



**RUWASA**

Rural Water Supply and Sanitation Agency

**CONTRACT NO. AE – 102/2021-2022/KIL/W/UV/01**

FOR

**COMPLETION CONSTRUCTION OF RUNDUGAI KAWAYA IN HAI DISTRICT  
AND EXTENSION OF NDINYIKA LEKRUMUNI – KANDASHI WATER SUPPLY  
PROJECT IN SIHA DISTRICT**

**(The Employer)**

BETWEEN

**RURAL WATER SUPPLY AND SANITATION AGENCY**

**(The Contractor)**

AND

**M/S. POSH ALLIANCE LIMITED**

**DECEMBER, 2021**

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## FORM OF CONTRACT

This Contract is made the 21 day of DECEMBER 2021.

Between

**The Rural Water Supply and Sanitation Agency (RUWASA)**, having its physical address at NBC Bank, Mazengo Branch, Kuu Road, P.O. Box 412, 40473 **DODOMA**, Tanzania (hereinafter called "**The Employer**") of the one part;

And

**M/s. POSH ALLIANCE LIMITED**, having its principal place of business at P. O. Box 60366, Dar Es Salaam, (hereinafter called "**the Contractor**") of the other part.

Both the Employer and the Contractor shall collectively and jointly be known as "**Parties**".

### WHEREAS:

- (a) The Employer is a Government Agency established under the Water Supply and Sanitation Act No. 5 of 2019 which is responsible for development and sustainable management of rural water supply and sanitation projects and the provision of water supply and sanitation services in rural areas;
- (b) The Contactor is a class four local Company registered under the Laws of Tanzania which is responsible for Civil works;
- (c) The Employer invited Tenders **COMPLETION CONSTRUCTION OF RUNDUGAI KAWAYA IN HAI DISTRICT AND EXTENSION OF NDINYIKA LEKRUMUNI – KANDASHI WATER SUPPLY PROJECT IN SIHA DISTRICT** under the terms and conditions set forth in this Contract; and
- (d) The Contractor having represented to the Employer that it has the required professional skills, expertise and technical resources, the Procuring Entity through the Letter of Notification of Award of Tender with Ref. No. RUWASA/PR/VOLII/04 dated 13/12/2021 awarded a Tender to the Contractor at the Contract sum of **Tanzania Shillings Five hundred thirty seven million four hundred fifty three thousand two hundred fifty five only (Tshs. 537,453,255.00)** VAT inclusive. (Hereinafter referred to as "**the Contract Price**"); and

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- (e) The execution of works shall be performed and completed for the period within **One Hundred and Fifty (120) days** (hereinafter called "Contract Period").

**NOW THEREFORE** the Parties hereby agree as follows:

1. In this contract, words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.
2. The following documents shall be deemed to form and be read and construed as an integral part to this contract, and shall be taken as complementary and mutually explanatory of one another but in the event of ambiguities, inconsistency or discrepancies within the Contract, the documents shall take precedence/prevail in the order set out below:

- (a) Form of Contract;
- (b) Special Conditions of Contract;
- (c) General Conditions of Contract;
- (d) Notification of Award of Tender;
- (e) Letter of Acceptance;
- (f) Price Schedule (BOQ);
- (g) Anti – bribery Memorandum;
- (h) Technical Specifications;
- (i) Drawings; and
- (j) APPENDICES
  - (i.) Forms of Securities;
  - (ii.) Registered Power of Attorney; and
  - (iii.) Minutes of Negotiation Meeting.

3. In consideration of the payments to be made by the Employer to the Contractor as hereinafter mentioned, the Contractor hereby covenants with the Employer to **COMPLETION CONSTRUCTION OF RUNDUGAI KAWAYA IN HAI DISTRICT AND EXTENSION OF NDINYIKA LEKRUMUNI – KANDASHI WATER SUPPLY PROJECT IN SIHA DISTRICT** (hereinafter called "**the Works**") and to remedy defects therein in conformity in all respects with the provisions of the Contract.

4. The Employer hereby covenants to pay the Contractor in consideration of the execution and completion of the works, the sum of **Tanzania Shillings Tanzania Shillings Five hundred thirty seven million four hundred fifty three thousand two hundred fifty five only (Tshs. 537,453,255.00)** VAT inclusive, at the times and in the manner prescribed in this Contract.

5. The Employer hereby covenants to pay the Contractor in consideration of the execution and completion of the Works and the remedying of defects wherein the Contract Price in the following manner:

5. The Employer hereby covenants to pay the Contractor in consideration of the execution and completion of the Works and the remedying of defects wherein the Contract Price in the following manner:

(a) 15% Advance Payment; and

(b) 85% of the payments shall be made upon submission and acceptance of certificate and it shall be paid to the Contractor within twenty-eight (28) days after the date of the acceptance of certificate by the Employer.

6. The Contract price shall be paid in **Tanzanian Shillings** as stipulated under Clause 20 of the SCC.

7. The contract shall be executed for the period of **One Hundred and twenty (120) days** which shall immediately commence from the date of site handing over to the Contractor.

**IN WITNESS** whereof, the parties hereto have caused this Contract to be executed in accordance with their respective laws the day and year first above written.

**FOR AND ON BEHALF OF THE EMPLOYER:**

Signature: 

Name: WE RANSARI MUNIS


Title: REGIONAL MANAGER

Date: 21/12/2021

Seal: .....



**In the presence of:**

Signature: 

Name: ENG. GETRUDE NUSHT

Title: ENGINEER

Date: 21/12/2021

Signature: Herbert A. Msechu

Name: HERBERT A. MSECHU

Title: Managing Director

Date: 21-DEC-2021

Seal: .....



**In the presence of:**

Signature: Dick Msuya

Name: DICK MSUYA

Title: TECHNICIAN

Date: 21-DEC-2021

Seal: .....



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*(Handwritten mark)*

25.	53.1	The Bonus for early completion is <b>NA</b>
26.	54.1	The amount of advance payment shall be limited to <b>Fifteen percent (15%) of contract price payable to the contractor not later than 28 working days after submission of Unconditional Advance Payment Bank Guarantee.</b>  Recovery of Advance Payments: <b>Not less than Twenty percent (20%) of amount of Interim Payment Certificate as agreed.</b>
27.	55.1	The Performance Security shall be the minimum amounts equivalent to <b>Ten percent (10%) of contract price</b> in the form of:  (a) Bank Guarantee <i>or Performance security</i>  The standard form of Performance Security acceptable to the Employer shall be " <b>Unconditional Bank Guarantee</b> " of the type presented in Section IX of the Tendering Documents
28	59.1	Site handover date: <b>within 14 days after the end of defect liability period</b>
<b>. Discharge of the Contract</b>		
29.	<b>61.1</b>	As built drawings/Operation manual shall be submitted by the Contractor to the Client after approval of the Project manager within <b>30 days from commencement of defect liability period.</b>
	<b>61.2</b>	The amount to be withheld by the Project Manager in the case the contractor does not submit as built drawings is: <b>TShs. 2,000,000.00</b>
30.	<b>63.1</b>	The percentage to apply to the value of the work not completed, representing the Employer's additional cost for completing the Works, is <b>Ten per cent (10%).</b>