

CONTRACT NO. AE – 102/2021-2022/HQ-C/W/47

FOR

**EXTENSION OF MCHEMO WATER SUPPLY SCHEME TO MANDALA, MPOTOLA
AND MNALI AND MAKUKWE WATER SUPPLY SCHEME TO MKUPETE VILLAGE
AND CONSTRUCTION OF CHIUNJILA WATER SUPPLY SCHEME IN NEWALA
DISTRICT IN MTWARA REGION.**

BETWEEN

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

AND

**M/S. ULM INVESTMENT COMPANY LIMITED
(The Contractor)**

DECEMBER, 2021

FORM OF CONTRACT

This Contract is made on the 29th 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. ULM INVESTMENT COMPANY LIMITED, having its business address at P. O. Box 72769 **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 six local Company registered under the Laws of Tanzania which is responsible for Civil works;
- (c) The Employer invited Tenders for Construction of Extension of Mchemo Water Supply Scheme to Mandala, Mpotola and Mnali and Makukwe Water Supply Scheme to Mkupete Village and Construction of Chiunjila Water Supply Scheme in Newala District in Mtwara Region, Tender No. **AE – 102/2021-2022/HQ-C/W/47** 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.130/258/014/148 awarded a Tender to the Contractor at the Contract sum of **Tanzania Shillings Four Hundred Seventy Nine Million Eight Hundred Fifteen Thousand Nine Hundred Thirty Four and Seventy Five**

Cents (Tshs 479,815,934.75) 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 Extension of Mchemo Water Supply Scheme to Mandala, Mpotola and Mnali and Makukwe Water Supply Scheme to Mkupete Village and Construction of Chiunjila Water Supply Scheme in Newala 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 Four**

Hundred Seventy Nine Million Eight Hundred Fifteen Thousand Nine Hundred Thirty Four and Seventy Five Cents (Tshs 479,815,934.75) 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.

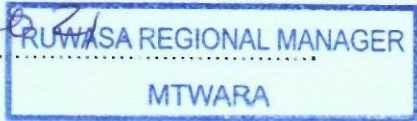
FOR AND ON BEHALF OF THE EMPLOYER:

Signature: 

Name: PRIMY DAMAS SHIRIMA

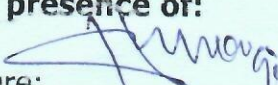
Title: MTWARA REGIONAL MANAGER

Date: 29/12/2021



Seal:

In the presence of:


Signature: 

Name: HAMIS MASHISIKE

Title: DISTRICT MANAGER

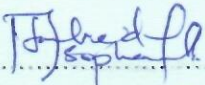
29/12/2021

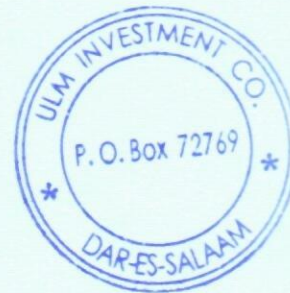
FOR AND ON BEHALF OF THE CONTRACTOR:

Signature: 
Name: Mwanahomisi Hgaleme
Title: Director
Date: 29/12/2021
Seal:



In the presence of:

Signature: 
Name: ALFRED V. MWAMBENE
Title: SITE ENGINEER
Date: 29/12/2021
Seal:



15.	35.1	Otherwise, state [<i>insert the responsible person for security of the site</i>] N/A
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B. Time Control

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 2,000,000/-

C. Quality Control

19.	44.1	The Defects Liability Period is 180 days.
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D. Cost Control

20	52.7	The minimum amount of interim payment certificate shall be 15% of contract price.
21	54.1	The currency of payment shall be Tanzanian Shillings.
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 N/A
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 28 Days after submission of a claim supported by an acceptable Bank Guarantee of the same amount.
		Monthly Recovery of Advance Payment: Not less than 20% of interim payments Certificate

RUWASA (M)
RF
TAR 14/01/2022
S.L.P.

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ZANZIBAR INSURANCE CORPORATION

Head Office
A.H.Mwinyi Road
Mpirani
Zanzibar - Tanzania



P. O Box 432 Zanzibar
Tell +255 24 2232676/2233867
Fax 255 24 2232422
Email: zichq@zic.co.tz

PERFORMANCE BOND

POLICY NO: 100/131/1/167068/2022

TO: RURAL WATER SUPPLY AND SANITATION AGENCY P.O. BOX 412, 40473 DODOMA

By this Bond M/S ULM INVESTMENT LIMITED, P.O. BOX 72769 DAR ES SALAAM, as Principal (hereinafter called "the Contractor") and ZANZIBAR INSURANCE CORPORATION OF P.O. BOX 1035 MTWARA TANZANIA as Surety (hereinafter called "the Surety"), are held and firmly bound unto THE RURAL WATER SUPPLY AND SANITATION AGENCY (RUWASA) OF P.O. BOX 412, 40473 DODOMA, as Oblige (hereinafter called "the Employer") in the amount of Tzs. 71,972,390.21 (Tanzanian Shillings Seventy One Million Nine Hundred Seventy Two Thousand Three Hundred Ninety and Twenty One Cents Only), As a sum Insured for the contract value Tzs. 479,815,934.75.00 (Tanzanian Shillings Four Hundred Seventy Nine Million Eight Hundred Fifteen Thousand Nine Hundred Thirty Four and Seventy Cents Only) for the payment of which sum well and truly to be made in the types and proportions of currencies in which the Contract Price is payable, the Contractor and the Surety bind themselves, their heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

Whereas the Contractor has entered into a Contract with the Employer dated the 29th day of December, 2021 for EXTENSION OF MCHEMO WATER SUPPLY SCHEME TO MANDALA, MPOTOLA AND MNALI AND MAKUKWE WATER SUPPLY SCHEME TO MKUPETE VILLAGE AND CONSTRUCTION OF CHIUNJILA WATER SUPPLY SCHEME IN NEWALA DISTRICT IN MTWARA REGION. CONTRACT NO. AE-102/2021-2022/HQ-C/W/47 in accordance with the documents, plans, specifications, and amendments thereto, which to the extent herein provided for, are by reference made part hereof and are hereinafter referred to as the contract.

Now, therefore, the Condition of this Obligation is such that, if the Contractor shall promptly and faithfully perform the said contract (including any amendments thereto), then this obligation shall be null and void; otherwise it shall remain in full force and effect. Whenever the contractor shall be, and declared by the Employer to be, in default under the contract, the Employer having performed the Employer's obligations there under, the Surety may promptly remedy the default, or shall promptly:

- (1) complete the Contract in accordance with its terms and conditions; or
- (2) obtain a Tender(s) from qualified renderers' for submission to the Employer for completing the Contract in accordance with its terms and conditions, and upon determination by the Employer and the Surety of the lowest responsive Tenderer, arrange for a Contract between such Tenderer



and Employer and make available as work progresses (even though there should be a default or a succession of defaults under the Contract or Contracts of completion arranged under this paragraph) sufficient funds to pay the cost of completion less the balance of the Contract Price; but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof. The term "Balance of the Contract Price," as used in this paragraph, shall mean the total amount payable by the Employer to the Contractor under the Contract, less the amount properly paid by Employer to the Contractor; or

- (3) pay the Employer the amount required by the Employer to complete the Contract in accordance with its terms and conditions up to a total not exceeding the amount of this Bond.

The Surety shall not be liable for a greater sum than the specified penalty of this Bond.

Any suit under this Bond must be instituted before the expiration of one year from the date of issuance of the Certificate of Completion.

No right of action shall accrue on this Bond to or for the use of any person or corporation other than the Employer named herein or the heirs, executors, administrators, successors, and assigns of the Employer.

In testimony whereof, the Contractor has hereunto set its hand and affixed its seal, and the Surety has caused these presents to be sealed with its corporate seal duly attested by the signature of its legal representative, this 13th day of January, 2022.

BOND PERIOD: 13th January, 2022 TO 12th January, 2023.

Signed by

On behalf of **M/S ULM INVESTMENT LIMITED, P.O. BOX 72769 DAR ES SALAAM** in the capacity of **MANAGING DIRECTOR**.

In the presence of *Hashim Abdalbak Shomde*

Date *13/01/2022*

Signed by

on behalf of **ZANZIBAR INSURANCE CORPORATION** in the capacity of **MANAGING DIRECTOR**

In the presence of **KARIM ADAM YUSUFU**

Date **13th January, 2022.**

