



CONTRACT NO. AE – 102/2021-2022/HQ-C/W/78

FOR

**CONSTRUCTION OF MGWASHI - KWEKIBOMI WATER SUPPLY PROJECT IN
KOROGWE DISTRICT TANGA**

BETWEEN

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

AND

**M/S. FHS ENGINEERING
(The Contractor)**

DECEMBER, 2021

FORM OF CONTRACT

This Contract is made the 29 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 FHS ENGINEERING having its principal place of business at P. O. Box 32972, 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 for Construction of Mgwashi - Kwekibomi Water supply project in Korogwe District, Tender No. **AE – 102/2021-2022/HQ-C/W/78** 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 Employer through the Letter of Notification of Award of Tender with Ref. No. dated **21st December, 2021** awarded a Tender to the Contractor at the contract sum of **Tanzanian Shillings Four hundred ninety one million one hundred eighty six thousands six hundred and thirty two** Only) VAT Inclusive (**Tshs. 491,186,632.00**). (Hereinafter referred to as "**the Contract Price**"). The work to be completed within One Hundred Eighty (180) 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 Construction of Mgwashi - Kwekibomi Water supply project in Korogwe 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 of **Tanzanian** Four hundred ninety one million one hundred eighty six thousands six hundred and thirty two Only) VAT Inclusive (**Tshs. 491,186,632.00**) 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 as follows:

- a) 15% Advance Payment; and shall be paid to the contractor not later than **30 Days after submission of a claim supported by an acceptable Bank Guarantee of the same amount;**
 - 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 18 of the SCC.
7. The contract shall be executed for the period of **one hundred and Eighty (180) days** which shall immediately commence from the date of site handling.

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: Upelele D. Luyago
 Title: DM
 Date: 29/12/2021
 Seal:



In the presence of:

Signature: ~~.....~~
 Name: Eng. TUPA S. WILLIAMS
 Title: DM
 Date: 29/12/2021

FOR AND ON BEHALF OF THE CONTRACTOR:

Signature: ~~.....~~
 Name: Fidelis Bachwa
 Title: Director
 Date: 29/12/2021
 Seal:



In the presence of:

Signature: 

Name: ARNOLD MURASU

Title: WITNESS

Date: 29/1/21

Seal: 



Special Conditions of Contract (SCC)

Instructions for completing the Special Conditions of Contract

The following Special Conditions of Contract shall supplement the General Condition of Contract. Whenever there is a conflict, the provisions herein shall prevail over those in the General Conditions of Contract. Except where otherwise indicated, all Special Conditions of Contract should be filled in by the Employer prior to issuance of the Tendering Documents. Schedules and reports to be provided by Employer should be annexed.

SCC Clause	GCC Clause	Description
1.	1.1	<p>The Employer is; Rural Water Supply and Sanitation Agency (RUWASA) NBC Bank, Mazengo Branch, Kuu Road, P.O. Box 412, 40473 DODOMA</p> <p>The name of Authorized representative of Employer is:</p> <p>Rural Water Supply and Sanitation Agency, P.O.Box 185, TANGA</p> <p>The Project Manager is:</p> <p>Ruwasa District Manager P.O. Box 80, Korogwe District.</p> <p>The Works consist of:</p> <p>As per BOQ</p> <p>The Commencement Date shall be Within 14 days after official possession of the site</p> <p>The Intended Completion Date for the whole of the Works shall be 180 days or (25) calendar weeks.</p> <p>The Site is located at as shown in the "Bid Form".</p>
2	2.2	Indicate whether sectional completion is specified SPECIFIED/as agreed during negation meeting
3	2.3	<p>List other documents that form part of the contract if any:</p> <ul style="list-style-type: none"> a) Work Plan/programme approved by the client during negotiation meeting. b) List other documents that form part of the contract if any: c) A valid Business License. d) A valid VAT and TIN certificate. e) A copy of certificate of Board Registration f) CRB Registration

		Certificate'. Limit of retention is ten (10) percent of contract price
21.	59.1	The amount of liquidated damages per day is 0.1 percent of contract price per day . The maximum amount of liquidated damages is Ten percent (10%) of contract price
22.	60.1	The Bonus for early completion is NA
23.	61.1	The amount of advance payment shall be limited to Fifteen percent (15%) of contract price payable to the contractor not later than 28 days after submission of Unconditional Advance Payment Bank Guarantee Bond . Recovery of Advance Payments: Not less than Twenty percent (20%) of amount of Interim Payment Certificate as agreed.
24.	62.1	The Performance Security shall be the minimum amounts equivalent to Ten percent (10%) of the contract price in the form of: (a) Bank Guarantee: <i>10 percent</i> (b) Performance Bond; <i>Not Acceptable</i> The standard form of Performance Security acceptable to the Employer shall be " Unconditional Bank Guarantee " of the type presented in Section IX of the Tendering Documents
E. Discharge of the Contract		
25.	68.1	As built drawings shall be supplied by the contractor by within 28 days after practical completion date . Operating manual shall be supplied by the contractor by sixty (60) days after completion date .
	68.2	The amount to be withheld by the Project Manager in the case the contractor does not submit as built drawings operating and maintenance manuals is: Tsh 3,000,000.00
26.	69.2 (i)	Number of days for which the maximum amount of liquidated damages can be paid is One hundred (100 days) .
27.	70.1	The percentage to apply to the value of the work not completed, representing the Employer's additional cost for completing the Works, is ten percent (10%) .
28.	66.1	Site handover date within 30 days after completion date