

CONTRACT AGREEMENT FOR WORK
OF
FRONT END COLLECTION AND DISPOSAL OF
MUNICIPAL SOLID WASTE FOR ZONE SOUTH DMC
SOUTH AREA KARACHI SINDH PAKISTAN

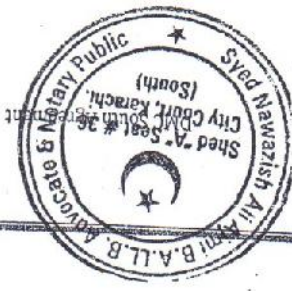
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Rs: 57,28,500/-
20/10/2016
Sadash

DATE 20/10/2016
20/10/2016

SSWMB

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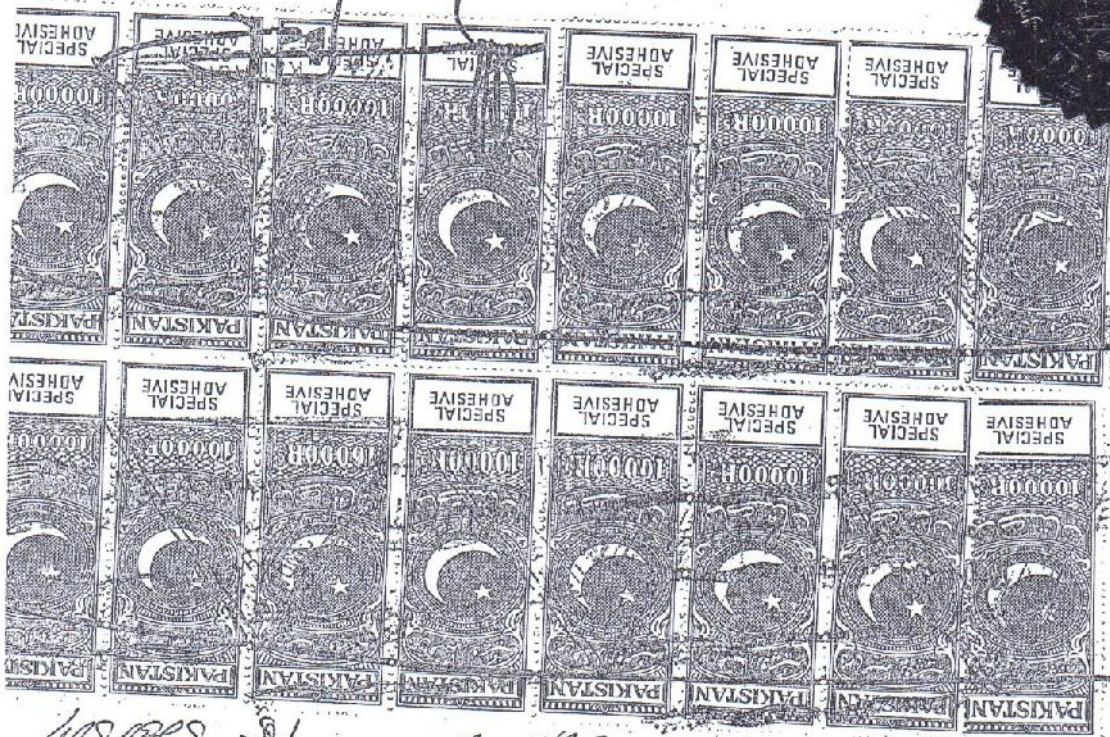
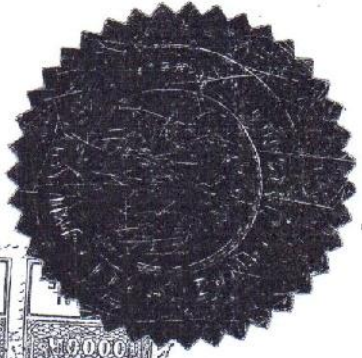
M/S CHANGJI KANGJIE SANITATION ENGINEERING COMPANY LIMITED (Hereinafter referred to as the "CONTRACTOR").

AND

This OPERATION AND SERVICES AGREEMENT (Hereinafter called the "AGREEMENT") is made and entered into this day of 26 October 2016 by and between M/S SINDH SOLID WASTE MANAGEMENT BOARD (SSWMB), (Hereinafter referred to as the "CLIENT" or alternatively "Procuring Agency"),



CONTRACT AGREEMENT

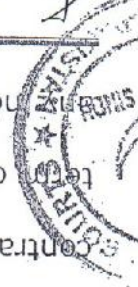


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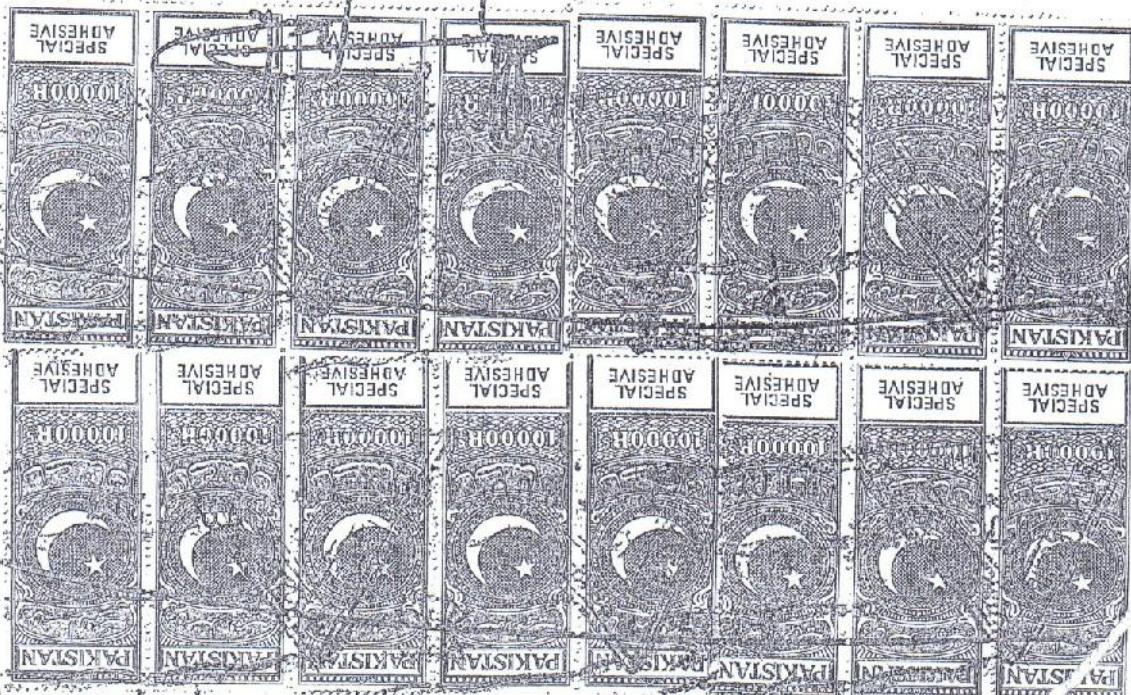


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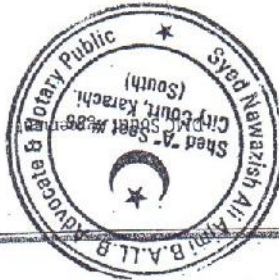
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Whereas the procuring agency is desirous that the work of Front End Collection and Disposal of Municipal Solid Waste for South Zone (DMC South Area) Karachi Sindh Pakistan should be executed by the contractor and has accepted the bid (US\$14,254,405 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, terms of reference & condition of contract, and remedying of negligence, deficiency and defects in performance and



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1. In this agreement words expressions, definitions, interpretations and abbreviations shall have the same meanings as are respectively assigned to them in the Request for Proposals and addendum



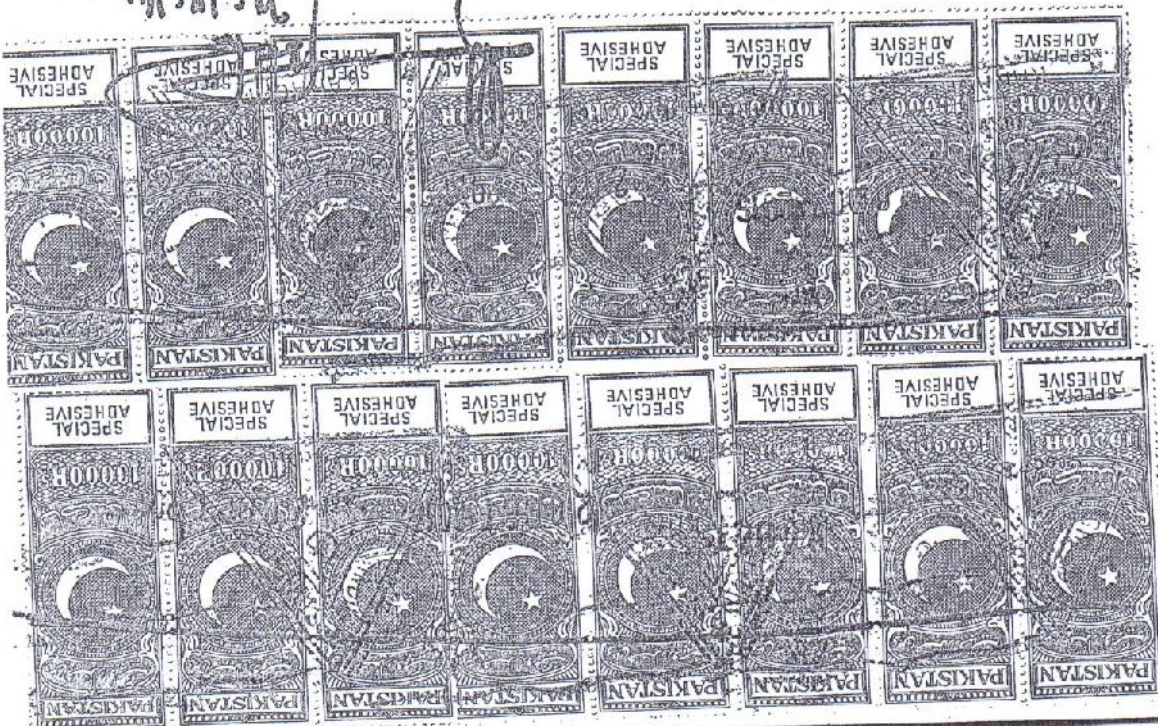
Now, this agreement witnesseth as follows:

follows:

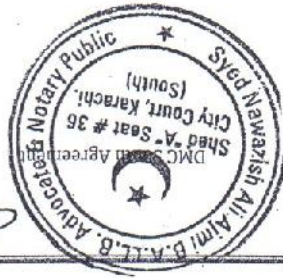
NOW, THEREFORE, based upon the principles of mutual benefit, contents of Request for Proposals (RFP) read with Addendum and through negotiations, both parties agree as

contract.

service delivery within stipulated time as specified in the contract or shall be penalized as per penalty clause of the



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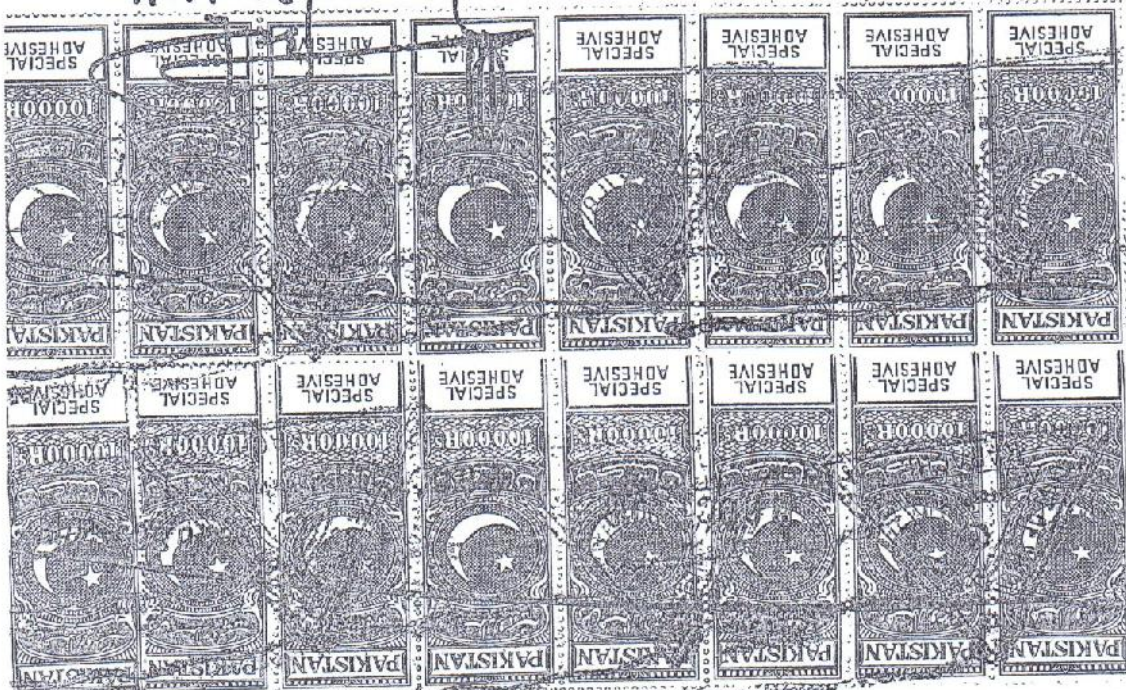
an addendum:

2. The following documents and addendum to it, except those parts and clauses relating to instructions to bidder, shall be deemed to form 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

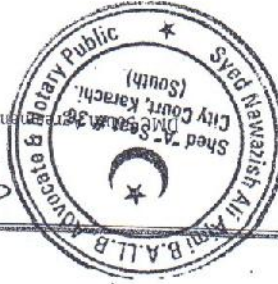
"B" respectively.

thereto herein after referred to as Annexures "A" &

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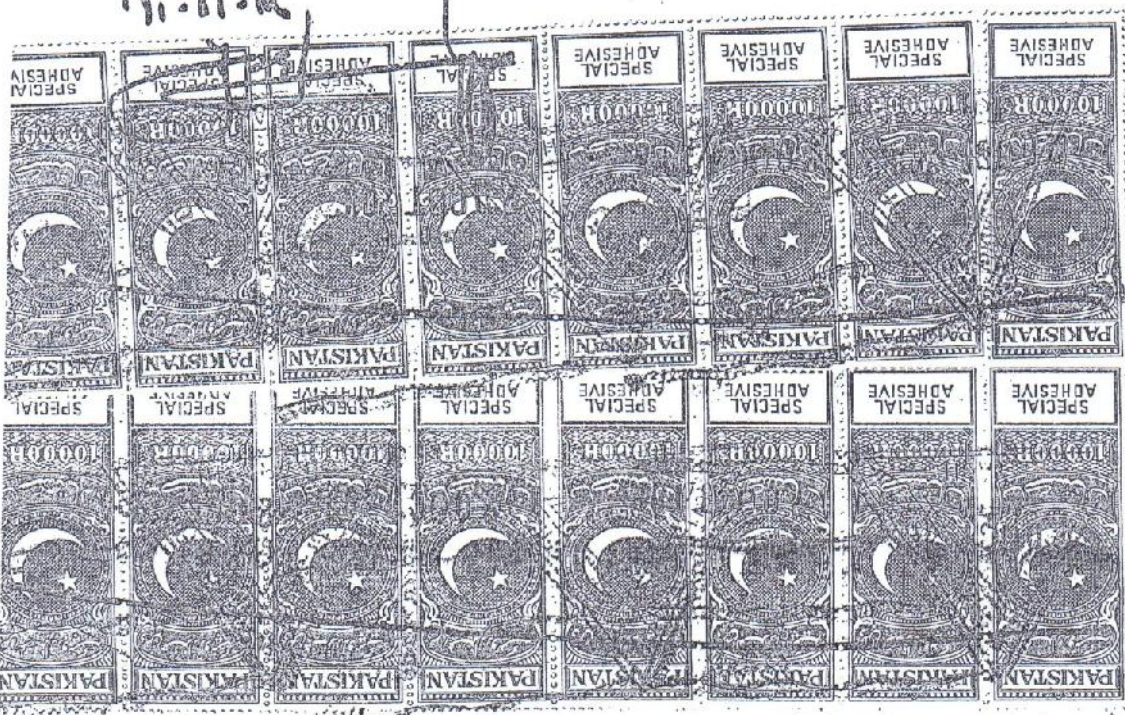


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- a. The Contract Agreement;
- b. The letter of intent (LOI) dated 15.07.2016;
- c. The completed form of Bid, dated 16.10.2015;
- d. Completed and duly filled price list / B.O.Q.;
- e. The completed appendices to the bid dated 16.10.2015 (appendix A to G) including but not limited to;
 - f. Special Stipulations (Appendix-A to Bid);
 - g. Completed and duly filled price list / Bill of Quantities (BOQ) (Appendix-D to Bid);



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Government



Contractor

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and shall be binding upon Procuring Agency and the Contractor.

the RFP are integral parts of this Agreement It is clarified that all sections of Addendum to clauses relating to instructions to the bidder, contained therein, except those parts and (Section-I to Section- VIII) and all clauses (hereinafter referred to as the "RFP") to the Bid Reference No. NIT 12

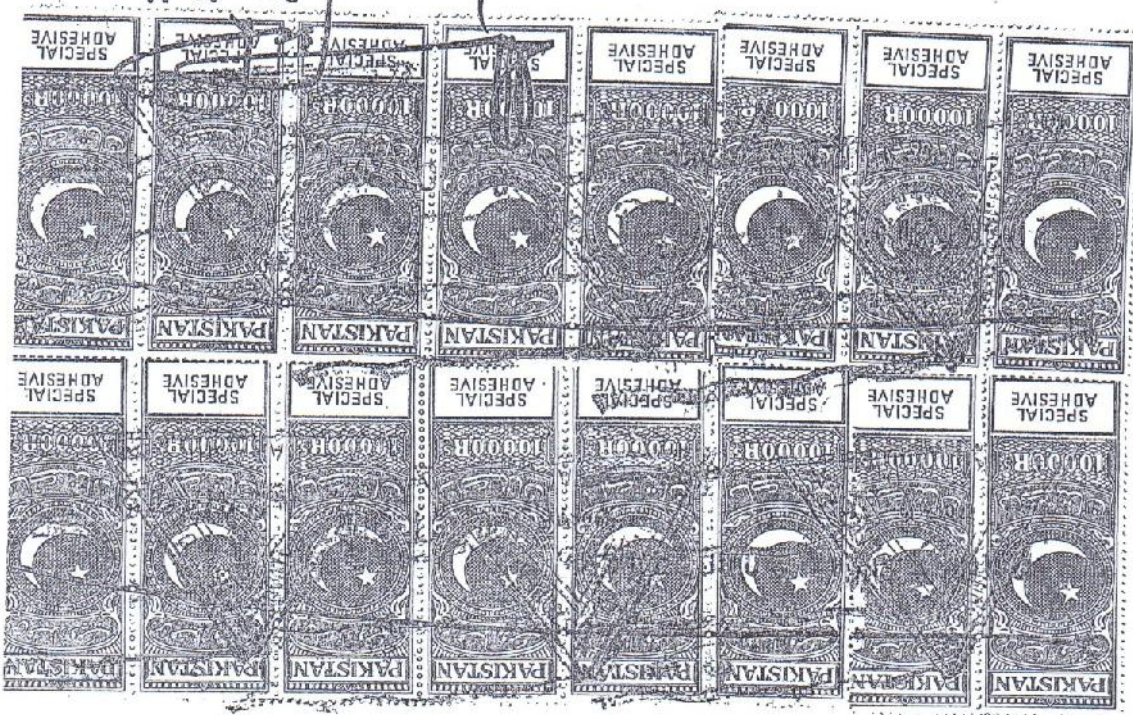


j. All sections of Request for Proposal in relation to the Drawings;

i. The Drawings;

Contract Agreement;

h. Additional Terms and Conditions of the

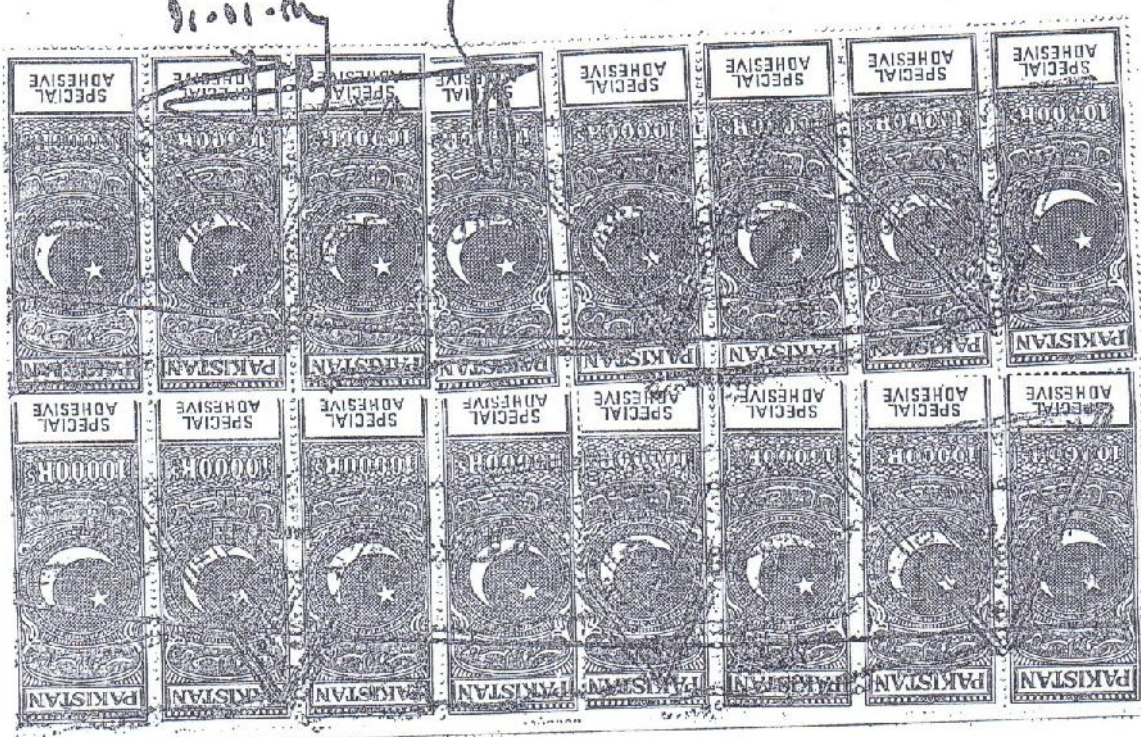


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Contractor

3. In considerations of payment to be made by the procuring agency to the contractor in accordance to complete the works and remedy deficiencies (as defined in the Scope of Work) short coming and defects, and ensure conformity of the works in all respects with provisions of the contract, the 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.





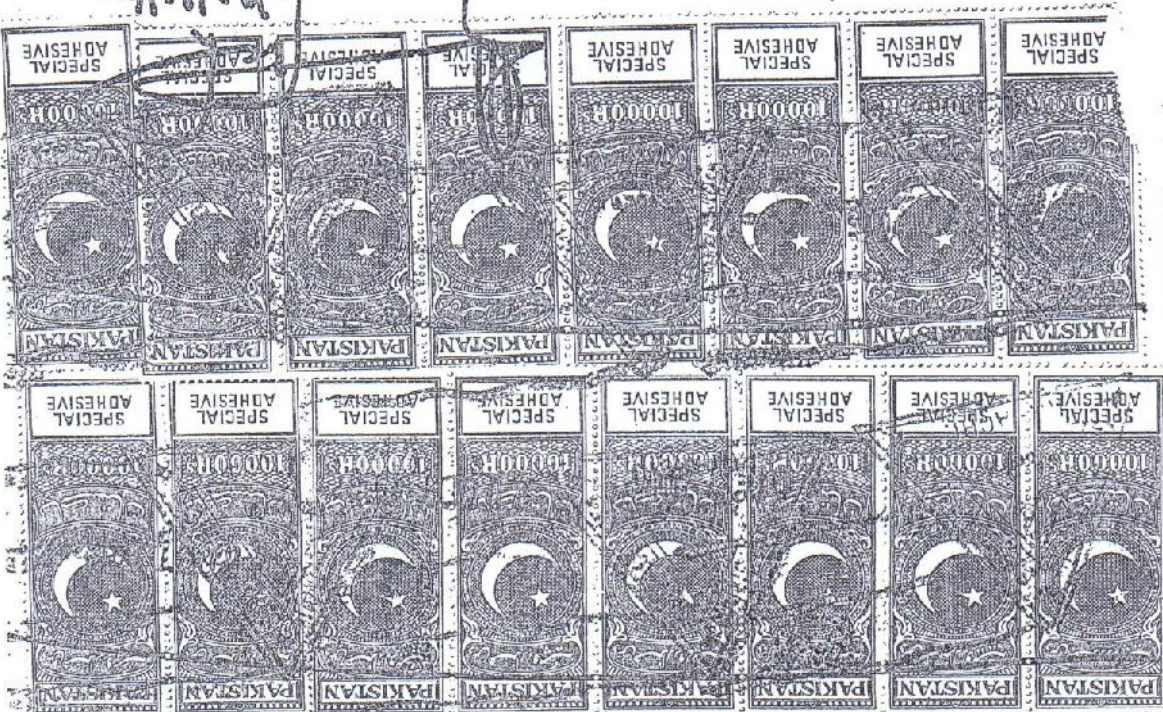
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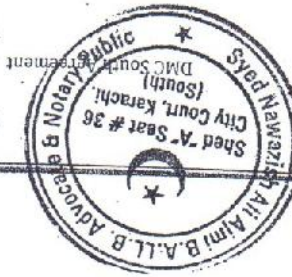
Agency are reproduced below:
 For the sake of clarity breakdown of rates quoted
 by the Contractor and accepted by the Procuring

1. Type of agreement and contract provision:

4. Additional terms & conditions / clarifications:



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Contractor

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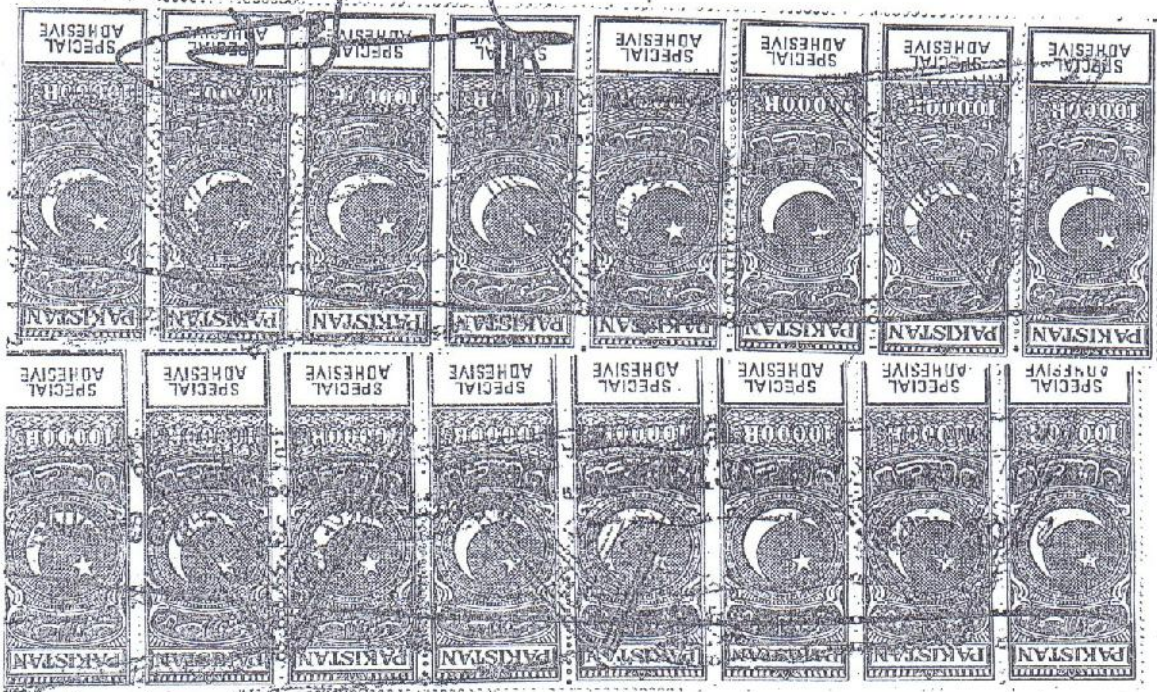
based on the unit price quoted by the contractor;

work/services performed by the contractor shall be that work / services items. The payments of each the price list and unit price quoted by the contractor for multiplying quantity of each work item as indicated in unit price contract, the sum of amounts is calculated by It is further clarified that this agreement is a

taxes, if any)

per year (Inclusive of Income Tax, Sales Tax and other

Total Bid of Contractor: US\$14,254,405.00



SSWMB

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Contractor

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

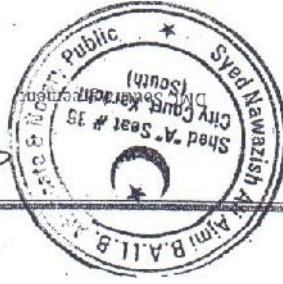
Following specified elements are subjected to price adjustment in the manner prescribed in the contract document:

ii. Elements of Price adjustment:

W-10-16



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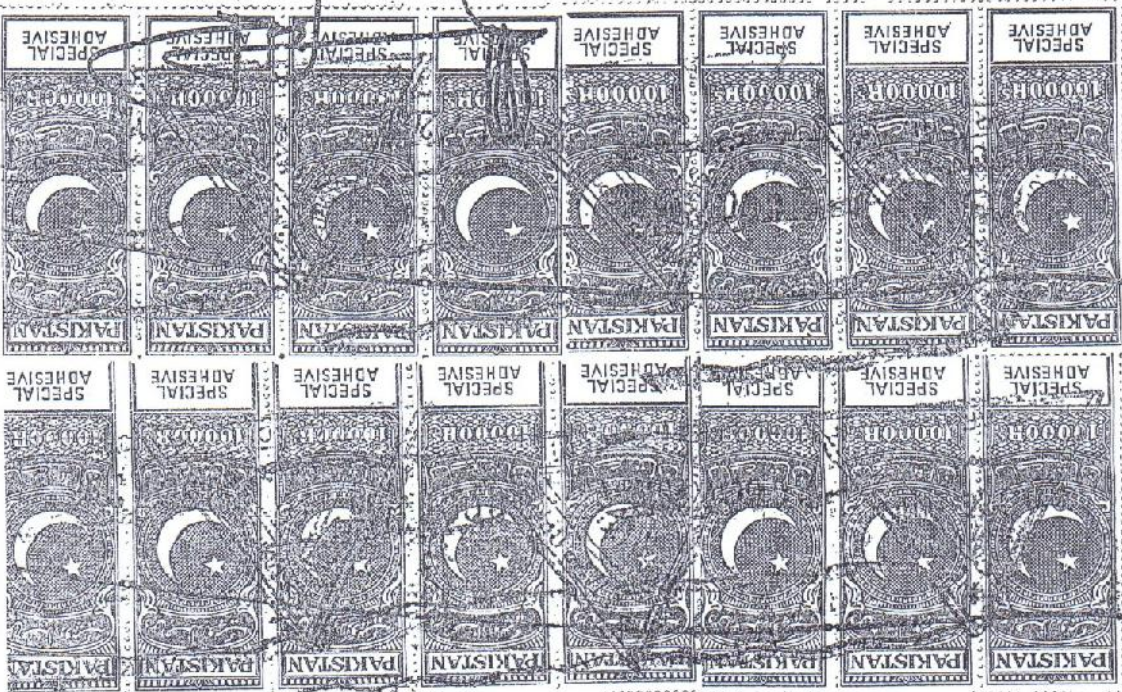
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The quantities of items mentioned in BOQ/price list are estimated. Payment shall be made to the contractor as per actual work calculated on the basis of unit / item price;

iii. Quantities are estimated:

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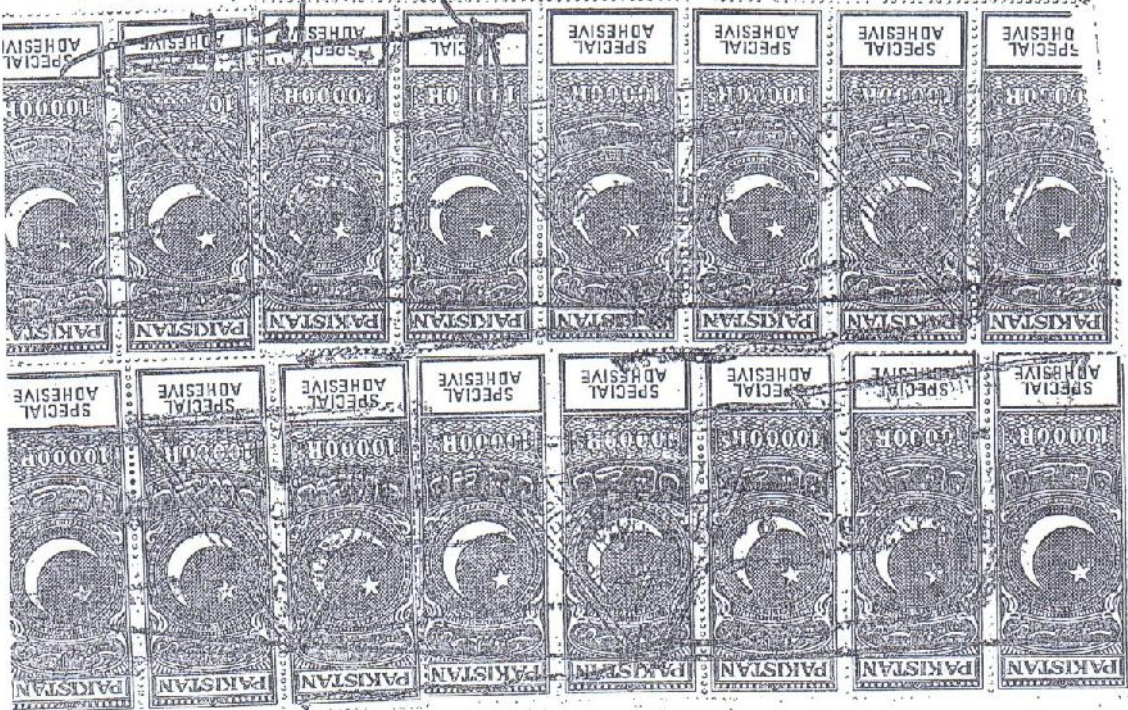
through negotiations;

The Contractor is responsible for transport of MSW from all areas of DMC (South) 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 GTS the Procuring Agency shall pay the contractor reasonably additional amount to be agreed mutually



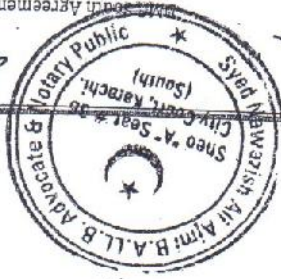
iv. Additional distance:

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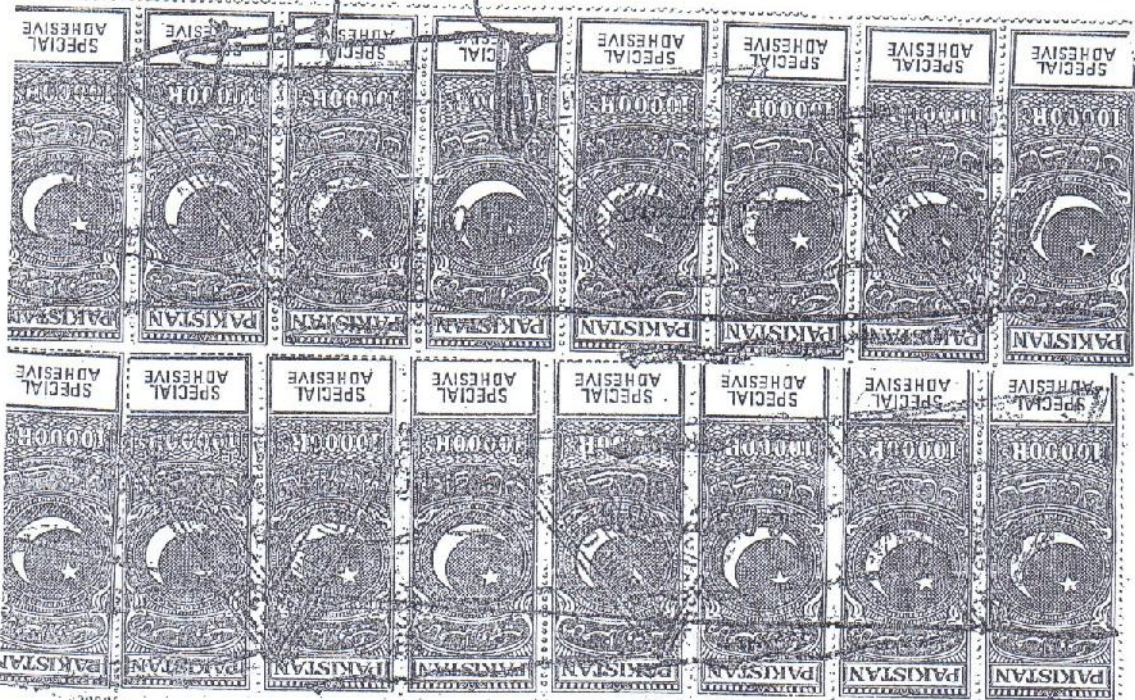
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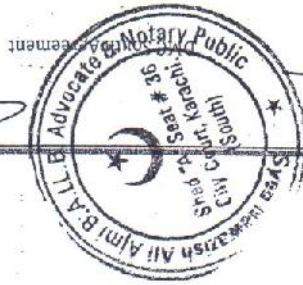


Seven (07) Years after issuance of Work Order / signing of the agreement extendable for further Three (03) Years based on mutual written consent of contractor and client and on performance of the contractor and on same terms and conditions of RFP & Addendum hereinafter referred as Annexure "C".

v. Contract Period:

20.10.16



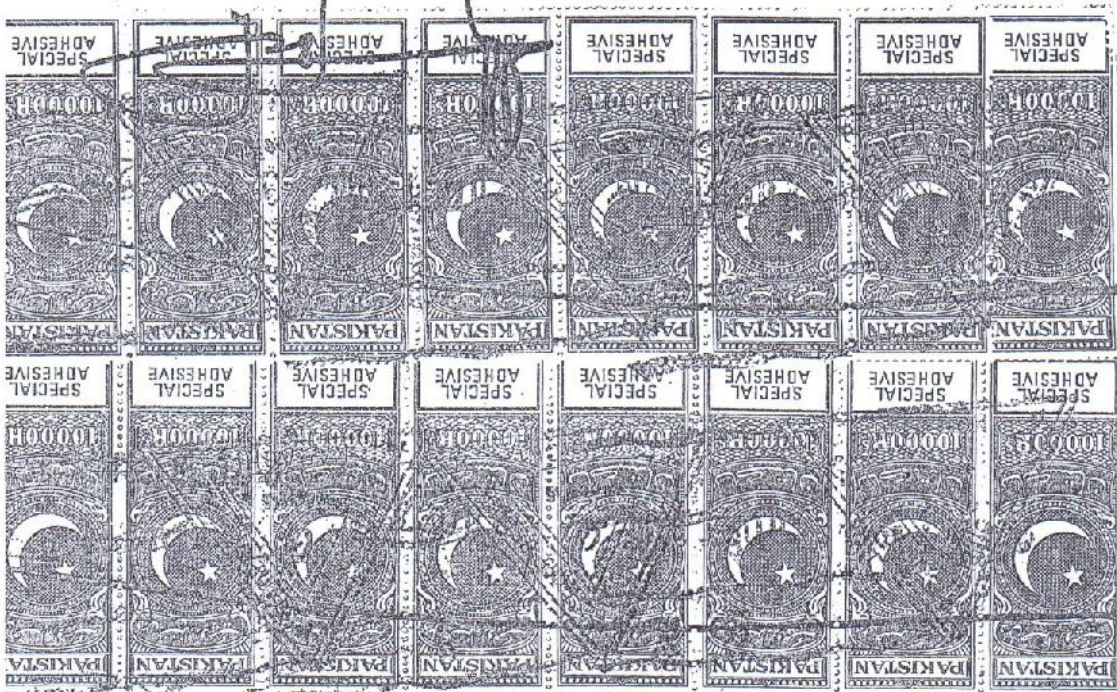


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The accepted net cost of work and services for item listed in price list/BOQ per year shall be repeated for further years up to the contract period, for each following years a formal mini work order shall be issued to the contractor by the procuring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

VI. Cost of Work:



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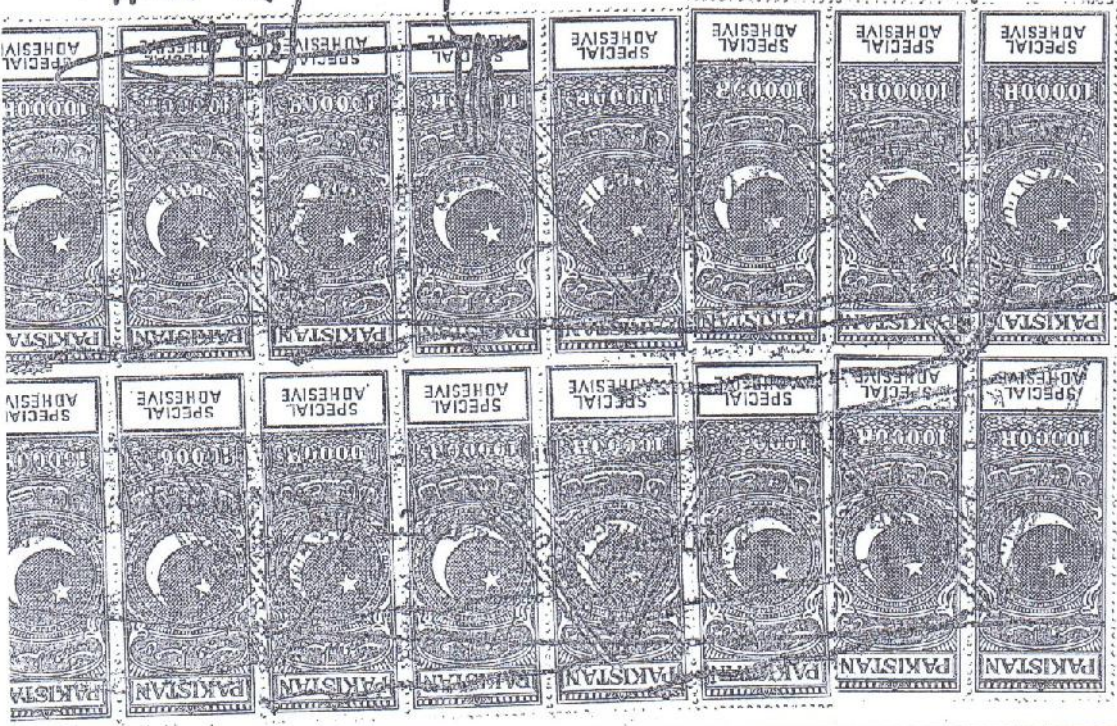
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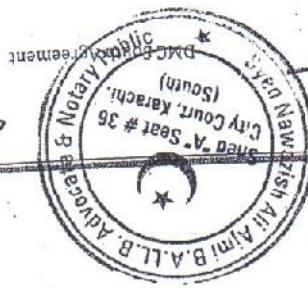
Plastic bag will be provided free of cost by contractor/operator to all residential units (for door to door collection only) for the first two weeks only. The size and grade of polythene bag shall be according to the specification given in the RFP;

vii. Plastic bags;

No 18-16



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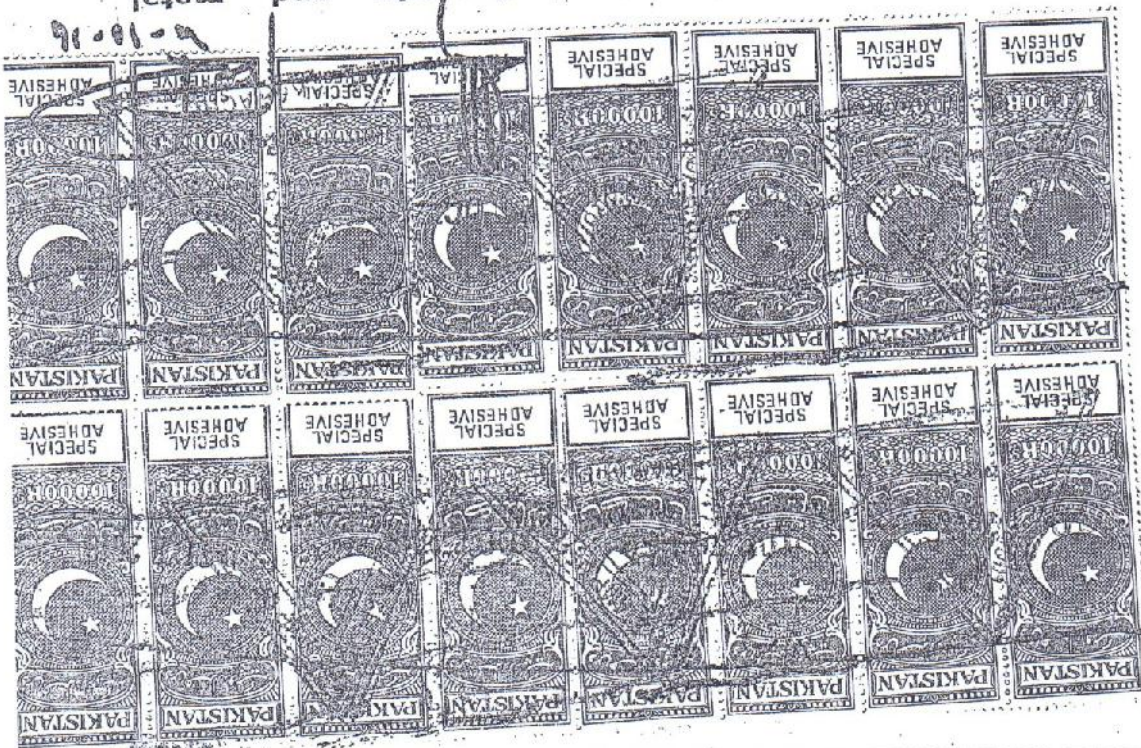


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The litterbins, metal buckets and metal containers shall be provided with prior approval of the Procuring Agency for the quality/specifications and numbers. However, keeping in view the area requirement, the size and type of the container may be changed 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.

containers:

viii. Litterbins, metal buckets and metal





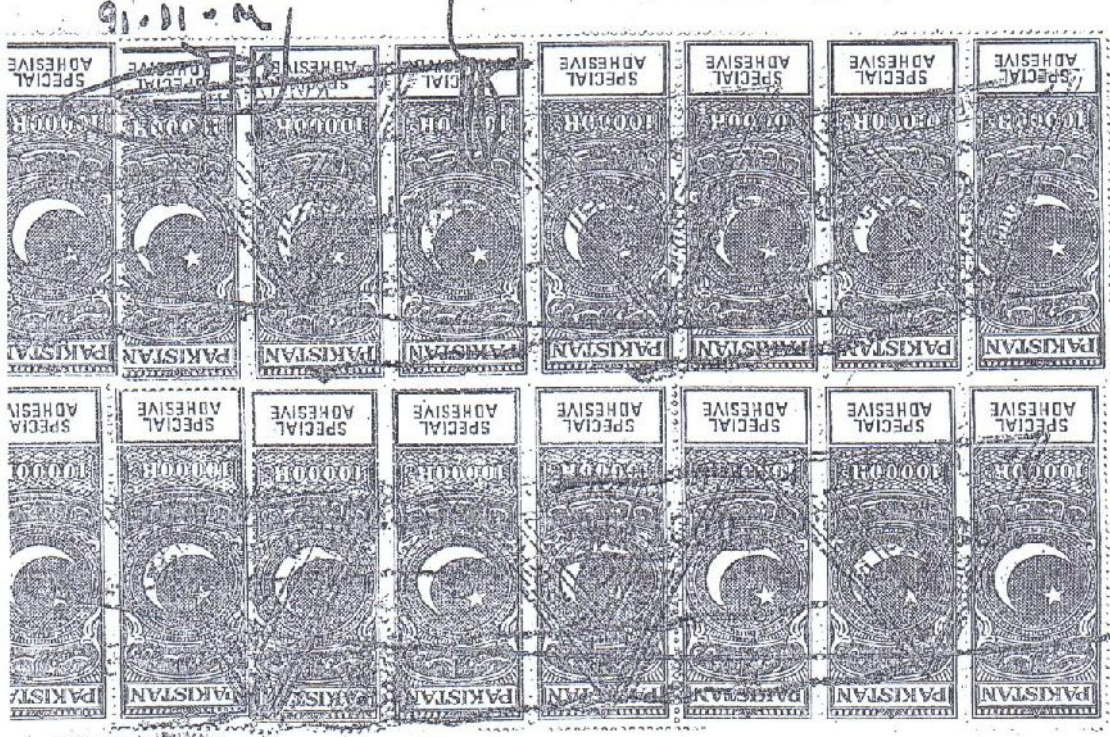
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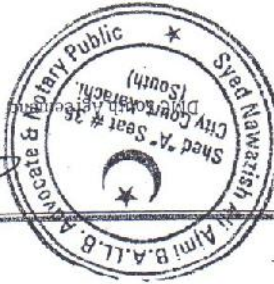
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Transition period for the purpose of implementation of this contract is 03 (three) months starting from date of signing of agreement and work order. The contractor shall be liable to start its activities of the work and services given in the transaction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

ix. Transition Period

The litterbins, buckets and containers shall be replaced, as and when required on the basis of their service life. Bins, buckets and containers if damaged or stolen due to negligence/improper handling shall be replaced by the contractor at its own cost;





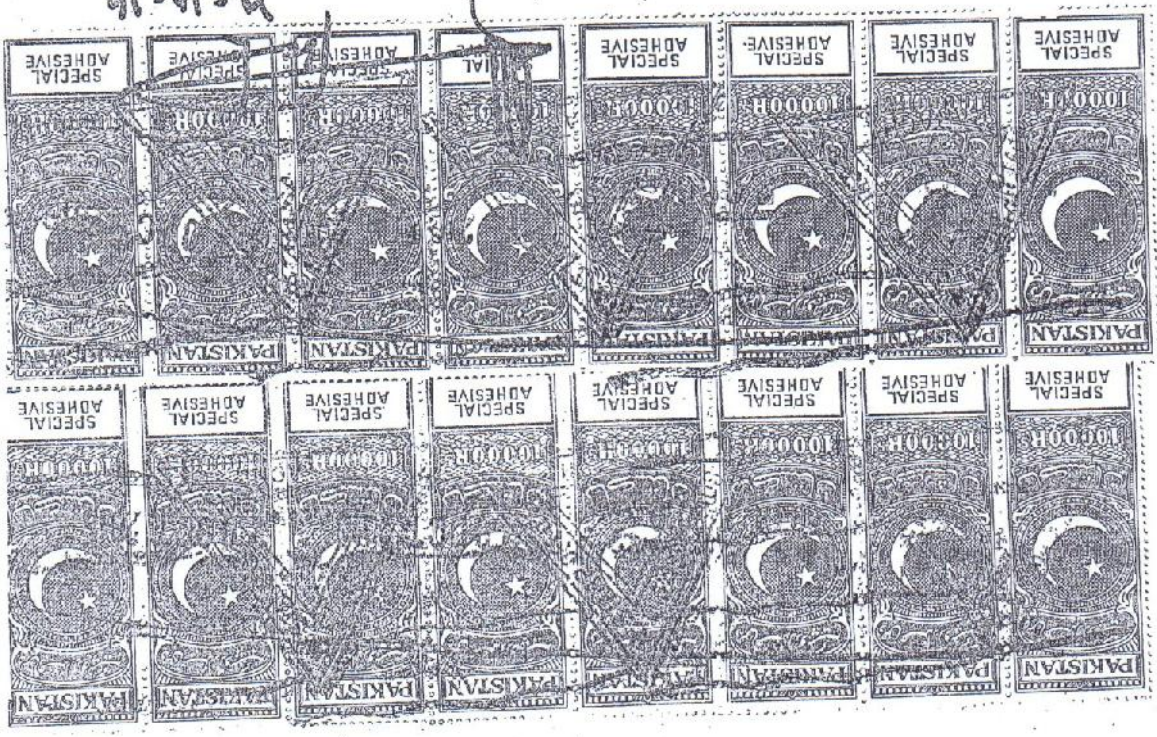
Contractor
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The contractor shall be bound under this contract agreement to comply with all substantive and procedure laws of Islamic

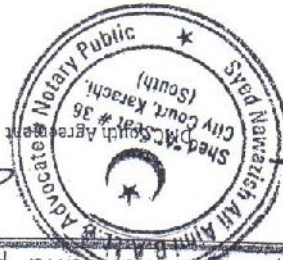
Regulations:

X. Compliance of Laws and Rules

Within the transition period the contractor shall be bound to provide and manage the contract in 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;



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Contractor

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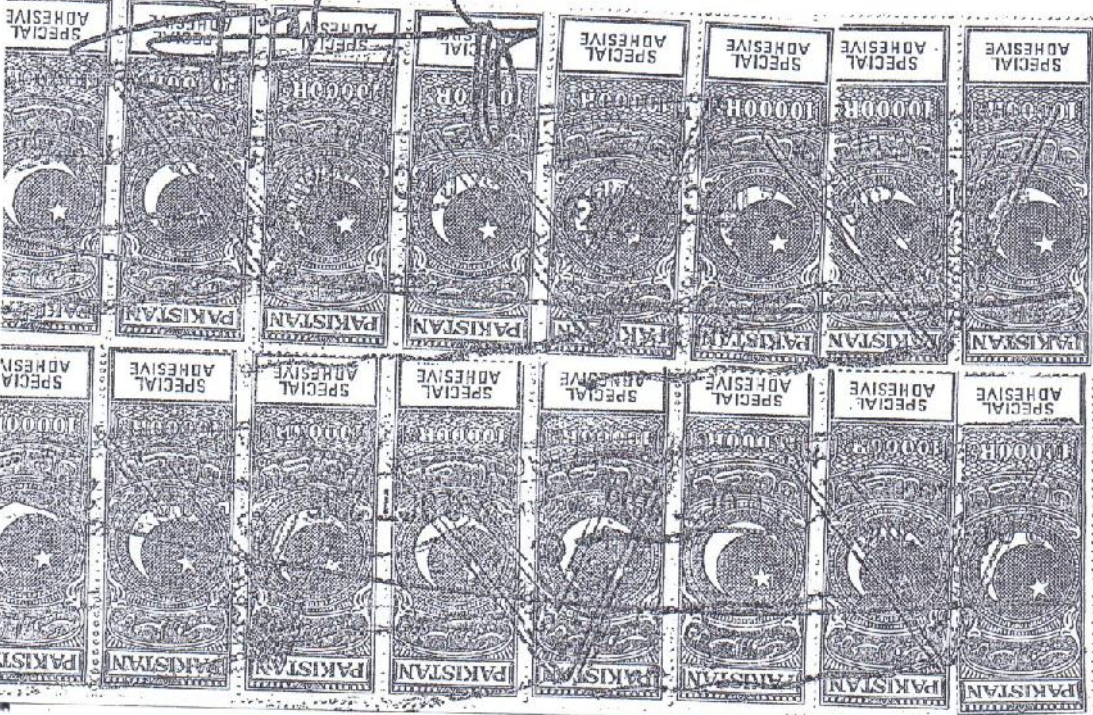
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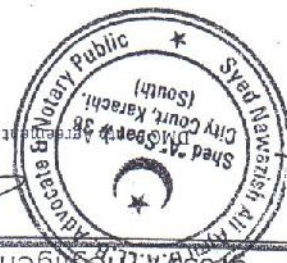
Inability of contractor to comply with all laws, rules, regulation and procedures will result in

- 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.

not limited to the followings:

Republic of Pakistan which may include but are





with gross negligence, fraud, or willful claims arising out of or in anyway connected representatives from and against any and all member, officers, directors, employee and harmless the Procuring Agency (SSWMB), its Contractor shall indemnify, defend and hold

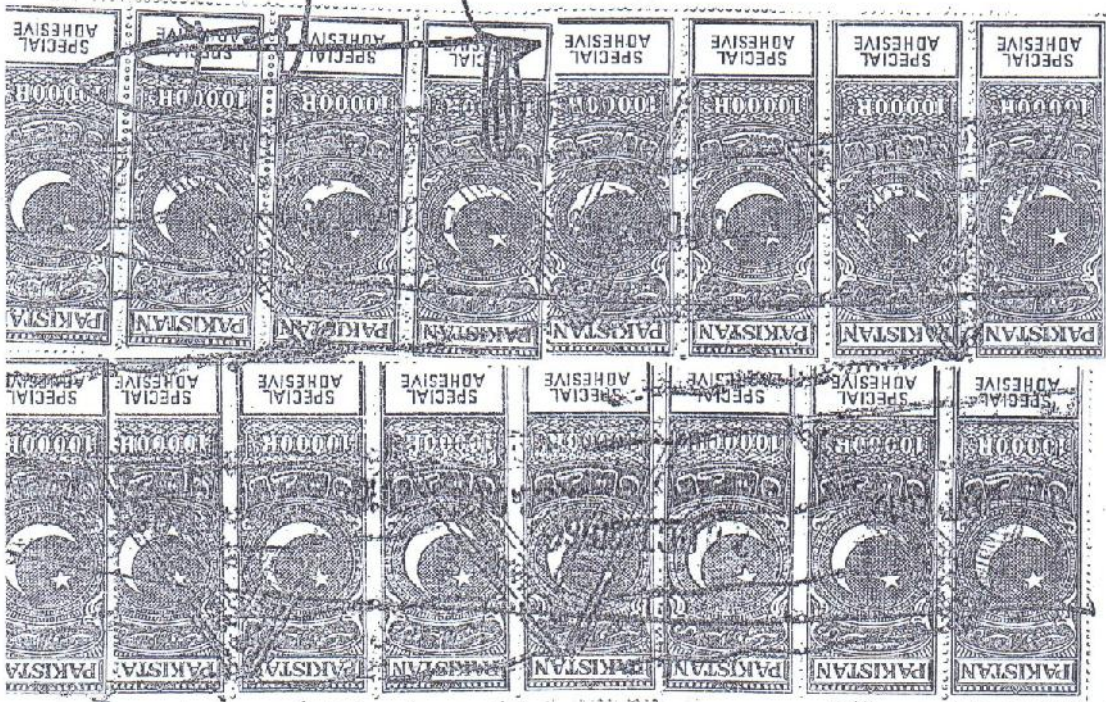
xi. Indemnification by the Contractor:

conflict;

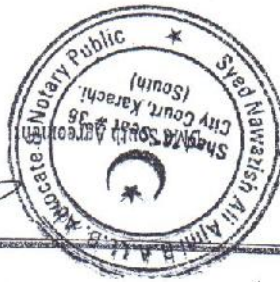
and have overriding effect in case of any amended 2013 shall govern the contract Sindh Public Procurement Rules 2010 Islamic Republic of Pakistan including All substantive and procedural laws of the contract / relevant laws;

penalization, as per penalty clauses provided in

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SSWMB



Contractor

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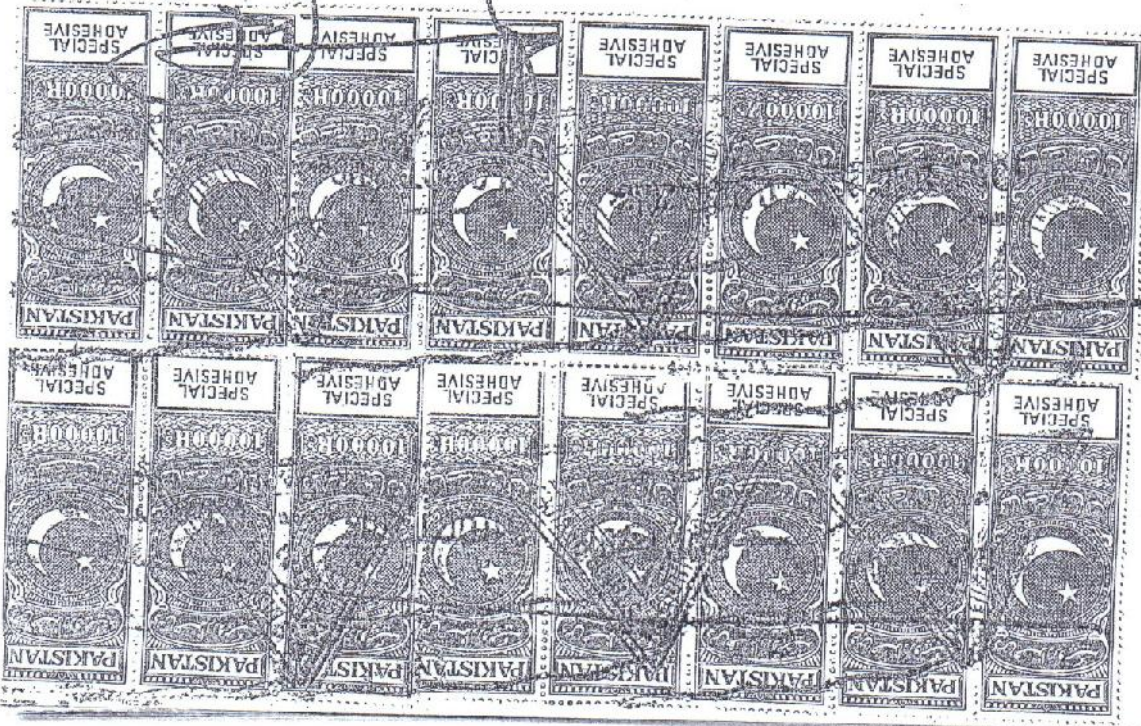
respect of:

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

AND

the sole responsibility of the contractor. Indemnity obligation under this clause shall be incurred by the contractor pursuant to its obligations there under. Any cost or expense in connection with this contract and contractor's on contractor's behalf or under his instructions misconduct of the contractor or any one acting

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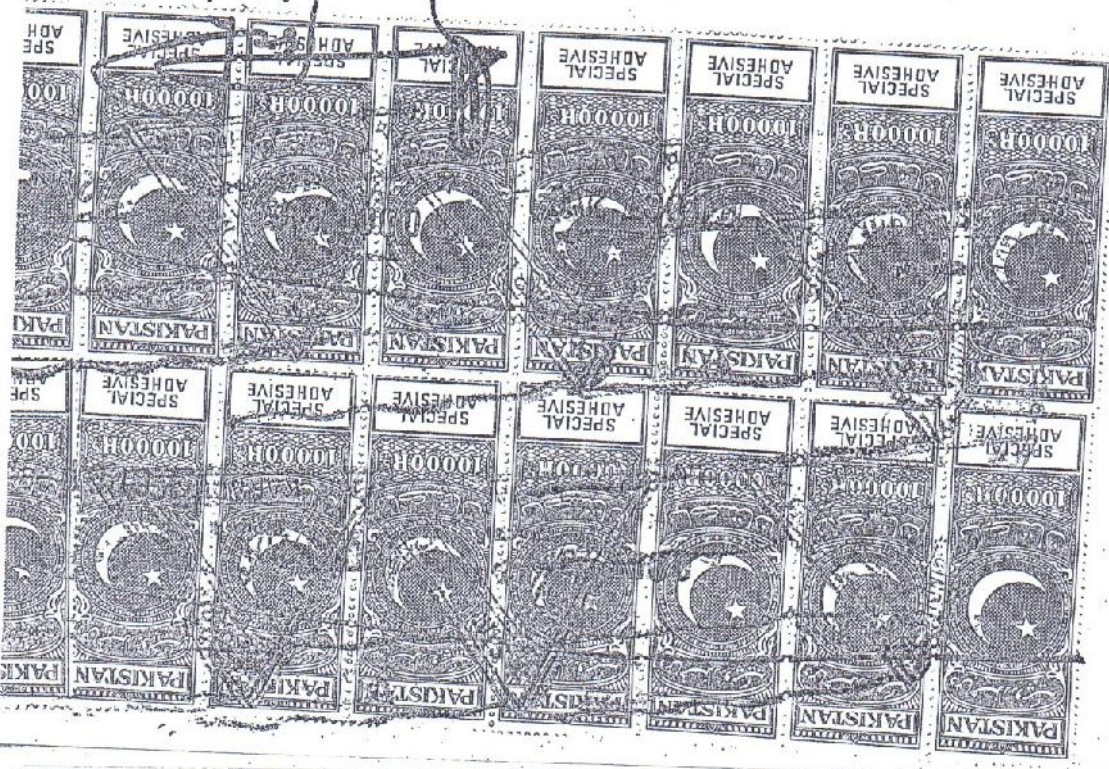
Execution of work and services;

contractor's performance during lawsuits resulting from defects in employee for any loss claims, demands or indemnify the client, its officers, relation thereto, the contractor shall expenses, whatsoever in respect of or in proceedings, damages, cost, charges and execution of work and against all claims, or public riot or in consequences of property which may arrive out of accident b. Loss or damage to any vehicle, plant,

accident;

a. Death or injury to any person, due to

M-10-16



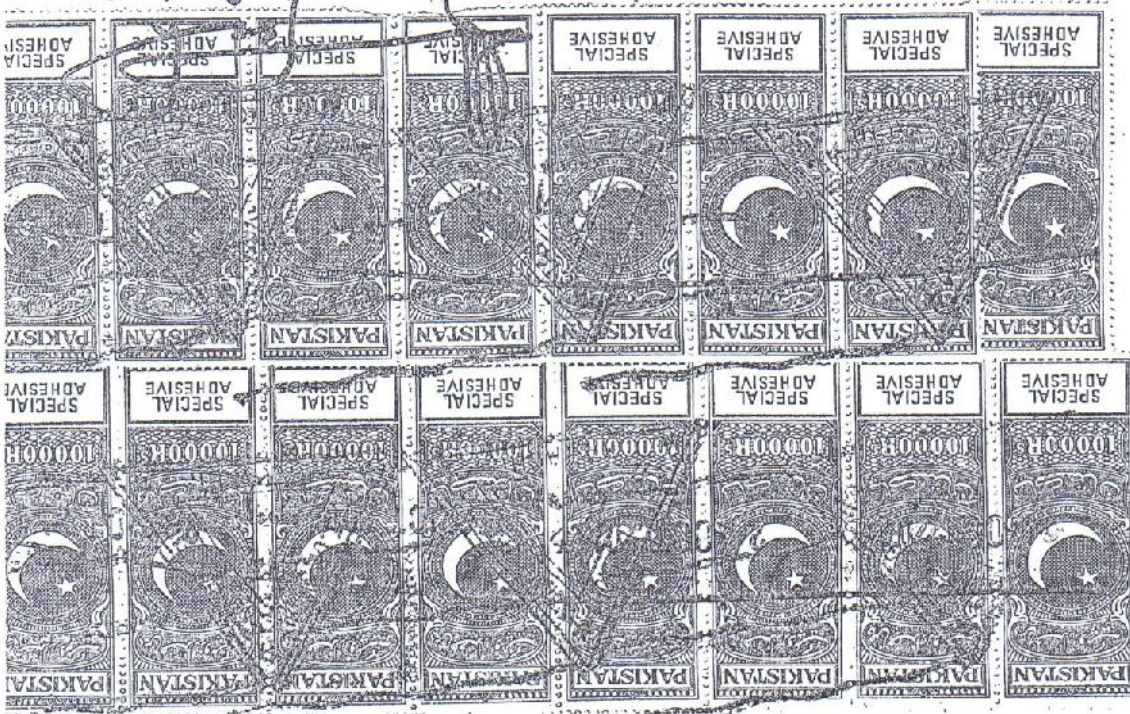


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The contractor shall be directly responsible for the choice or use of defective or non-compliant tools or machineries, deficiencies of performance in works and services, mistakes in sufficient supervision or any failure to fulfill his obligation in 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;

xii. Contractor Liability for Indemnification:



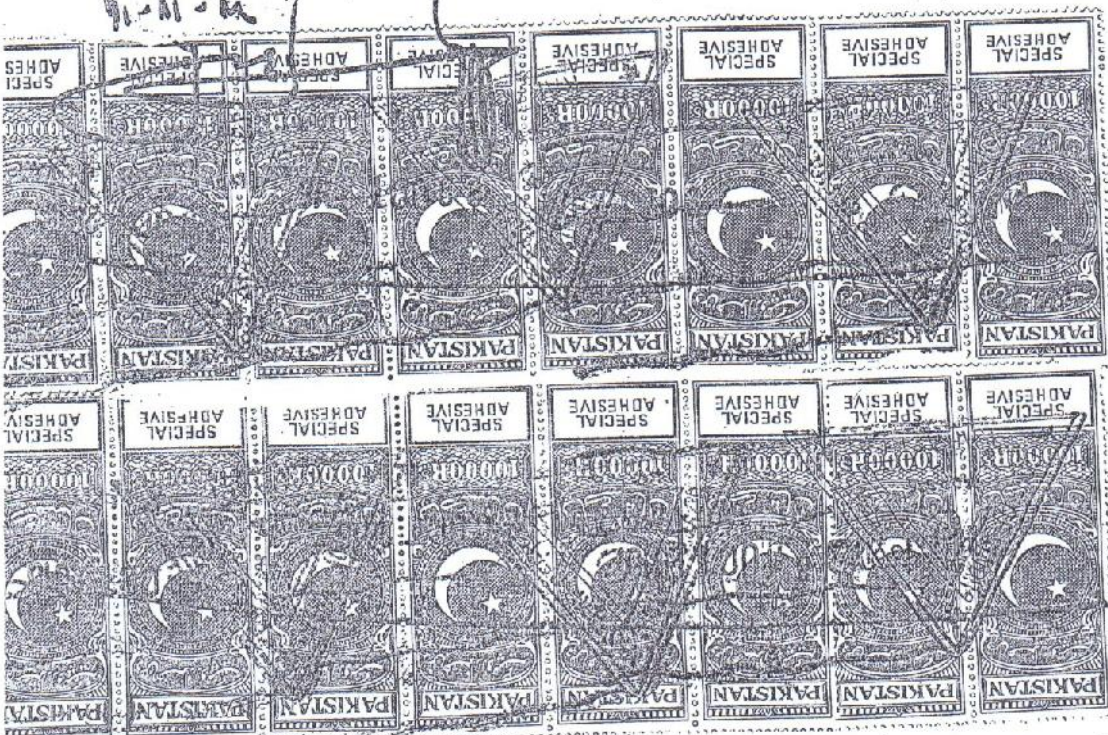


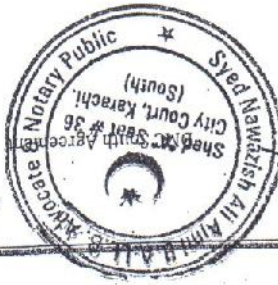
Contractor

XIII.1. Penalties as prescribed in the contract document shall be imposed if negligence, discrepancies and deficiencies on the part of the contractor to fulfill their obligations on the performance of works and services and the requirements to perform such works and services are found during the period of this contract;

XIII.11. 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

XIII. Penalties and cancellation of contract:





Contractor

SSWMB

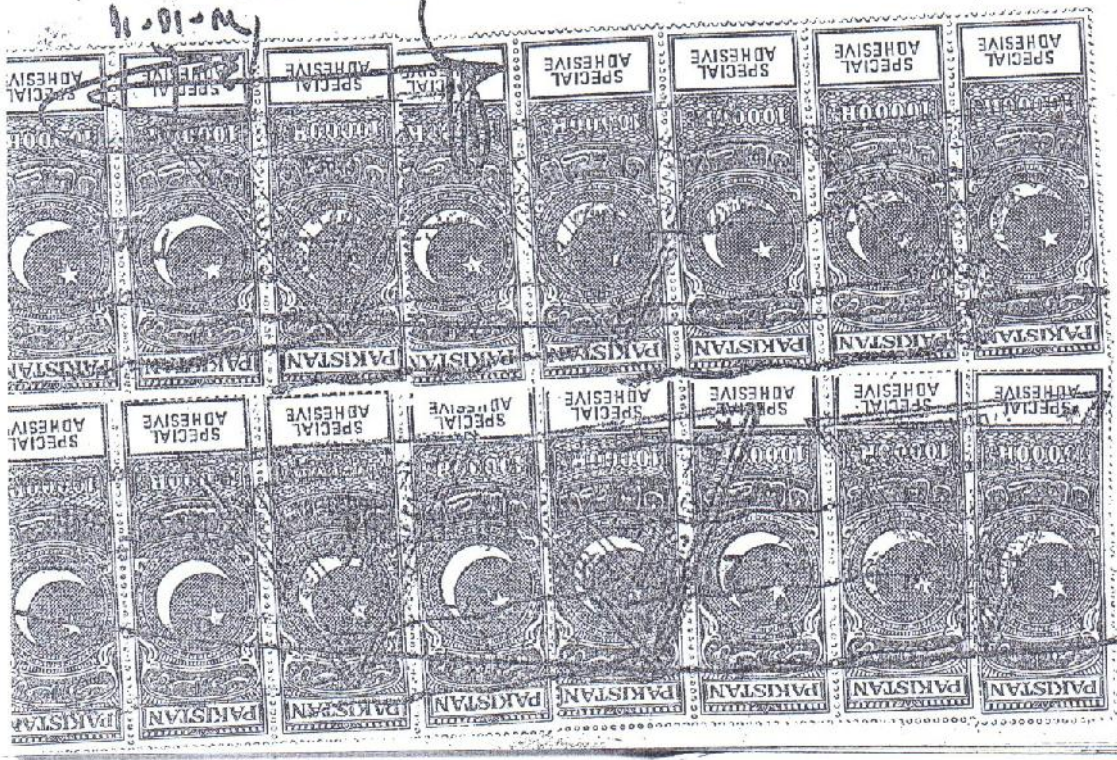
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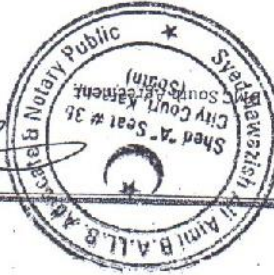
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xiii. If non conformity continuous, despite the penalties the procuring agency may terminate the agreement, and any damages to the procuring agency due to these non-conformities of the contractor shall be recovered from his performance securities;

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;



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Contractor

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work with the contractor.

After negotiations both parties agree that whole sanitation staff presently on payroll of DMC (South) shall be provided / deputed to

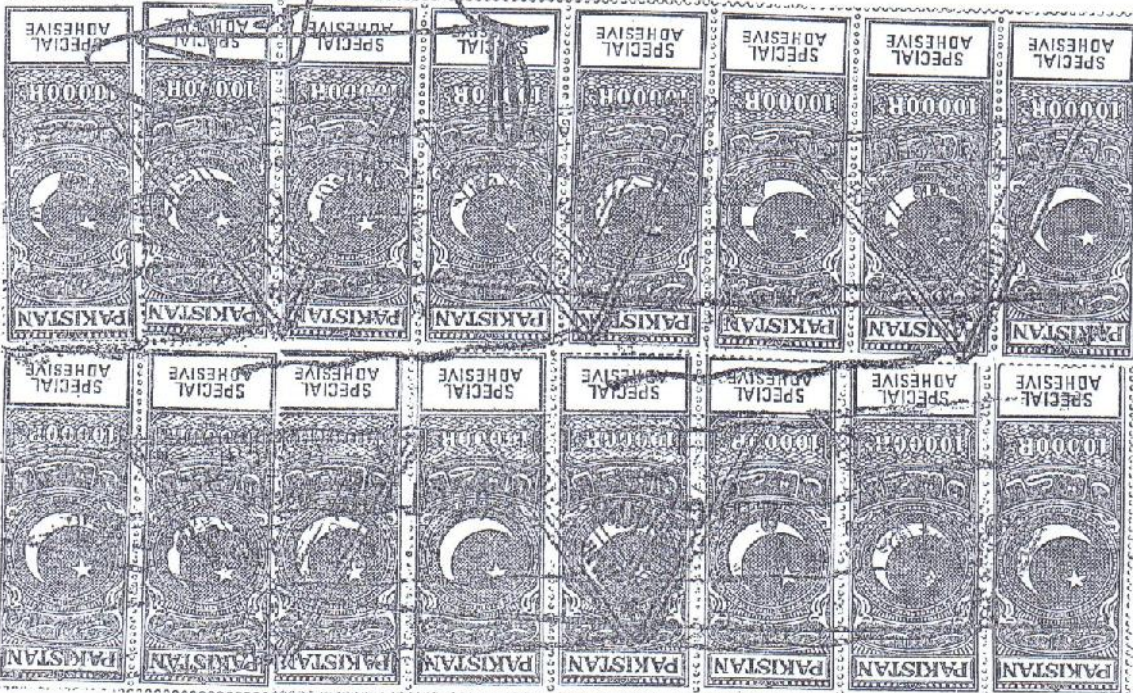
employees of DMC (South):

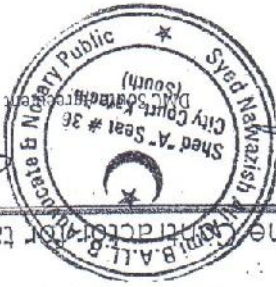
xv. DMC (South) employees shall remain

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;

xiv. Work in Emergency:

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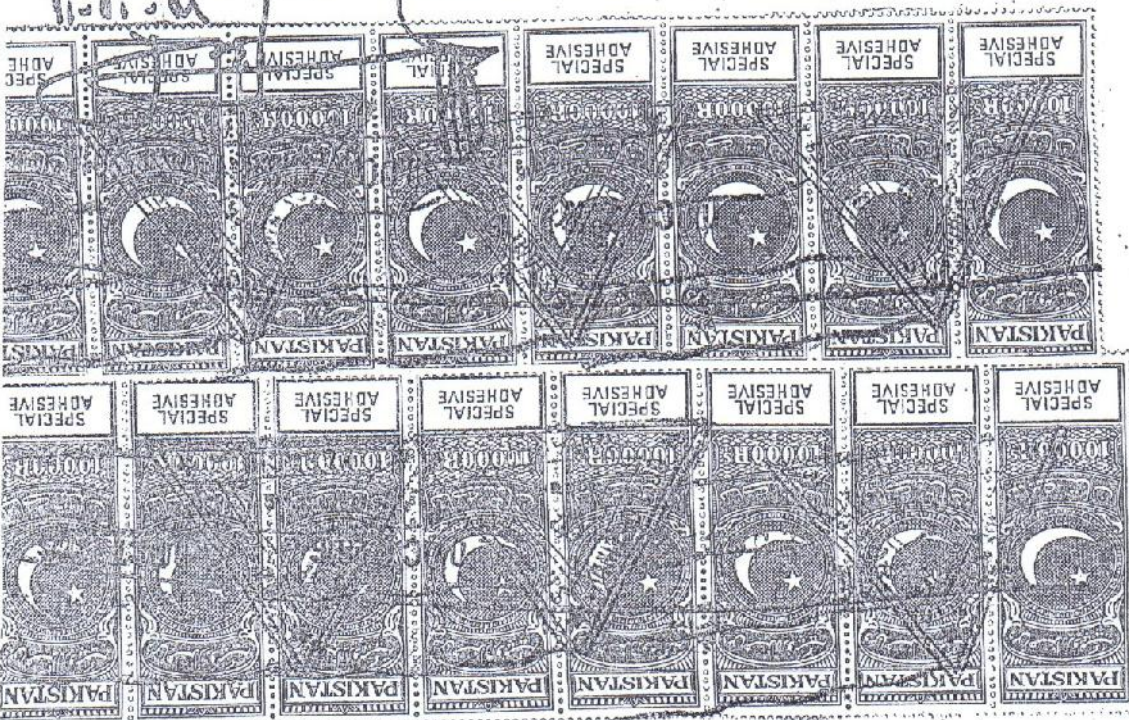
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to the Contractor for tax deposited;

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

xvi. Tax:

However, these employees shall remain employees of DMC (South). Their salary, Provident Fund and pension etc. shall remain the responsibility of DMC (South). 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 document;



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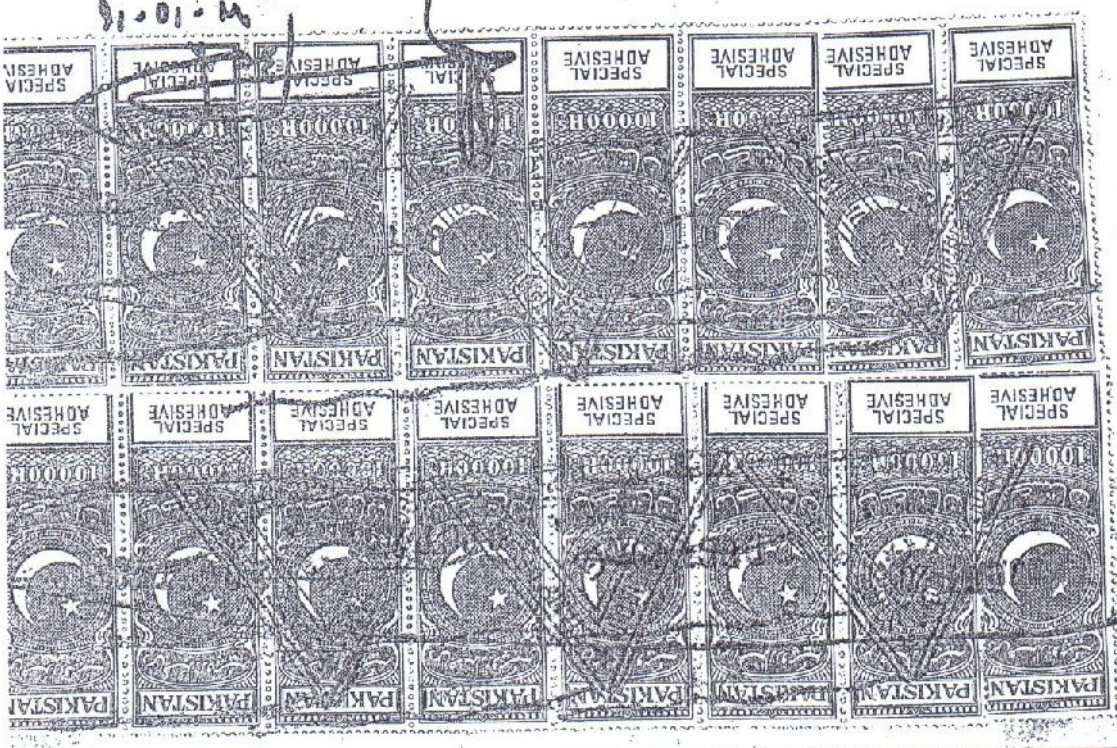


Contractor

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The prices quoted by the Contractor in its bid have been calculated as inclusive of income tax, sales tax 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.

xvii. Payment to be made on Base Price basis:



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Contractor

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borne by the Contractor.

of maintaining such guarantee shall be in the form of a bank guarantee and the costs of US\$59,393.35 to be maintained in the retention money equal to the bank guarantee;

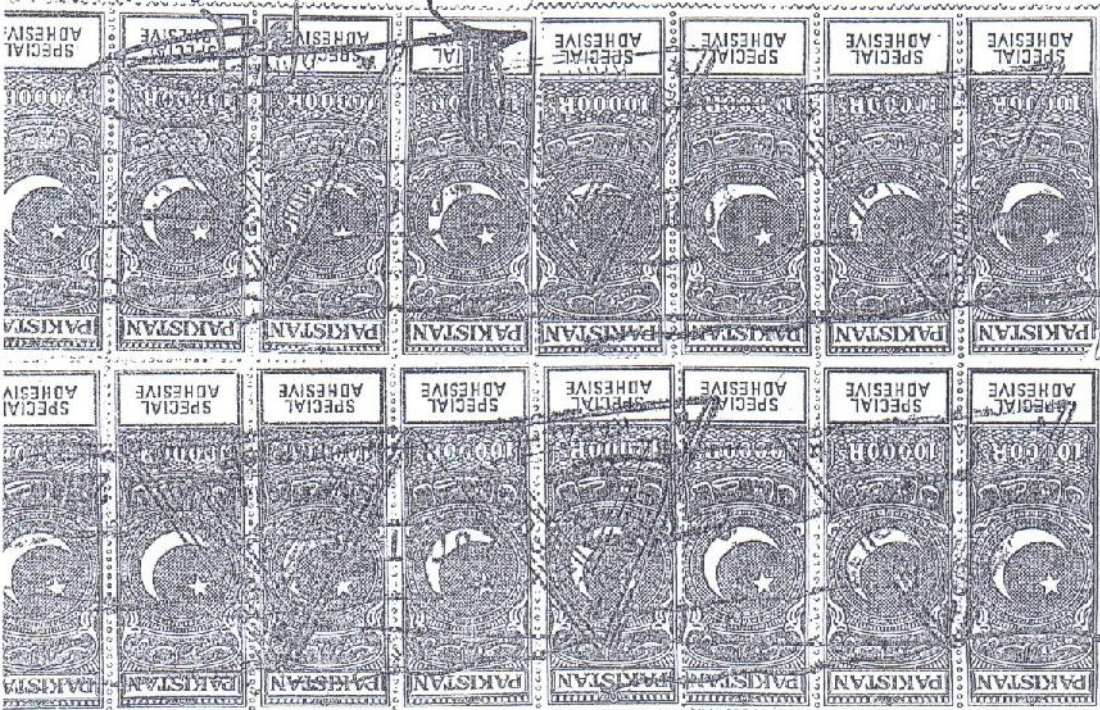
a. The Contractor shall furnish Performance Security of 1% of the contract amount of US\$14,254,405 as per the Letter of Intent dated 15.07.2016 in the form of a bank guarantee;

xviii. Duties of Parties:

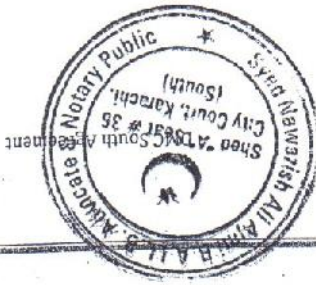
applicable taxes;

the benefit of any variation in the rate of

The Contractor shall bear the cost of and have



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Contractor

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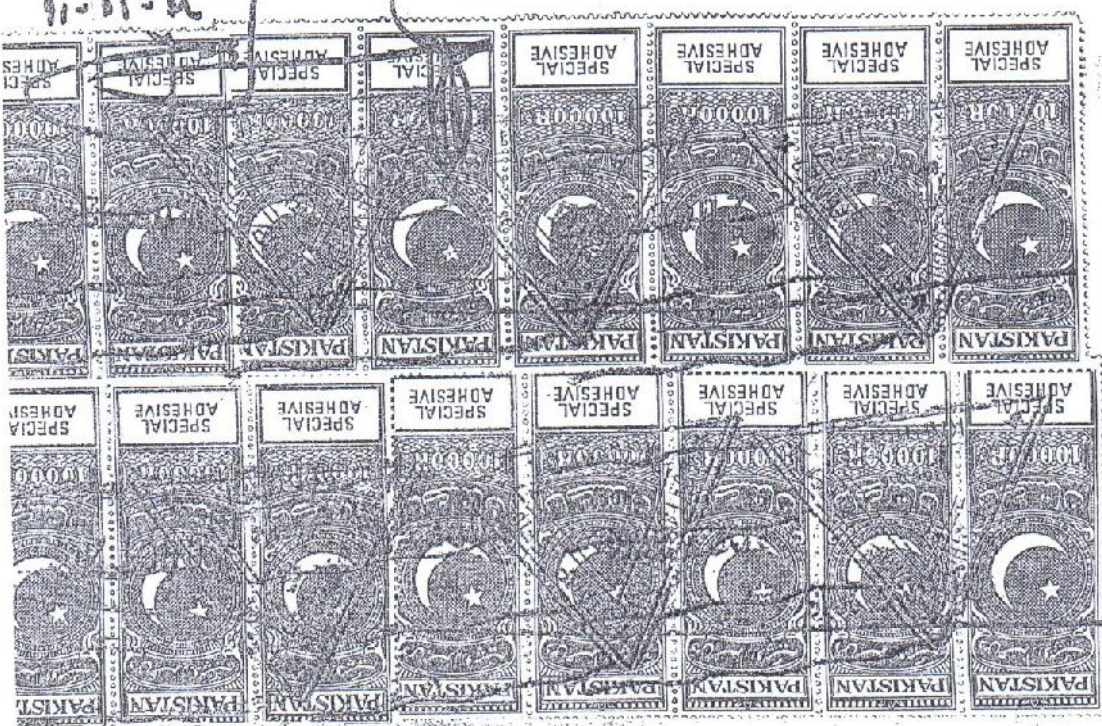
a. If this Agreement is determined by way of termination within the contract period of seven years, then the assets belonging to the Contractor may be purchased by the Procuring Agency on the assessed value to be performed by an appraiser approved by Pakistan Banking Council as mutually agreed upon by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



xviii. End of Project:

US\$14,254,405 /12;

Provided further that US\$59,393.35 has been taken as 5% of the contract amount of



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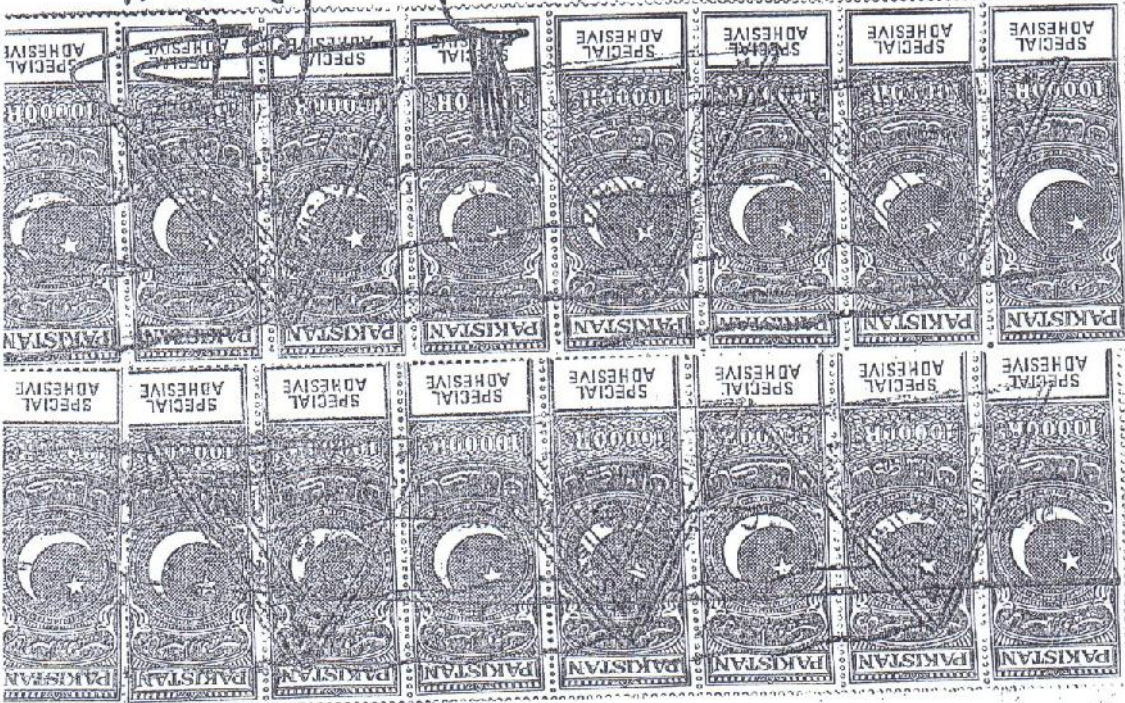


b. Upon the determination of this Agreement, the Procuring Agency shall pay the Contractor within 45 days upon receipt of invoice and make a full and final payment of all dues accruing in favour of the Contractor;



The Procuring Agency shall pay the Contractor the assessed price of the assets and the Contractor will transfer the assets to the Procuring Agency upon receipt of full and final payment.

13-10-16



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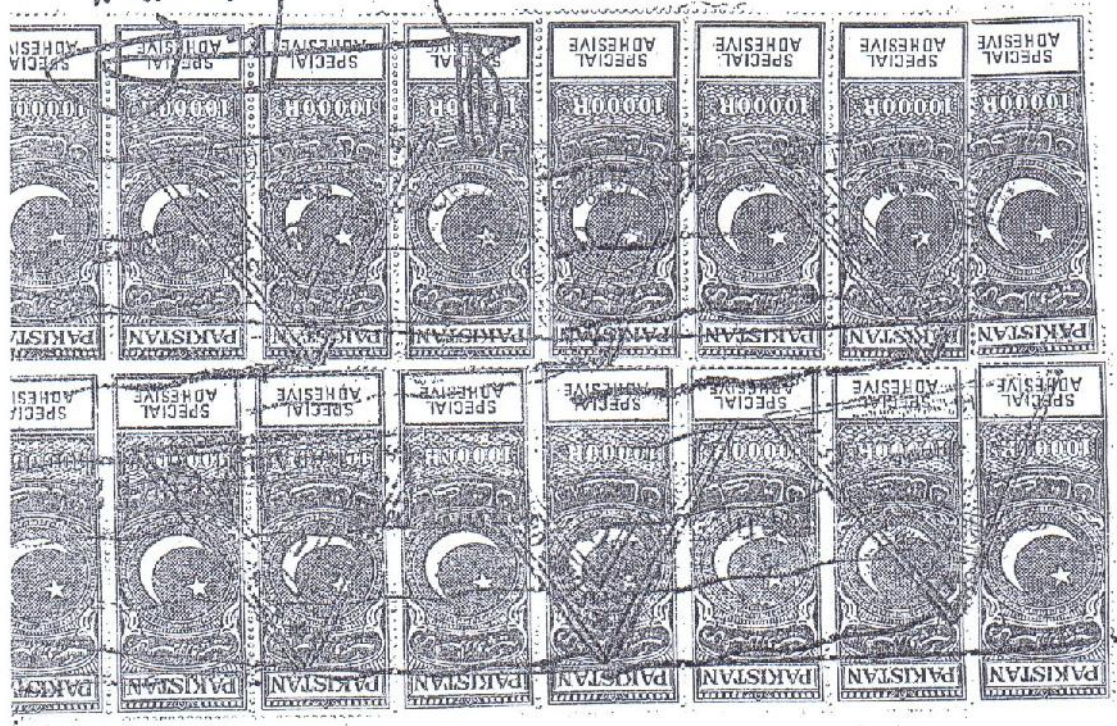
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The Parties are cognizant that there may be advancements in the technology utilized in connection with the services to be rendered under this Agreement. The Parties are also aware that there may be changes in the environment during the contract period 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 relation to this Agreement.



xix. General Variance:

10-10-16



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Contractor

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Such adjustments shall 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.

20-10-16

