

**CONTRACT NO. AE – 102/2021-2022/HQ-C/W/44**

FOR

**CONSTRUCTION OF MSOKOSELA, CHIDYA-CHIWATA AND CHAKAMA WATER  
SUPPLY SCHEMES IN MASASI DISTRICT IN MTHARA REGION**

BETWEEN

**RURAL WATER SUPPLY AND SANITATION AGENCY  
(The Employer)**

AND

**M/S. POSH ALLIANCE LIMITED  
(The Contractor)**

DECEMBER, 2021

## FORM OF CONTRACT

This Contract is made on the 29<sup>th</sup> 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 business address 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 Contractor is a class five local Company registered under the Laws of Tanzania which is responsible for Civil works;
- (c) The Employer invited Tenders for Construction of Msokosela, Chidya-Chiwata and Chakama water supply schemes in Masasi District in Mtwara region, Tender No. **AE – 102/2021-2022/HQ-C/W/44** 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 RUW/MTW/DA.130/258/014/150 awarded a Tender to the Contractor at the Contract sum of **Tanzania Shillings Eight Hundred Thirteen Million Sixty**

**Four Thousand Five Hundred Fifty Seven (Tshs 813,064,457.00)** only VAT inclusive. (Hereinafter referred to as "**the Contract Price**"); and

- (e) The execution of works shall be performed and completed for the period within **One Hundred and Twenty (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 execute the proposed construction of Msokosela, Chidya-Chiwata and Chakama water supply schemes in Masasi District in Mtwara region (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 Eight Hundred Thirteen Million Sixty Four Thousand Five Hundred Fifty Seven**

(Tshs 813,064,457.00) only 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:

(a) 15% Advance Payment; and

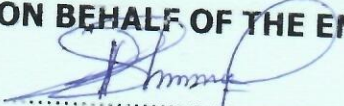
(b) The rest of the payments shall be made upon submission and Acceptance of Certificate and it shall be paid to the Contractor within twenty-eight (28) days after the date of the acceptance certificate by The Employer.

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.

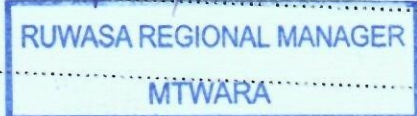
**FOR AND ON BEHALF OF THE EMPLOYER:**

Signature: 

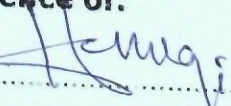
Name: PRIMY DAMAS SHIRIMA

Title: MTWARA REGIONAL MANAGER

Date: 29/12/2021

Seal: 

**In the presence of:**

Signature: 

Name: HAMU MASHINIKE

Title: DISTRICT MANAGER

Date: 29/12/2021

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

Signature: *H. Msechu*

Name: HERBERT A. MSECHE

Title: Managing Director

Date: 29-DEC-2021

Seal: .....



**In the presence of:**

Signature: *E. N. Lwoniwe*

Name: ELIATHE N. LWONIKE

Title: PROJECT ENGINEER

Date: 29/DEC/2021

Seal: .....



15.	35.1	Otherwise, state [ <i>insert the responsible person for security of the site</i> ] <b>N/A</b>
<b>B. Time Control</b>		
16.	36.1	The Contractor shall Submit a Programmer for the works within Seven (7) days after receipt of letter of acceptance.
17.	36.2	The period between Programmer updates is 28 days.
18.	36.2	The amount to be withheld by the Project Manager in the case the contractor does not submit an updated work programmer is: TZS <b>2,000,000/-</b>
<b>C. Quality Control</b>		
19.	44.1	The Defects Liability Period is 180 days.
<b>D. Cost Control</b>		
20	52.7	The minimum amount of interim payment certificate shall be <b>15% of contract price.</b>
21	54.1	The currency of payment shall be <b>Tanzanian Shillings.</b>
22.	57	The contract " <i>is not</i> " subject to price adjustment in accordance with Clause 50 of the General Conditions of Contract.
23.	58.1	The amount of retention is 10% of value of works of Interim Payment Certificate'. Limit of retention will be 10% of contract price.
24.	59.1	The amount of liquidated damages is <i>0.1 percent of contract price per day.</i> The maximum amount of liquidated damages must be equivalent to the amount of the performance security 10%
25.	60.1	The bonus for early completion is <b>N/A</b>
26.	61.1	The amount of advance payment shall be 15% of the Contract price and shall be paid to the contractor not later than <b>28 Days after submission of a claim supported by an acceptable Bank Guarantee of the same amount.</b> Monthly Recovery of Advance Payment: Not less than 20% of interim payments Certificate



# UCHUMI COMMERCIAL BANK LIMITED

P.O.Box 7811 Tel. 027 275 0491 Fax. 027 275 0492 MOSHI. Email: ucb@uchumibank.com

REGIONAL MANAGER,  
RURAL WATER SUPPLY AND SANITATION AGENCY (RUWASA),  
P.O BOX 30,  
MTWARA REGION.

14<sup>TH</sup> JANUARY 2022

**ADVANCE PAYMENT GUARANTEE NO: UCB/ADV/POSH/196/02/22.**

We have been informed that **POSH ALLIANCE LIMITED** (hereinafter called "the Contractor") has been awarded Contract No. **AE-102/2021-2022/HQ-C/W/44** with you, for the execution of **Construction of Msokosela, Chidya-Chiwata and Chakama water supply scheme in Masasi District Mtwara Region** (hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, an advance payment in the sum **TZS.121,959,669/- (Tanzania Shillings One hundred twenty one million nine hundred fifty nine thousand six hundred sixty nine shillings)** only is to be made against an advance payment guarantee.

At the request of the Contractor, we **UCHUMI COMMERCIAL BANK LIMITED** hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of sum **TZS.121,959,669/- (Tanzania Shillings One hundred twenty one million nine hundred fifty nine thousand six hundred sixty nine shillings)** upon receipt by us of your first demand in writing accompanied by a written statement stating that the Contractor is in breach of its obligation under the Contract because the Contractor used the advance payment for purposes other than the costs of mobilization in respect of the Works.

It is a condition for any claim and payment under this guarantee to be made that the advance payment referred to above must have been received by the Contractor on its account number **00120500102** with the name **POSH ALLIANCE LIMITED** at **UCHUMI COMMERCIAL BANK, P.O BOX 7811, MOSHI.**


The maximum amount of this guarantee shall be progressively reduced by the amount of the advance payment repaid by the Contractor as indicated in copies of interim statements or payment certificates which shall be presented to us.

CARING FOR  
FAMILY ECONOMY

This guarantee shall expire, at least, upon our receipt of a copy of the Interim payment certificate indicating that eighty (80) percent of the Contract Price has been certified for payment, or on the 13<sup>th</sup> day of May 2022, whichever is earlier. Consequently, any demand for payment under this guarantee must be received by us at this office on or before that date.

Yours truly,

MR. SAMWEL A. WADO

  
.....  
GENERAL MANAGER  
UCHUMI COMMERCIAL BANK LIMITED  
P.O. BOX 7811  
MOSHI.

