of mutual benefit, contents of Request for Proposals (RFP) read with Addendum and through negotiations, both parties agree as follows:

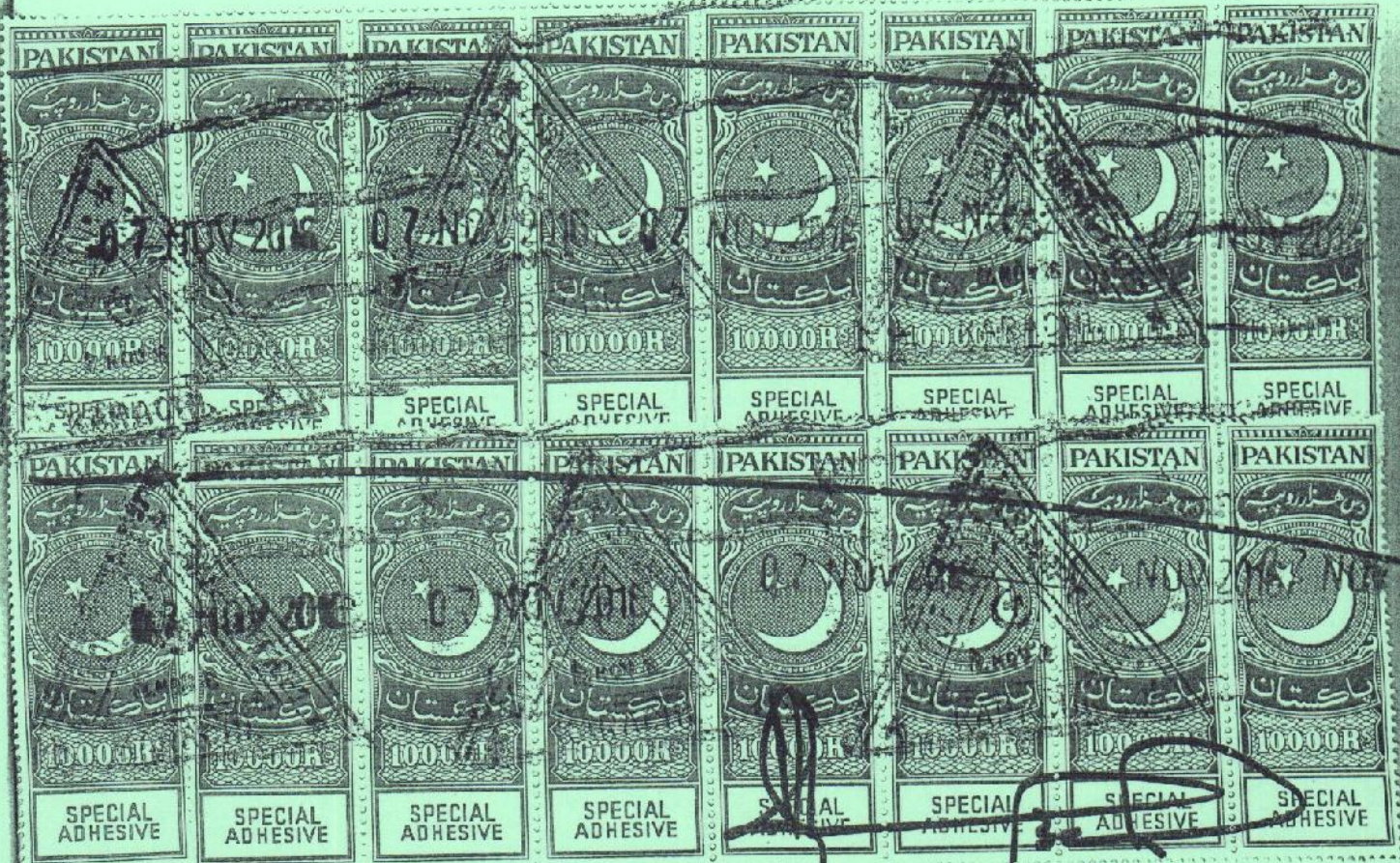
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Now, this agreement witnesseth as follows:



1. In this agreement words expressions, definitions, interpretations and abbreviations shall have the same meanings as are respectively assigned to





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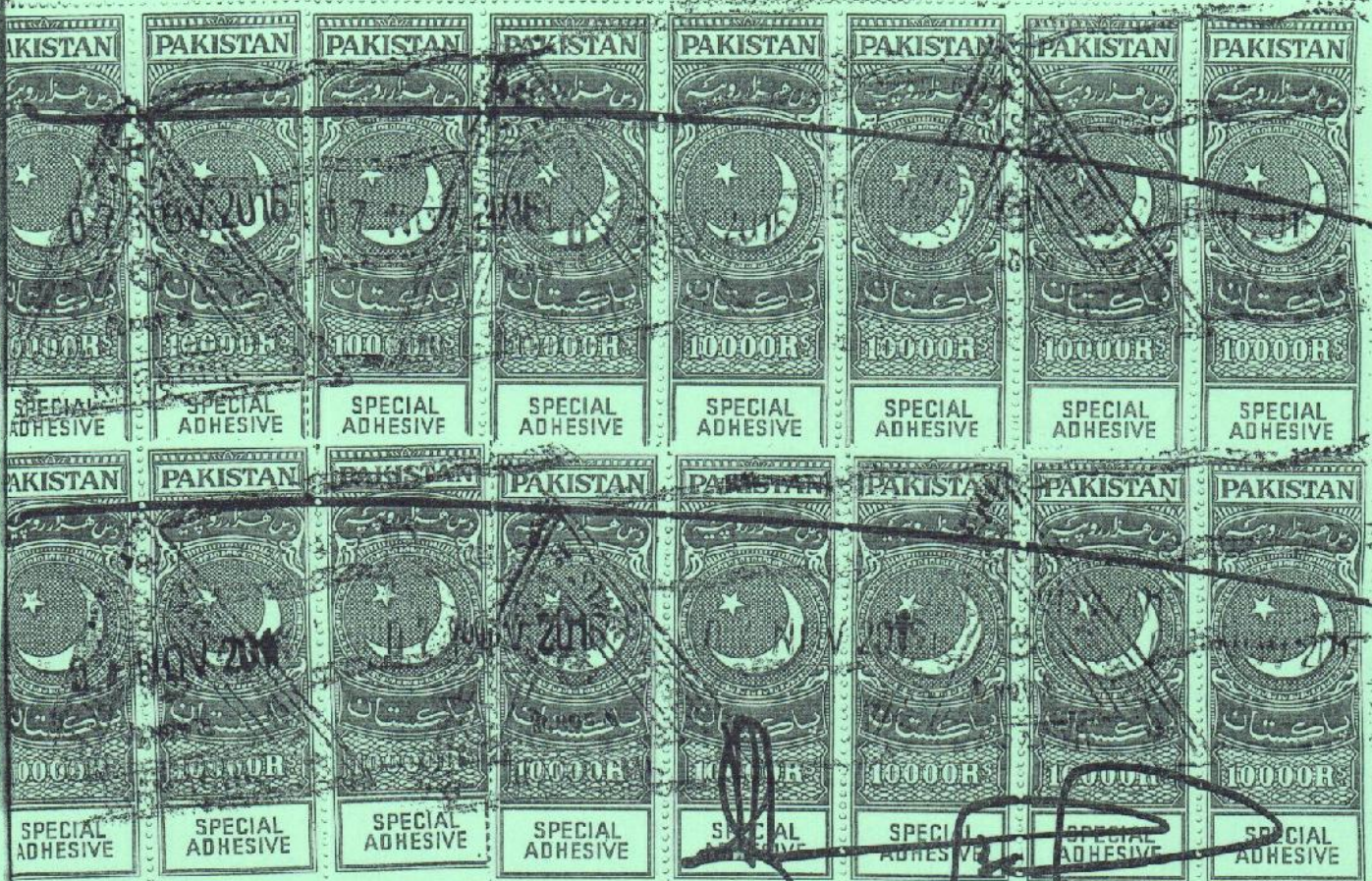
thereto herein after referred to as Annexures "A" & "B" respectively.

2. The following documents and addendum to it, except those parts and clauses relating to instructions to bidder, shall be deemed to from and be read and construed as part of this Contract and shall be deemed to be binding on the parties unless otherwise specifically excluded or amended through an addendum:

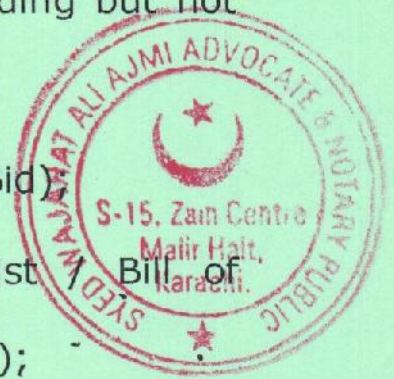


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- i. The Contract Agreement;
- ii. The letter of intent (LoI) dated 15.07.2016;
- iii. The completed form of Bid, dated 26.10.2015;
- iv. Completed and duly filled price list / B.O.Q.;
- v. The completed appendices to the bid dated 26.10.2015 (appendix A to G) including but not limited to;
- vi. Special Stipulations (Appendix-A to Bid);
- vii. Completed and duly filled price list of Quantities (BOQ) (Appendix-D to Bid);
- viii. Additional Terms and Conditions of the Contract Agreement;
- ix. The Drawings;

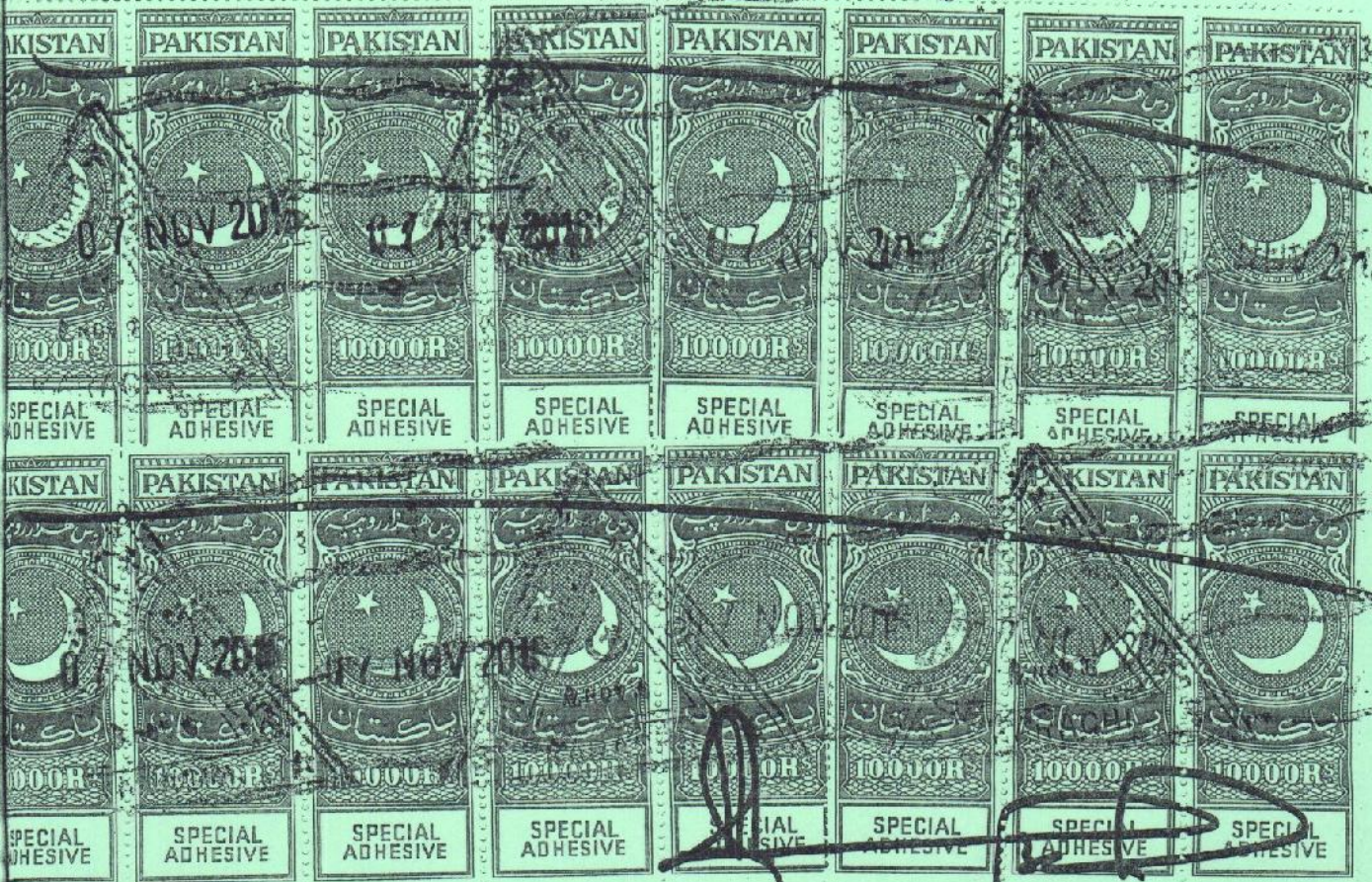


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All sections of Request for Proposal in relation to

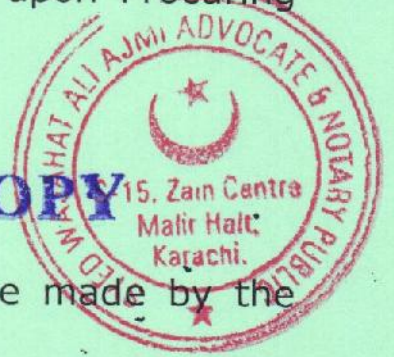




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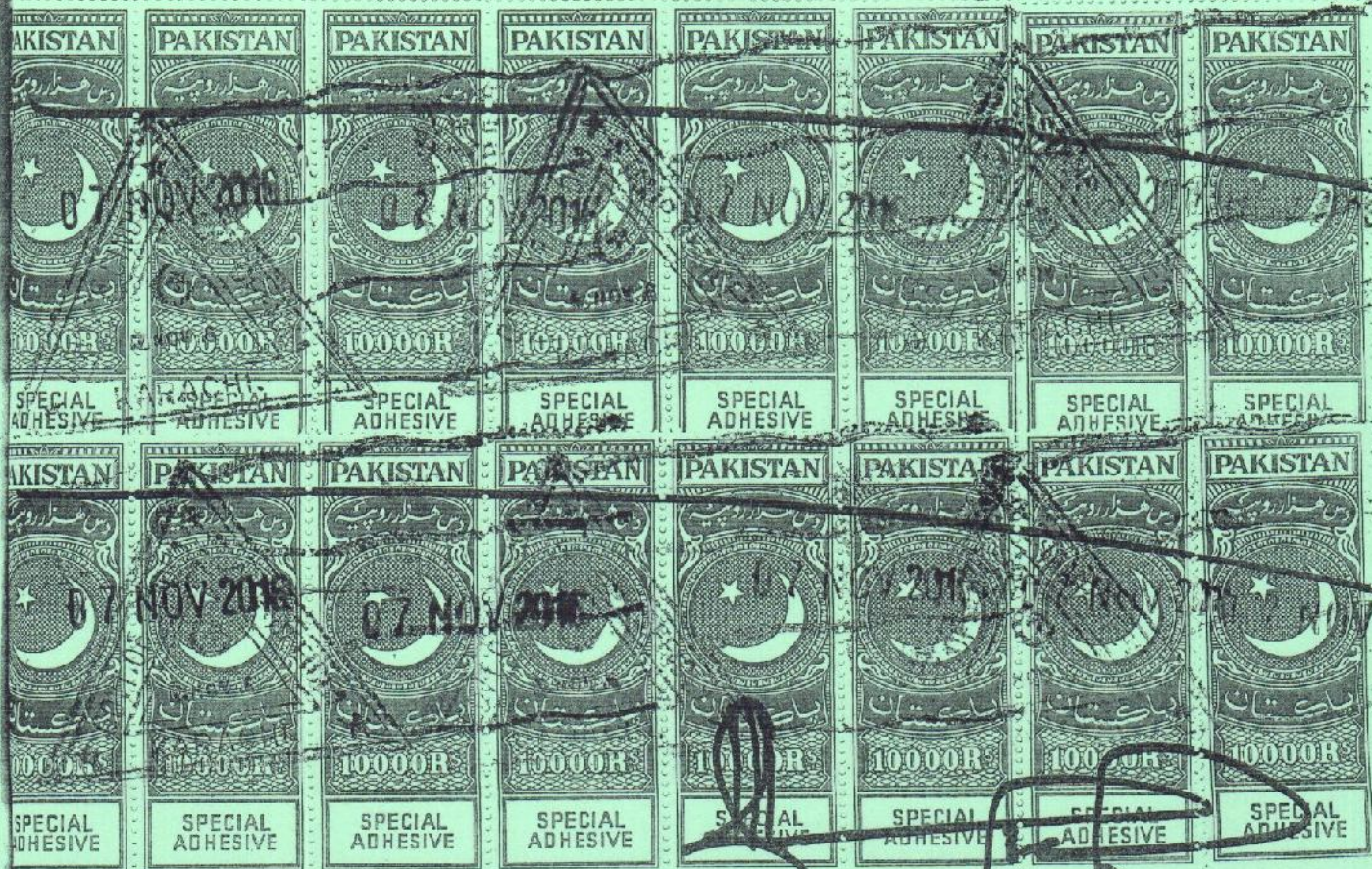
referred to as the "RFP") (Section - I to Section - VIII) and all clauses contained therein, except those parts and clauses relating to instructions to the bidder. It is clarified that all sections of Addendum to the RFP are integral parts of this Agreement and shall be binding upon Procuring Agency and the Contractor.

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3. In considerations of payment to be made by the procuring agency to the contractor in accordance to covenants with the procuring agency to execute and complete the works and remedy deficiencies (as defined in the Scope of Work) short comings

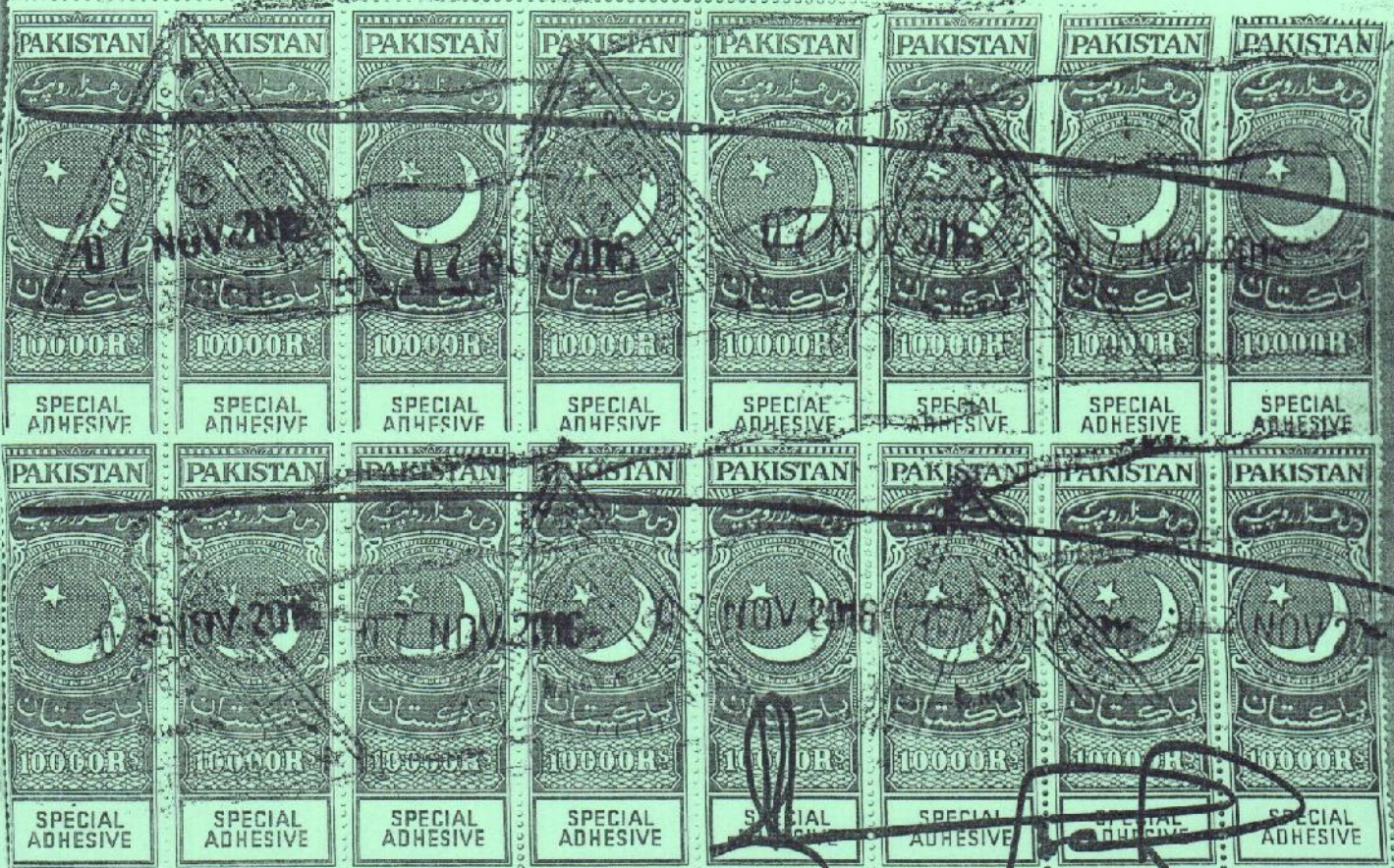
RTS



Procuring agency hereby covenants to pay the contractors, in consideration of the execution and completion of works as per provisions of the contract the itemized contract price on the basis of item rate of price list/BOQ and such other sum as may become payable under provision of the contract at the time and in the manner prescribed by the contract.



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**4. Additional terms & conditions / clarifications:**



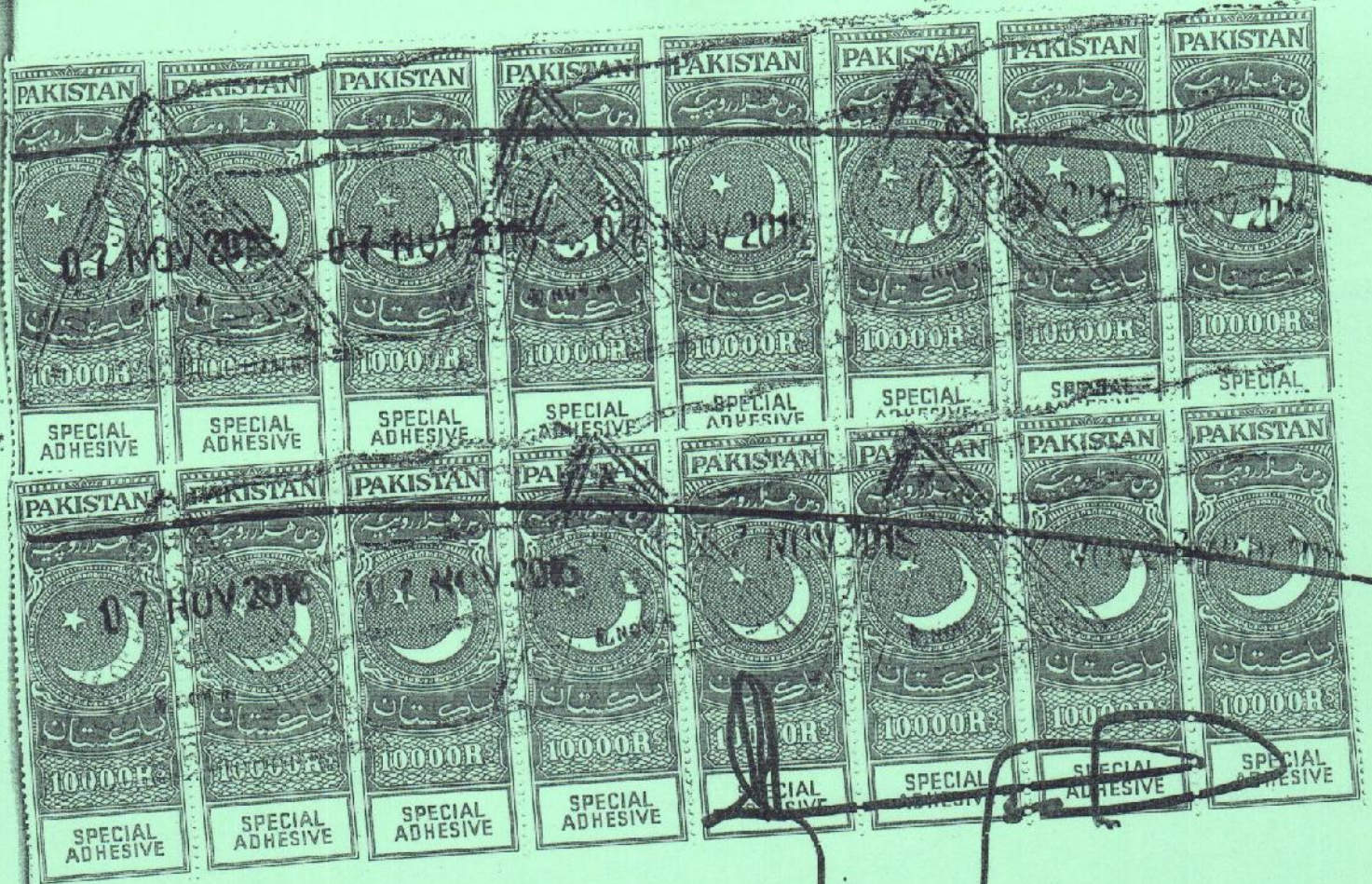
**i. Type of agreement and contract provision:**

For the sake of clarity breakdown of rates quoted by the Contractor and accepted by the Procuring Agency are reproduced below:

- Total Bid of Contractor: US\$9,650,723.87 per year (inclusive of Income Tax, Sales Tax and other taxes, if any);
- It is further clarified that this agreement is a unit price contract, the sum of amounts is calculated by multiplying

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the price list and unit price quoted by the contractor for that work / services items. The payments of each work/services performed by the contractor shall be based on the unit price quoted by the contractor;

**ii. Elements of Price adjustment:**

Following specified elements are subjected to price adjustment in the manner prescribed in the contract document:



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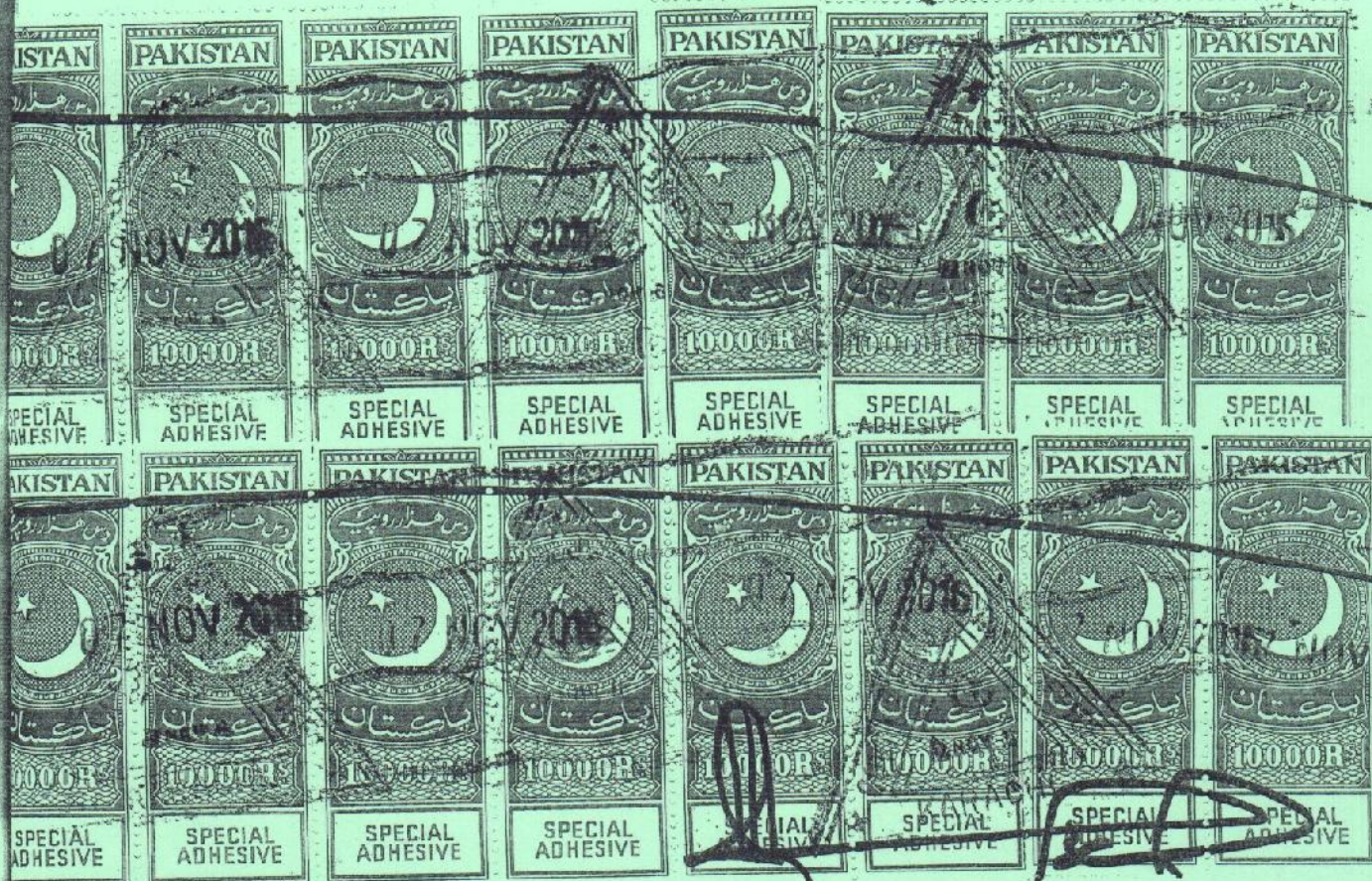
- 7-11-16.
- a. Fuel (Diesel for Vehicles collecting / transporting MSW)
  - b. Labour (Unskilled)

**iii. Quantities are estimated:**



The quantities of items mentioned in BOQ/price list are estimated. Payment shall be made to the contractor as per actual work calculated on the basis of unit / item price;

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**iv. Additional distance:**



The Contractor is responsible for transport of MSW from all areas of DMC (EAST) to one or two Garbage Transfer Stations which shall be designated and communicated by the Procuring Agency to the Contractor within 45 days of signing of the agreement / issue of work order. In case the Procuring Agency requires the Contractor to transport the MSW to a landfill site owing to lack of a GTS having catchment area which is further in distance than the designated GTSs the Procuring Agency shall pay the contractor reasonably





additional amount to be agreed mutually through negotiations;

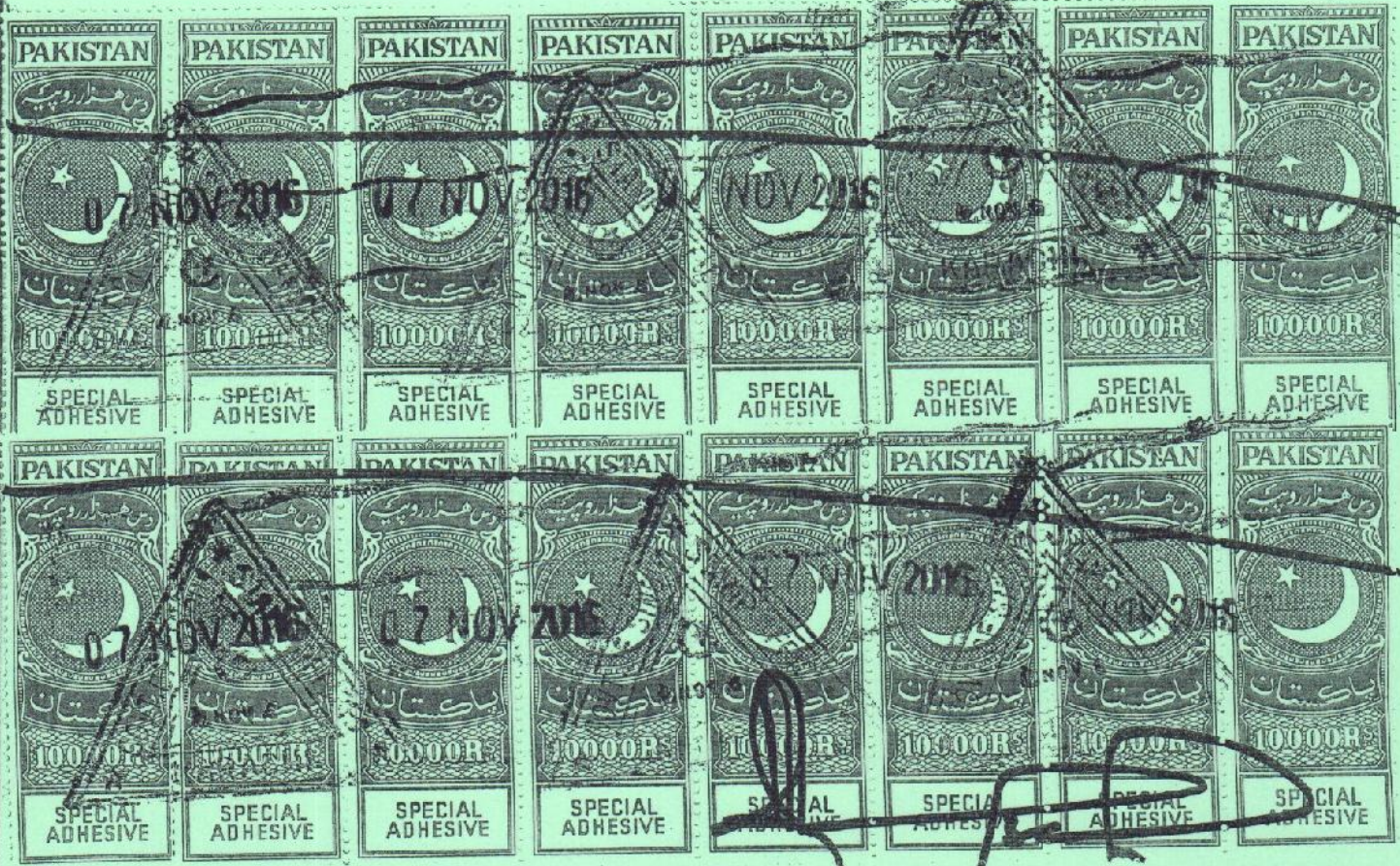
**v. Contract Period:**

Seven (07) Years after issuance of Work Order / signing of the agreement extendable for further Three (03) Years based on mutual written consent of contractor and client and on performance of the contractor and on same terms and conditions of RFP & Addendum hereinafter referred as Annexure "C";



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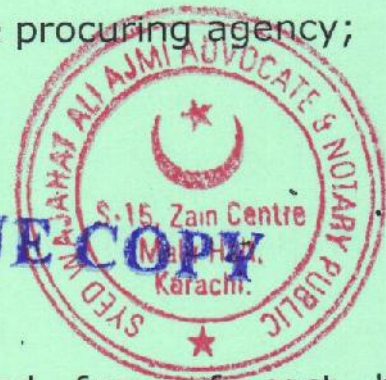


**vi. Cost of Work:**

The accepted net cost of work and services for item listed in price list/BOQ per year shall be repeated for further years up to the contract period, for each following years a formal mini work order shall be issued to the contractor by the procuring agency;

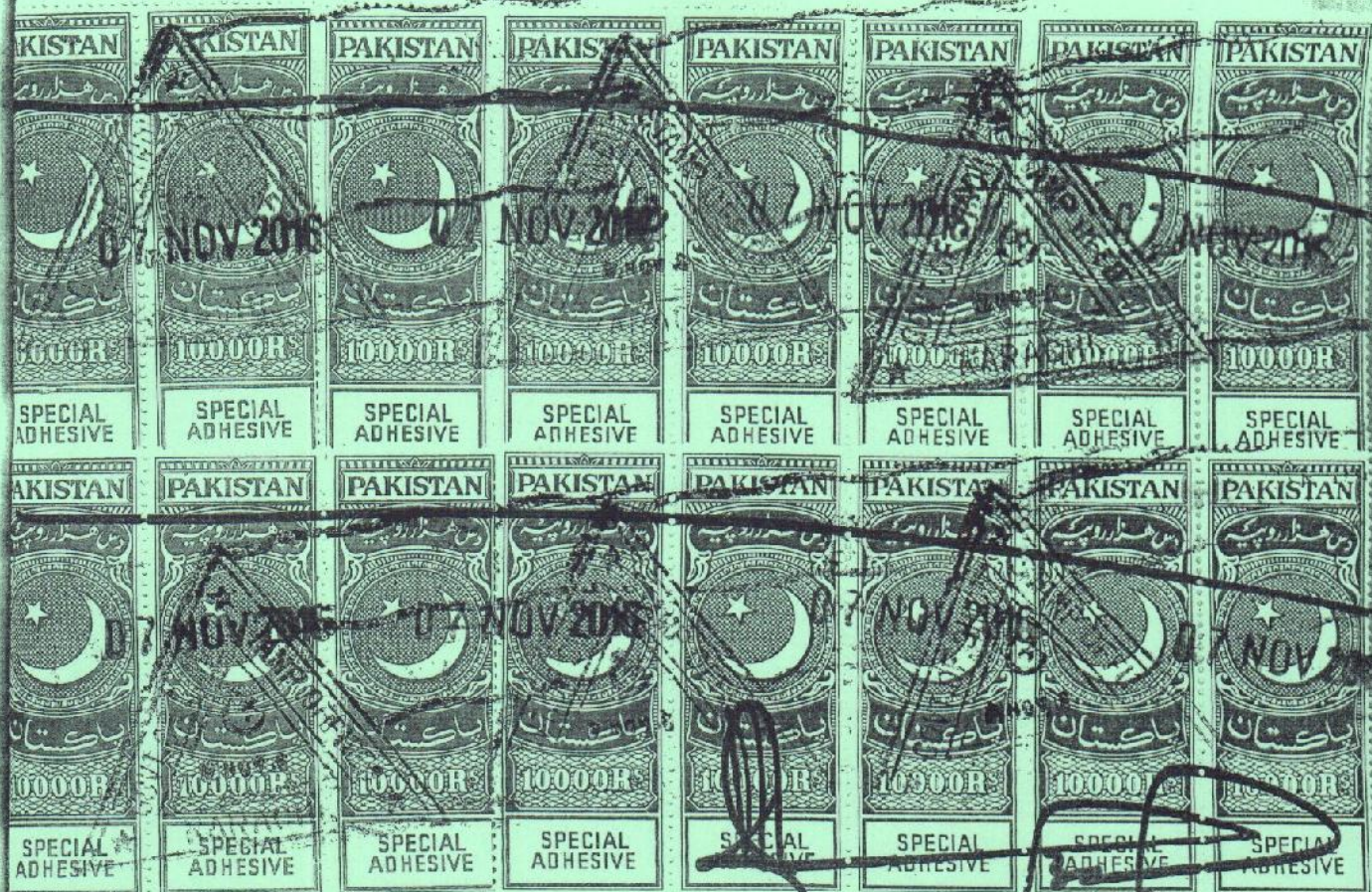
**vii. Plastic bags;**

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Plastic bag will be provided free of cost by contractor/operator to all residential units (for door to door collection only) for the first two weeks only.





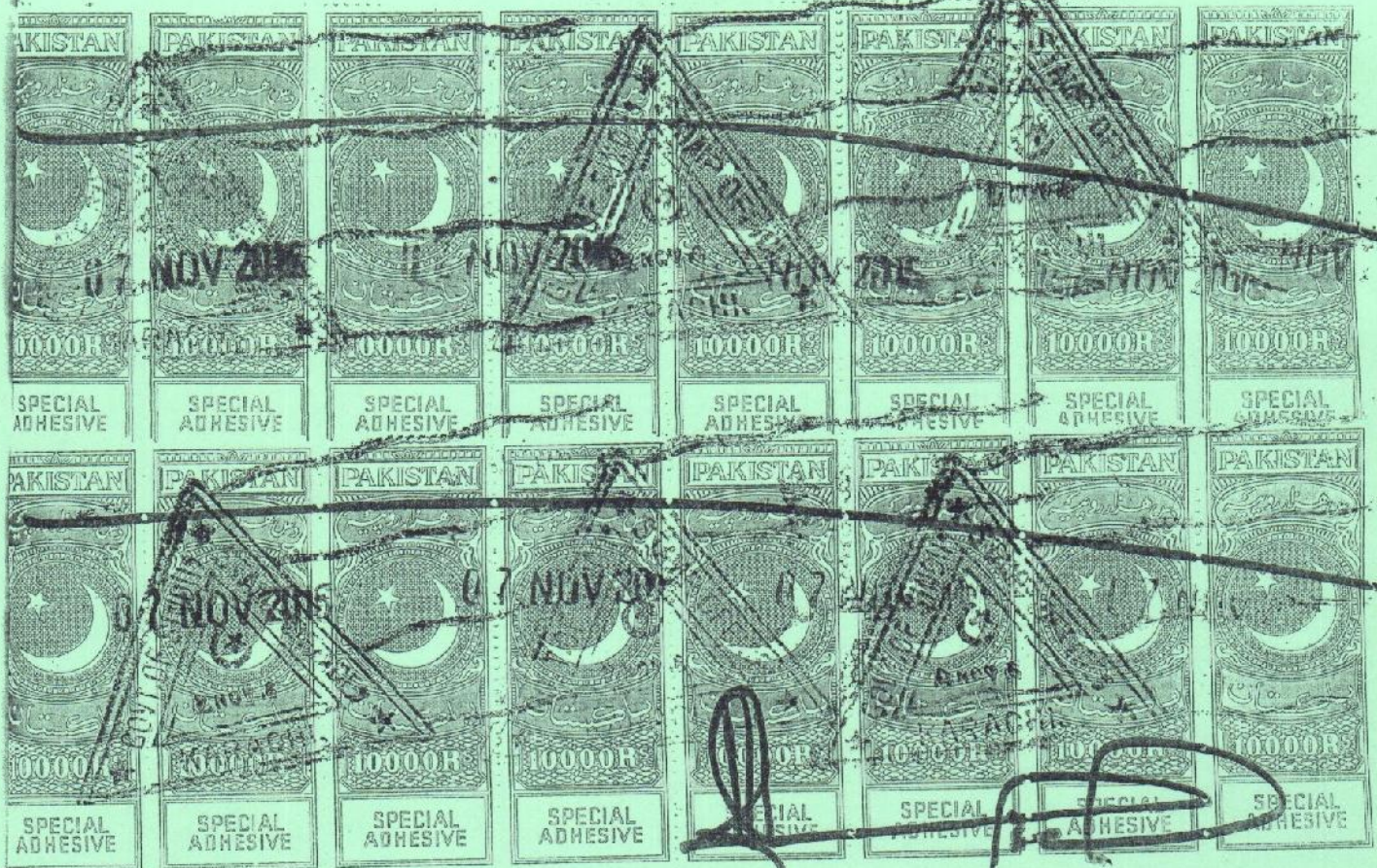
**viii. Litterbins, metal buckets and metal containers:**

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The litterbins, metal buckets and metal containers shall be provided with prior approval of the Procuring Agency for the quality / specifications and numbers. However, keeping in view the area requirement, the size and type of the container may be changed but this shall be done only with mutual agreement, provided further that total capacity of garbage handling shall not be less than the total capacity required under RFP document. The litterbins, buckets and containers shall be replaced





life. Bins, buckets and containers if damaged or stolen due to negligence/improper handling shall be replaced by the contractor at its own cost;

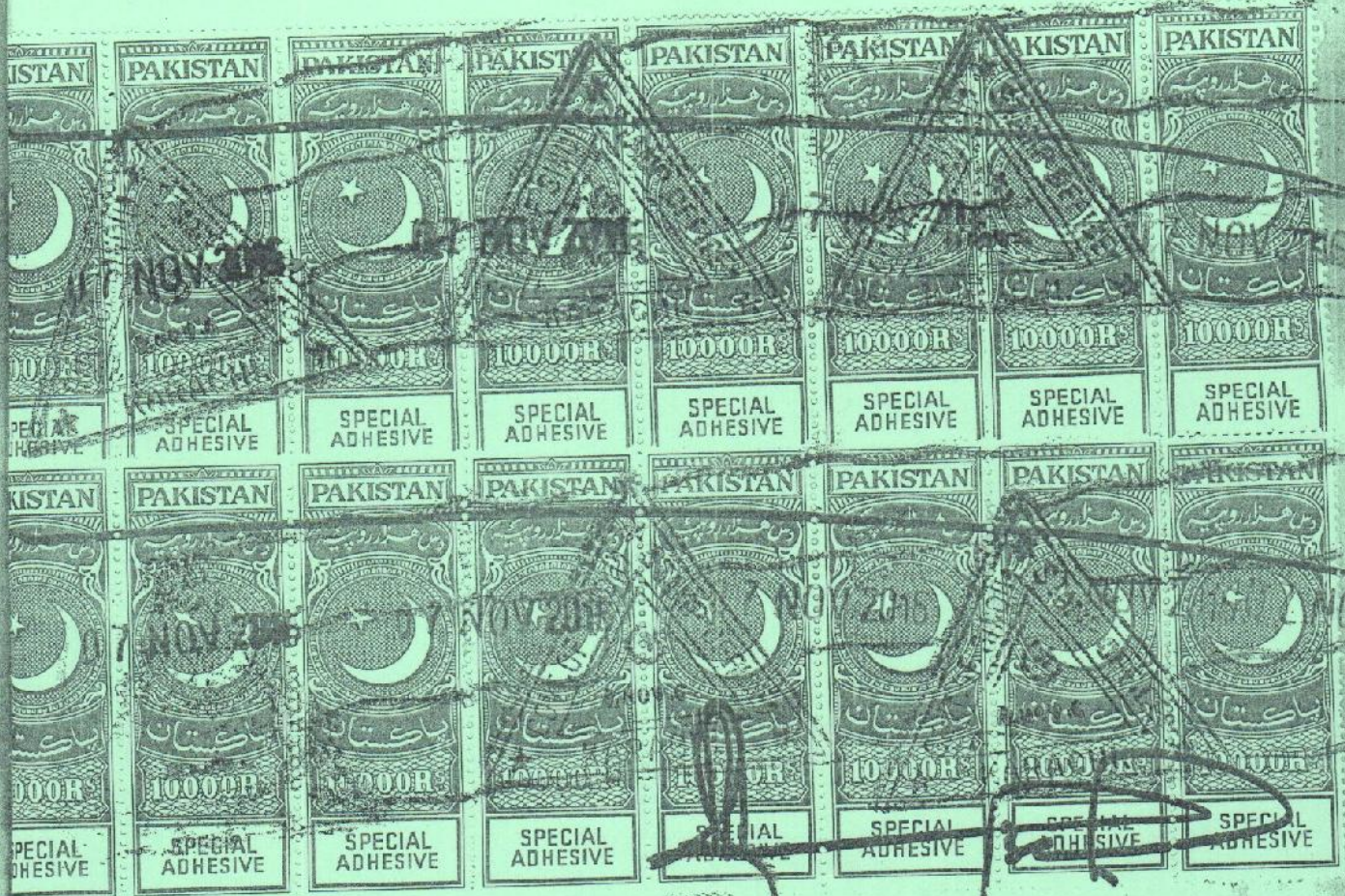
**ix. Transition Period**



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Transition period for the purpose of implementation of this contract is 03 (three) months starting from date of signing of agreement and work order. The contractor shall be liable to start its activities of the work and services even in the transaction period.

Within the transition period the contractor shall i



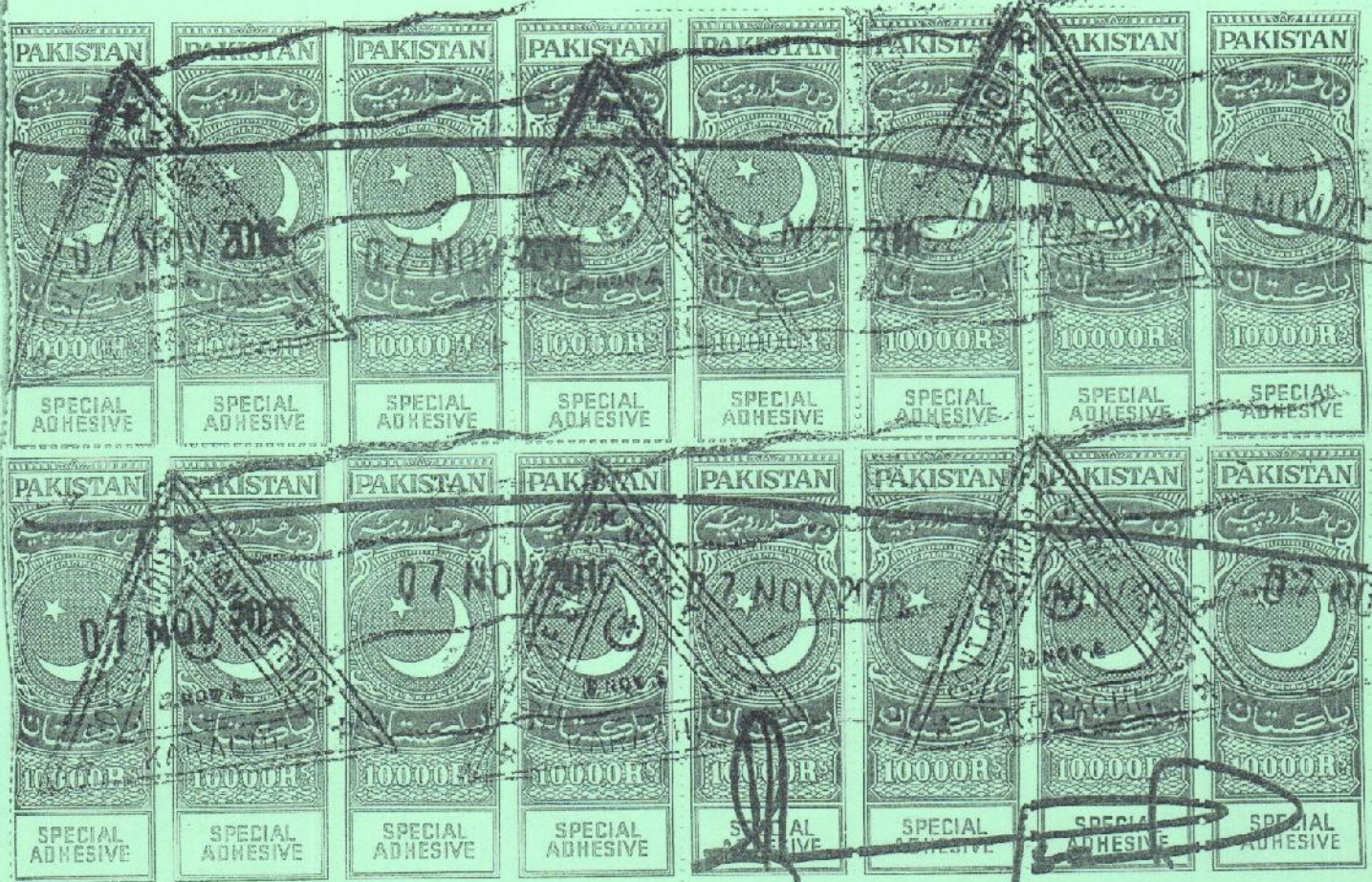
accordance with the plan proposed in the contract and assure and shall provide new vehicles as required under contract for Solid Waste collection, transportation, sweeping and washing, arrive on ground and start the work within the period prescribed in the contract document.



**x. Compliance of Laws and Rules Regulations:**

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The contractor shall be bound under this contract agreement to comply with all substantive and procedure laws of Islamic Republic of Pakistan

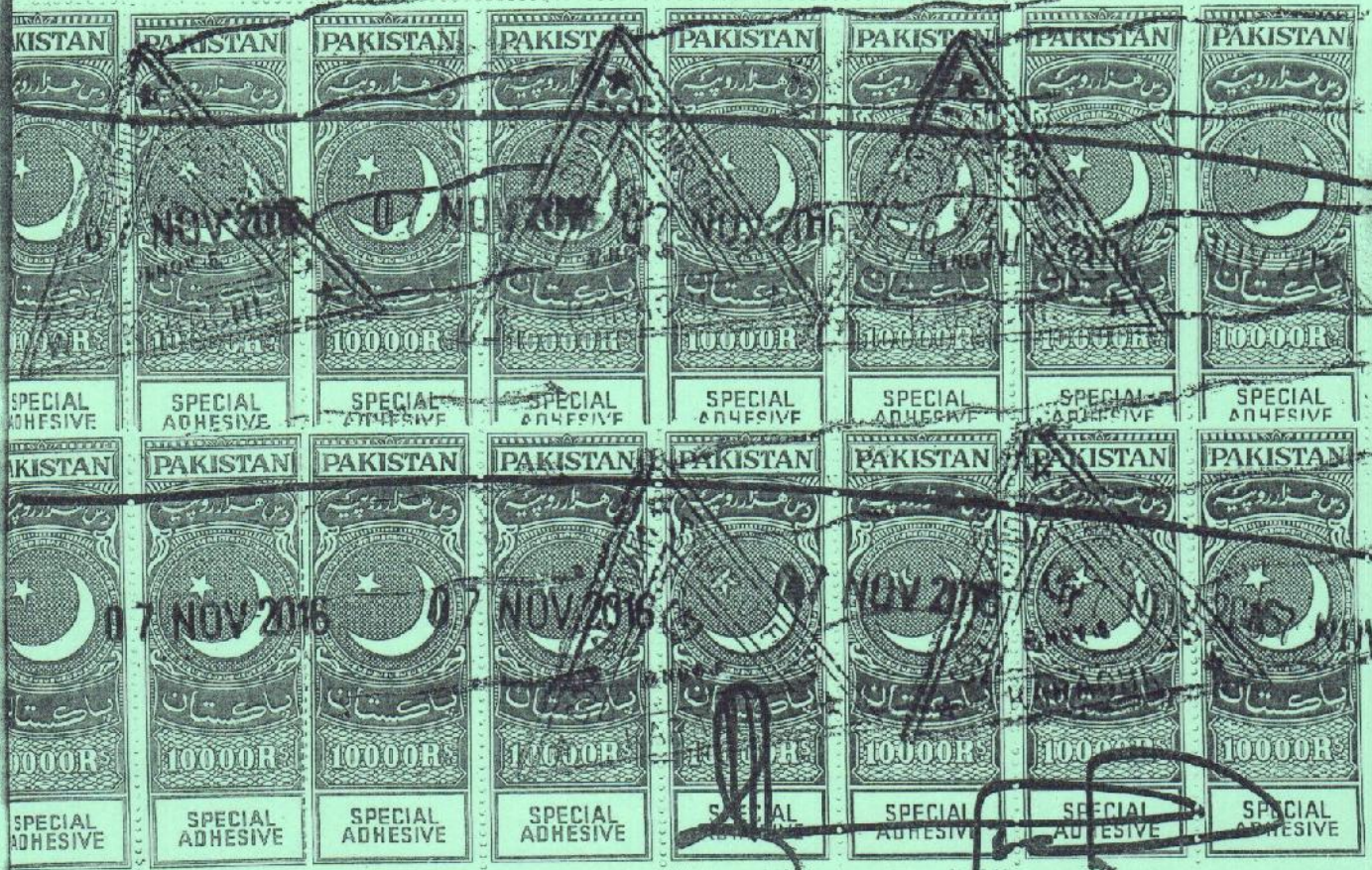


which may include but are not limited to the followings:

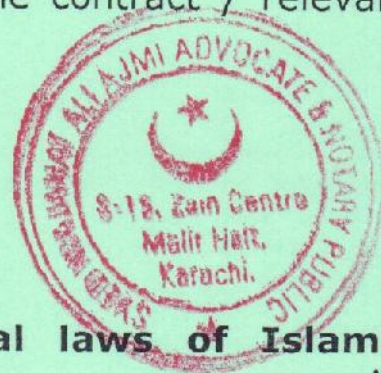
- i. Labour Laws
- ii. Land Laws
- iii. Environmental Laws
- iv. Local Govt. Act, 2013 amended form time to time.
- v. All National and Provincial Rules and Regulation applicable to the nature of services and works under this contract.



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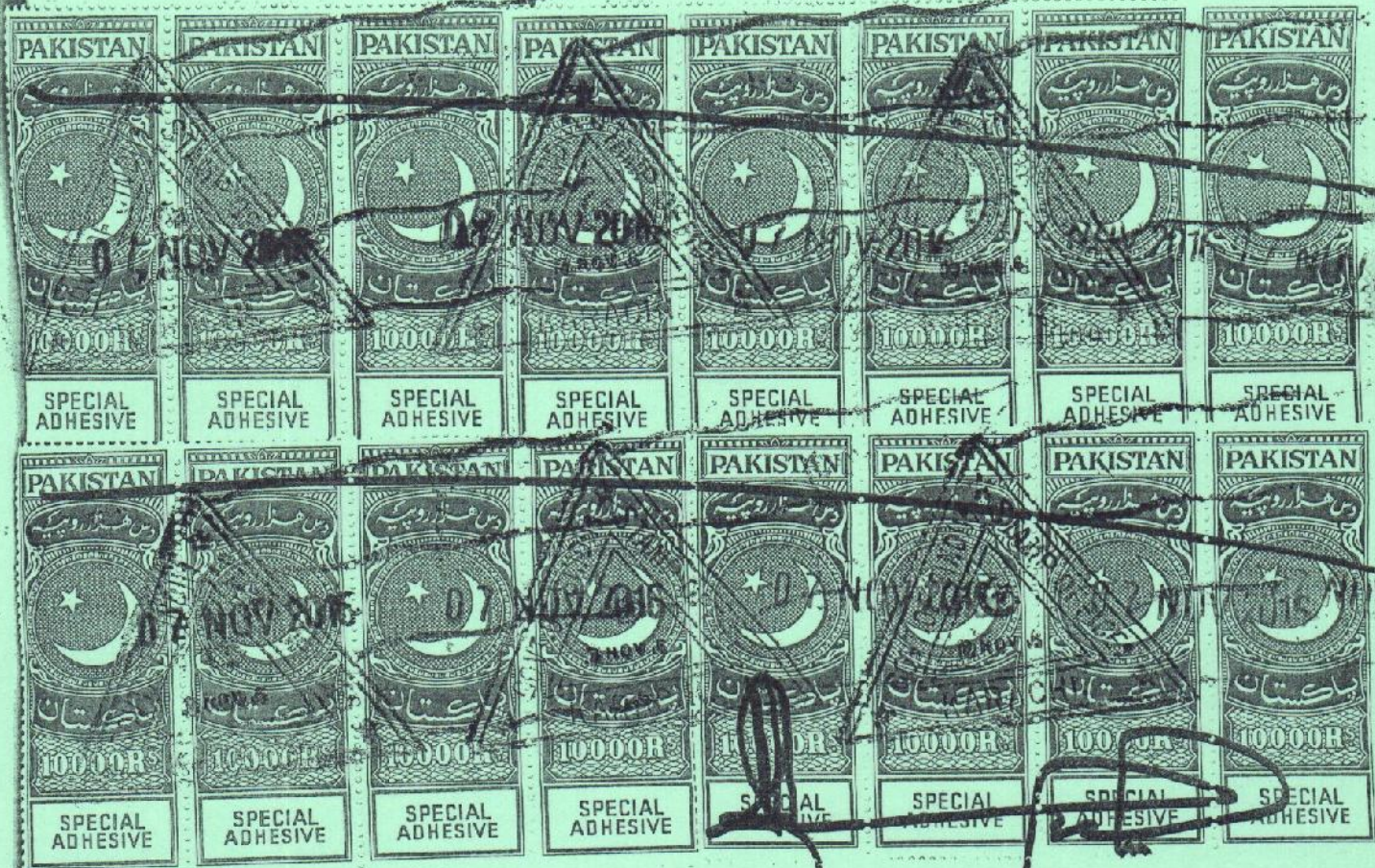


Inability of contractor to comply with all laws, rules, regulation and procedures will result in penalization, as per penalty clauses provided in the contract / relevant laws;



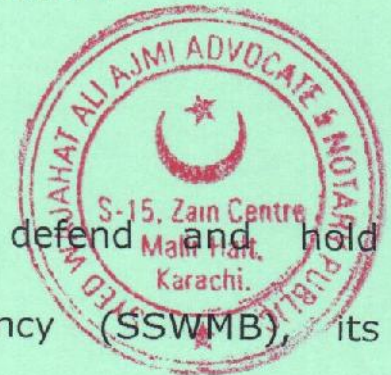
All substantive and procedural laws of Islamic Republic of Pakistan including Sindh Public Procurement Rules 2010 amended 2013 shall govern the contract and have overriding effect in case of any conflict;

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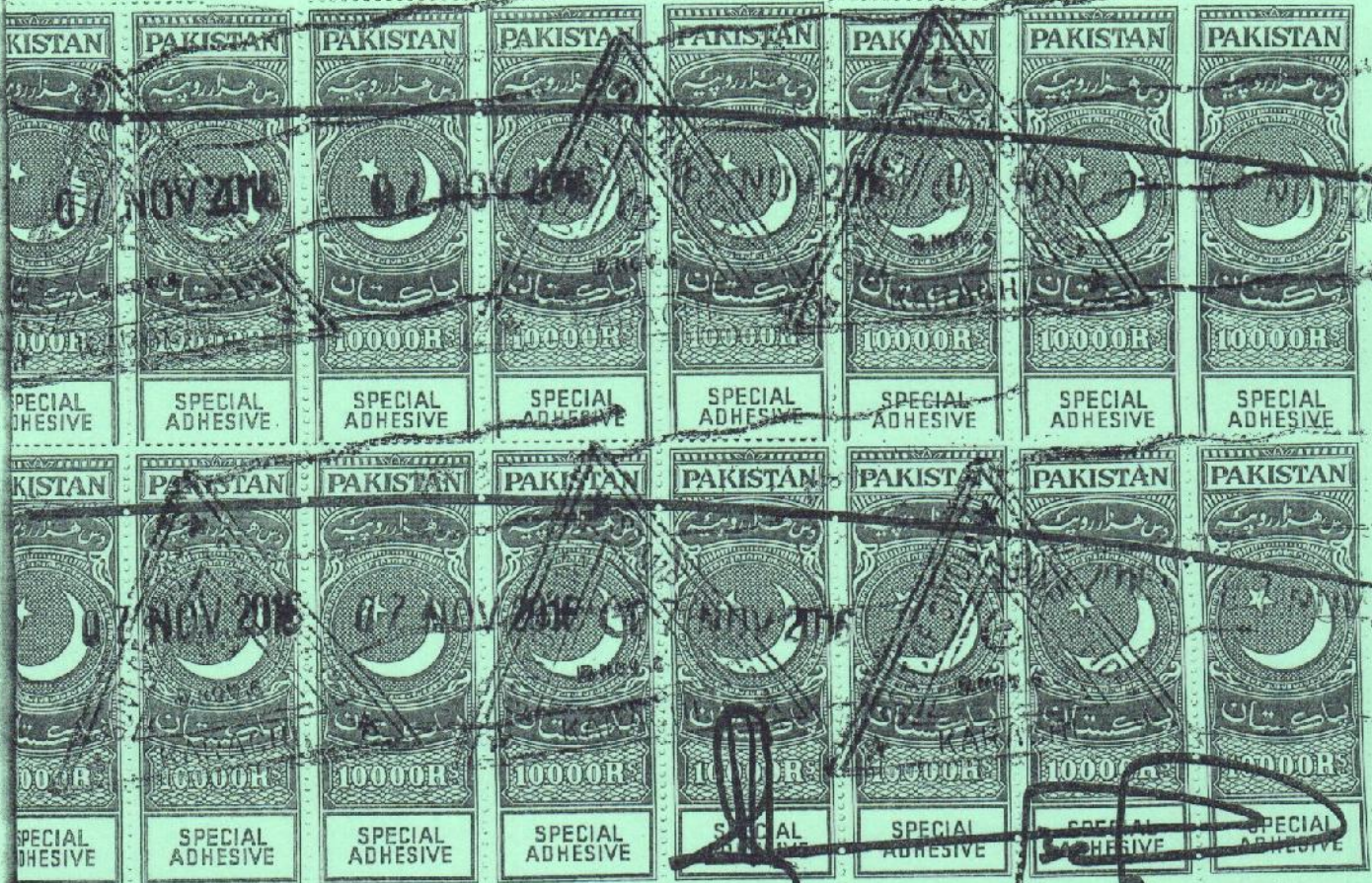


**xi. Indemnification by the Contractor:**

Contractor shall indemnify, defend and hold harmless the Procuring Agency (SSWMB), its member, officers, directors, employee and representatives from and against any and all claims arising out of or in anyway connected with gross negligence, fraud, or willful misconduct, of the contractor or any one acting on contractor's behalf or under his instructions in connection with this contract and contractor's obligations there under. Any cost or expense incurred by the contractor



in accordance to its indemnity obligation...



clause shall be the sole responsibility of the contractor.

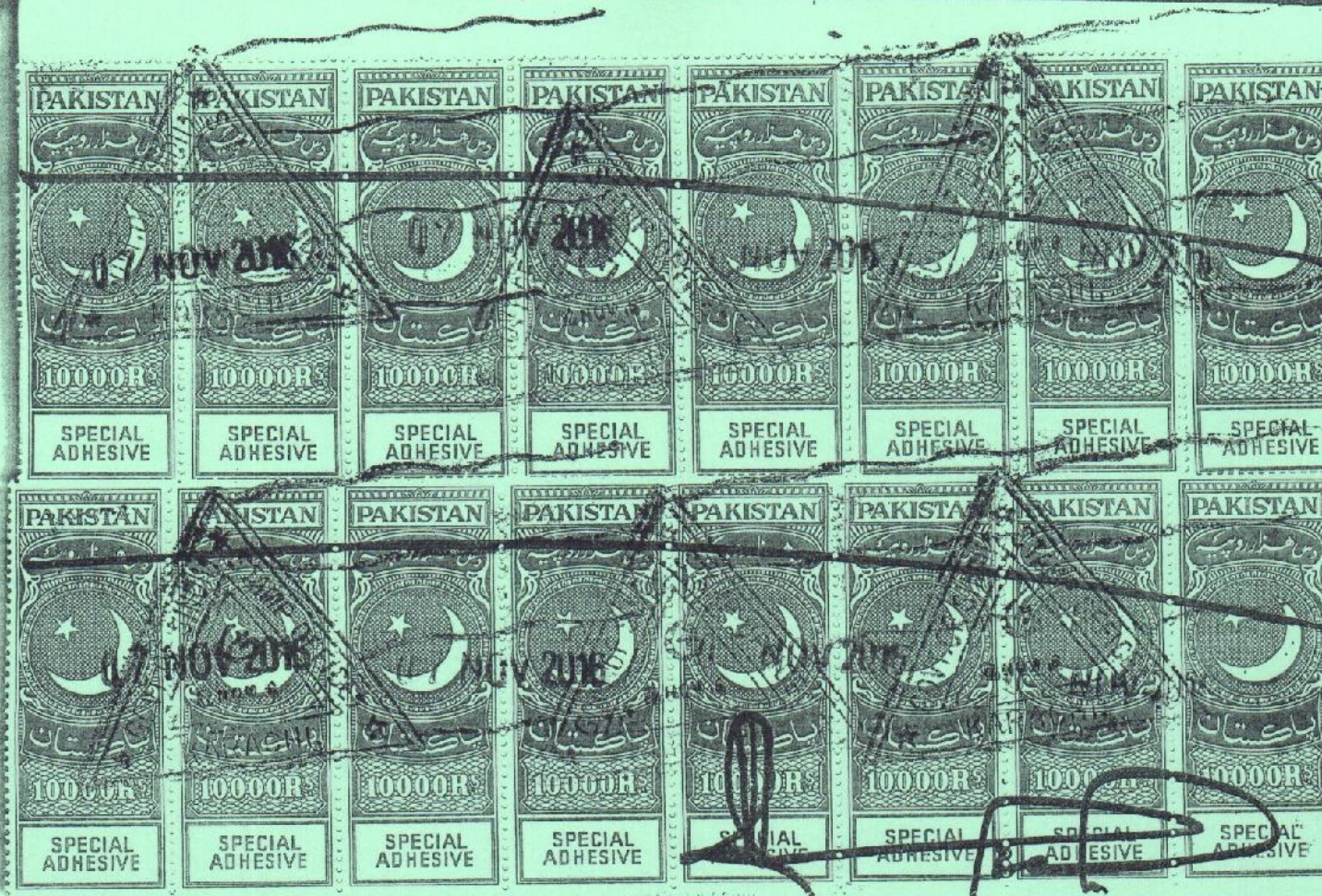
AND



The contractor shall indemnify the SSWMB, its employees against all losses and claims in respect of:

- a. Death or injury to any person, due to accident;
- b. Loss or damage to any vehicle, plant, property which may arrive out of accident or public riot

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charges and expenses, whatsoever in respect of or in relation thereto, the contractor shall indemnify the client, its officers, employee for any loss claims, demands or lawsuits resulting from defects in contractor's performance during execution of work and services;

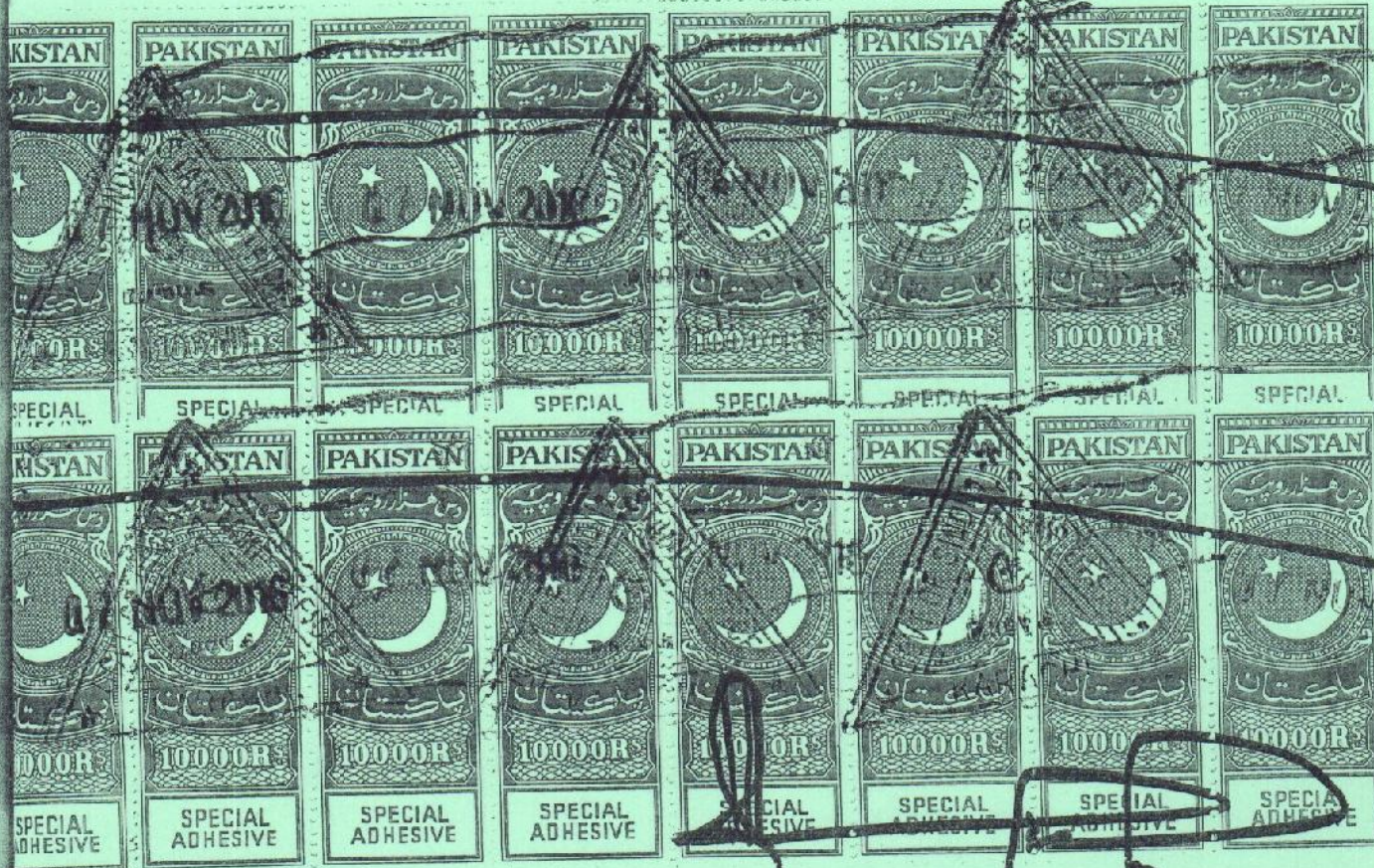
**xii. Contractor Liability for Indemnification:**



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The contractor shall be directly responsible for the choice or use of defective or non-compliant tools or machineries, deficiencies of performance in works and services.





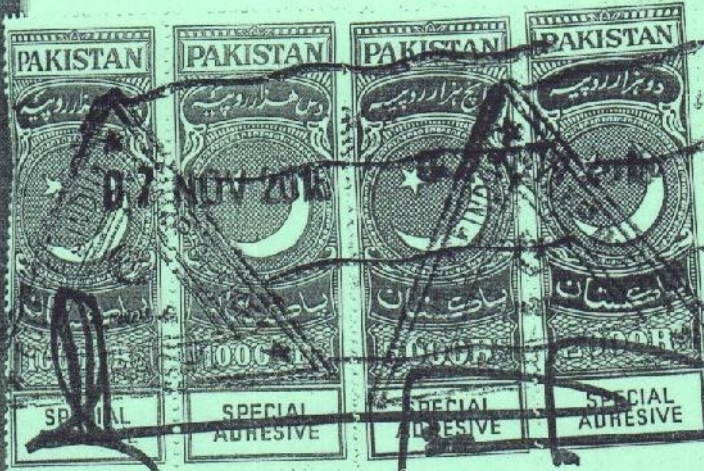
his obligation in accordance with the provisions of this contract and specification and any other losses and damages that may occur due to similar reasons. The contractor shall indemnify procuring agency from such losses and damages in accordance with pertinent legislation;



**xiii. Penalties and cancellation of contract:**

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- a. Penalties as prescribed in the contract document shall be imposed if negligence, discrepancies and deficiencies on the part of



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Stamp Office, City Court  
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the performance of works and services and the requirements to perform such works and services are found during the period of this contract;



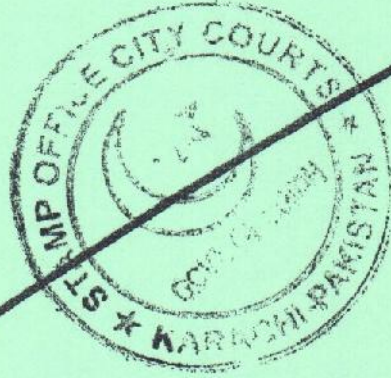
- b. If the procuring agency finds any non-conformity/contrary to the job description defined in contract document, the contractor shall be bound given a chance to bring his work standards to the satisfaction level of the procuring agency and if the non-conformity is not corrected within the time limit granted by the procuring agency, the penalties will be



imposed on the contractor as per time limit mentioned in the RFP;

- c. If non-conformity continuous, despite the penalties the procuring agency may terminate the agreement, and any damages to the procuring agency due to these non-conformities of the contractor shall be recovered from his performance securities;

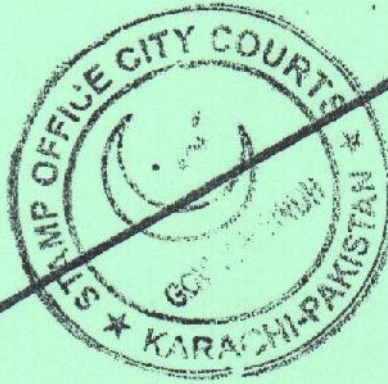
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#### **xiv. Work in Emergency:**

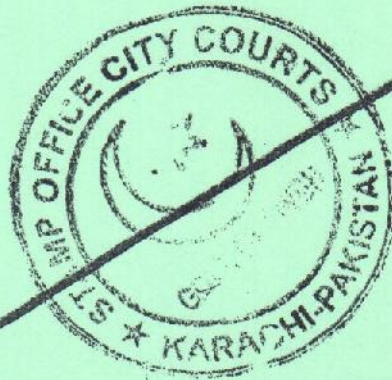
The contractor in case of emergency may be called upon to provide works and services as per scope of work under this contract and the contractor shall comply with such emergency orders of procuring agency without excuses. Non-compliance of the contractor shall lead to disqualification and will be dealt accordingly;





**xv. DMC (EAST) employees shall remain employees of DMC (EAST):**

After negotiations both parties agree that whole sanitation staff presently on payroll of DMC (EAST) shall be provided / deputed to work with the contractor. However, these employees shall remain employees of DMC (EAST). Their salary, Provident Fund and pension etc. shall remain the responsibility of DMC (East). However, the contractor shall be liable to pay incentive to these workers at the rate of 25% of their running basic pay as per parameters defined in the RFP



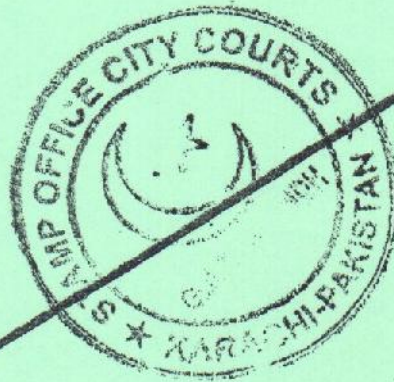
xvi. Tax:

The Contractor shall reflect all taxes separately on any invoice raised to the Procuring Agency. The Procuring Agency shall withhold and pay all applicable taxes on behalf of the Contractor and shall provide evidence to the Contractor for tax deposited;

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xvii,

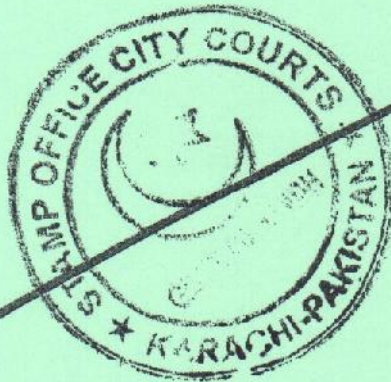
**Payment to be made on Base Price basis:**



and any other taxes levied by the government from time to time at the rates prevailing at that point in time. The payment to the Contractor shall be made on Base Price offered by the Contractor and accepted by the Procuring Agency i.e. the Procuring Agency shall deduct the applicable taxes. The Procuring Agency shall be responsible to deposit applicable taxes on behalf of the Contractor and shall provide evidence of the deposits having been made. The Contractor shall bear the cost of and have the benefit of any variation in the rate of applicable taxes;

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xviii. **Duties of Parties:**



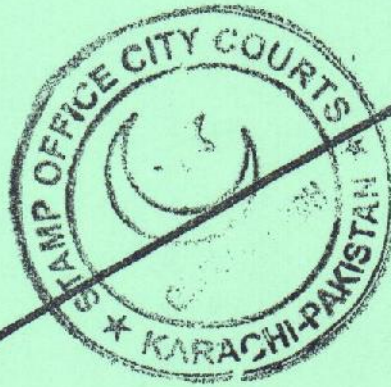
- a. The Contractor shall furnish Performance Security of 1% of the contract amount of US\$9,650,723.87 as per the Letter of Intent dated 15.07.2016 in the form of a bank guarantee;

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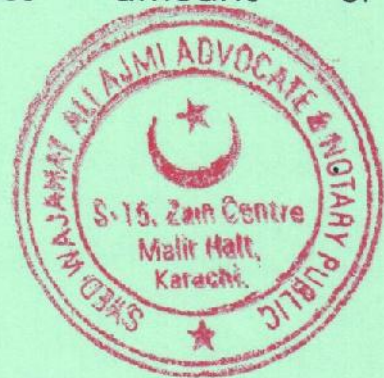
- b. The Procuring Agency will collect 5% of the retention money equal to US\$40,211.35 to be maintained in the form of a bank guarantee and the costs of maintaining such guarantee







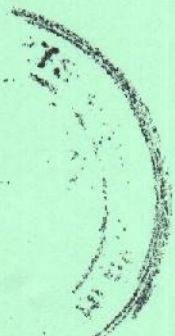
further that US\$40,211.35 has been taken as 5% of the contract amount of US\$9,650,723.87 /12;

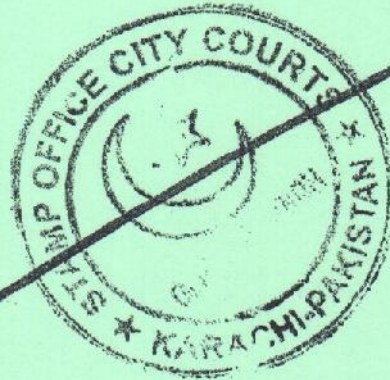


**xviii. End of Project:**

- a. If this Agreement is determined by way of termination within the contract period of seven years, then the assets belonging to the Contractor may be purchased by the Procuring Agency on the assessed value to be performed by an appraiser approved by Pakistan Banking Council as mutually agreed

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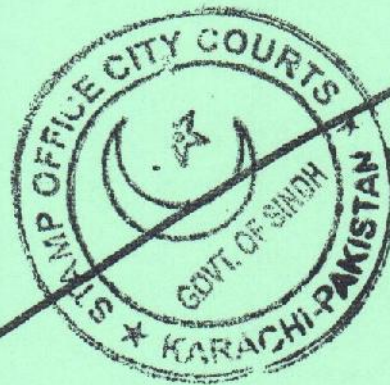


the assets and the Contractor will transfer the assets to the Procuring Agency upon receipt of full and final payment.

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- b. Upon the determination of this Agreement, the Procuring Agency shall pay the Contractor within 45 days upon receipt of invoice and make a full and final payment of all dues accruing in favour of the Contractor; -





**xix. General Variance:**

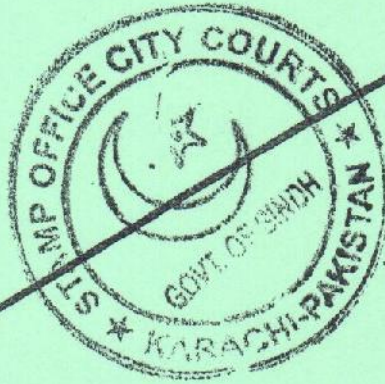


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The Parties are cognizant that there may be advancements in the technology utilized in connection with the services to be rendered under this Agreement. The Parties are also aware that there may be changes in the environment during the contract period warranting adjustment of the scope and the manner in which the services are to be rendered in relation to this Agreement. The Parties agree to make reasonable technical adjustments so as to ensure the long-term feasibility of the works/services to be rendered in



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be made with the mutual consent of the Parties with a view to ensure that the quality of the works/services rendered is at or above the specifications laid down in the Supporting Documentation.

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*Syed Wajahat Ali Ajmi*

**SYED WAJAHAT ALI AJMI**  
ADVOCATE & NOTARY PUBLIC  
S-15 Zain Centre, Gulzar-e-Ibrahim  
Jamia Millia Road, Malir Halt,  
KARACHI-PAKISTAN  
Phones: 4587758 - 4587763  
Cell: # 0333-2348229

09 NOV 2016

In the witness whereof the parties hereto have caused this agreement to be executed on the 7<sup>th</sup> day of Month November and Year 2016 first, before written in accordance with their respective laws.

**TRUE COPY**

  ( YANG ZHIYI ) Authorized Representative of Contractor Passport No. E76146194 M/S Changyi Kangjie Sanitation Engineering Company Limited	 (DR. A. D. SAJJANI)
Signed, Sealed & delivered in the presence of	Managing Director Sindh Solid Waste Management Board  Dr. A. D. Sajjani Managing Director Sindh Solid Waste Management Board Government of Sindh

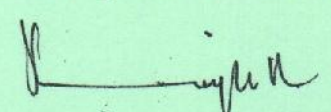
WITNESS 1 (CONTRACTOR SIDE)

  
 ( LEE, YEE SOON )  
 By General Manager- 67A/1 Circular Ave  
 13<sup>th</sup> Street DHA Phase II, Karachi  
 Passport No. A36330708

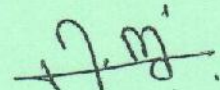
WITNESS 2 (CONTRACTOR SIDE)

  
 ( LI, YICHAO )  
 Chief Finance Officer- 67A/1 Circular Ave

WITNESS 1 (PROCURING AGENCY)

  
 (MUHAMMAD RAMZAN AWAN)  
 Secretary Local Government Sindh  
 CNIC No: 45504-1126018-7

WITNESS 1 (PROCURING AGENCY)

  
 (MOEED ANWAR)

COURT  
KAR