

**CONTRACT NO. AE – 102/2021-2022/HQ-C/W/46**

FOR

**CONSTRUCTION OF LIPWALE WATER SUPPLY SCHEME IN TANDAHIMBA  
DISTRICT-MTWARA REGION**

BETWEEN

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

AND

**M/S. HALEM CONSTRUCTION COMPANY 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. HALEM CONSTRUCTION COMPANY LIMITED**, having its business address at P. O. Box 72627 **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 one local Company registered under the Laws of Tanzania which is responsible for Civil works;
- (c) The Employer invited Tenders for Construction of Lipwale water supply scheme in Tandahimba-Mtwara-, Tender No. **AE – 102/2021-2022/HQ-C/W/46** 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. RUW/MTW/DA.130/258/014/146 awarded a Tender to the Contractor at the Contract sum of **Tanzania Shillings Four Hundred Seventy Million Four Hundred Sixteen Thousand Seventy Nine and Eighty One Cents (Tshs**

**470,416,079.81**) 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 Lipwale Water Supply Scheme in Tandahimba District-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 Four Hundred Seventy Million Four Hundred Sixteen Thousand Seventy Nine**

**and Eighty One Cents (Tshs 470,416,079.81)** 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.

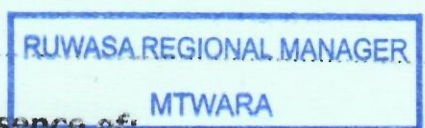
**FOR AND ON BEHALF OF THE EMPLOYER:**

Signature: 

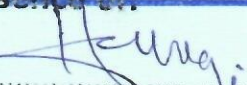
Name: PRINCY DANAS SARINA

Title: MTWARA REGIONAL MANAGER

Date: 29/12/2021

Seal: 

In the presence of:

Signature: 

Name: HAMU MASHINDIKE

Title: DISTRICT MANAGER

Date: 29/12/2021

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

Signature: [Handwritten Signature]

Name: ENG. GODFREY BROWN

Title: POWER OF ATTORNEY

Date: 29/12/2021

Seal: .....



**In the presence of:**

Signature: [Handwritten Signature]

Name: ELWANTIE N. LWOXICE

Title: PROJ<sup>SE</sup> ENGINEER

Date: 29-DEC-2021

Seal: .....



<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
27.	62.1	The Performance Security shall be: Ten percent (10%) of the contract price. And it will be submitted to the Employer immediately after signing the contract in Certified Cheque, Bank Guarantee or Insurance Bond.

## BANK GUARANTEE FOR ADVANCE PAYMENT

MWANGA HAKIKA MICROFINANCE BANK LIMITED,  
16<sup>th</sup> FLOOR MWANGA TOWER,  
NEW BAGAMOYO ROAD,  
P.O BOX 11735,  
DAR ES SALAAM.

### **BENEFICIARY:**

THE REGIONAL MANAGER,  
RURAL WATER SUPPLY AND SANITATION AGENCY,  
P. O. BOX 30 - MTWARA

**Date:** 11<sup>th</sup> January, 2022

**ADVANCE PAYMENT GUARANTEE No.:** MHB/GRT/775/LG229/01/2022

We have been informed that **HALEM CONSTRUCTION COMPANY LIMITED OF P.O BOX 72627, DAR ES SALAAM** (hereinafter called "the Contractor") has been awarded Contract No. **AE-102/2021-2022/HQ-C/W/46** dated 29<sup>th</sup> December, 2021 with you, for the execution of Construction of **LIPALWE Water Supply Project at Tandahimba District in MTWARA Region** (Hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, an advance payment in the sum **TZS 60,311,214.11 [Tanzanian Shillings Sixty Million Three Hundred Eleven Thousand Two Hundred Fourteen Cents Eleven Only]** is to be made against an advance payment guarantee.

At the request of the Contractor, we **Mwanga Hakika Microfinance Bank Limited** hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of **TZS 60,311,214.11 (Tanzanian Shillings Sixty Million Three Hundred Eleven Thousand Two Hundred Fourteen Cents Eleven Only)** 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 **005301000082** at **Mwanga Hakika Microfinance Bank Limited P.O Box 11735, Dar Es Salaam.**

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. This guarantee shall expire, at the latest, 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 **10<sup>th</sup> day of July, 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,

Signature and seal: MAXIMILIAN MWATA 


**Mwanga Hakika Microfinance Bank Limited** \_\_\_\_\_

P.O Box 11735, Dar Es Salaam.

Date: 11/01/2022



Yours truly,

Signature and seal: Yonah Mgongotwa 

**Mwanga Hakika Microfinance Bank Limited** \_\_\_\_\_

P.O Box 11735, Dar Es Salaam.

Date: 11/01/2022