

**CONTRACT FOR SUPPLY OF SAWN
SOFT WOOD PRESSURE
IMPREGNATED WITH PRESERVATIVE
FOR BUHIGWE DVTC**

BETWEEN

**KIGOMA REGIONAL VOCATIONAL
TRAINING AND SERVICES CENTRE**

AND

M/S SAO HILL INDUSTRIES LIMITED

10 JANUARY, 2022

This **CONTRACT** for the Supply and Delivery of **Building Materials** (Soft wood timber pressure impregnated with preservative) for Buhigwe DVTC is made this 10th day of **January, 2022** Between the **KIGOMA REGIONAL VOCATIONAL TRAINING AND SERVICES CENTRE** of P.O. Box 1068, Kigoma. (Hereinafter referred to as the "Client") of the one part;

AND

M/S SAO HILL INDUSTRIES LIMITED of P.O. Box 55, Mafinga, Iringa (hereinafter referred to as the "Supplier") of the other part.

WHEREAS the Client is desirous of being supplied with **Building Materials (Soft wood timber pressure impregnated with preservative)** of Buhigwe DVTC Site in accordance with the Terms and Conditions of this Contract, and the cost of delivery (Transportation cost) from Mafinga - Iringa where Soft wood timber pressure impregnated with preservative are made/produced to Buhigwe site is incurred by the Supplier/Service Provider.

WHEREAS the Supplier has represented to the Client that it is possessed, with techniques, machineries, vehicles, experience and expertise relating to the Supply of identified Building Materials.

WHEREAS, the Client is desirous and willing to be supplied with the goods specified in the contract of which should be of desirable quality and standards.

AND WHEREAS the Supplier has agreed to supply the identified Building Materials (Soft wood timber pressure impregnated with preservative) to the Client on time without fail as specified in the contract where Transportation costs will be incurred by the Supplier/Service Provider.

- 1.0 The Supplier agrees to supply to **Buhigwe DVTC (Ruheka Site)** the Building Materials (Soft wood timber pressure impregnated with preservative) in strict accordance with the specifications, standards and at the price stated in the table below:-

| S/N | Description of Goods with Technical Specifications | Unit of Measure | Qty | Unit Price Including VAT | Extended Contract Price (Amount) |
|---|--|-----------------|------|--------------------------|----------------------------------|
| Sawn Softwood Pressure Impregnated with Preservative | | | | | |
| 1 | Rough treated timber long 3M (2X6) | LM | 1188 | 608,228.00 | 5,420,527.94 |
| 2 | Rough treated timber long 3M (2X4) | LM | 284 | 608,000.00 | 863,360.00 |
| 3 | Rough treated timber long 3M (2x3) | LM | 240 | 643,473.00 | 578,482.23 |
| 4 | Rough treated timber 3M (2X2) | LM | 4086 | 643,473.00 | 6,573,076.70 |
| 5 | Rough treated timber (1x10) | LM | 508 | 650,750.00 | 2,066,131.25 |
| 6 | Transport charges | Trip | | | 6,398,865.00 |
| | Cess + Tp | | | | |
| | Sub Total | | | | 22,716,315.65 |
| | Discount | | | | 815,872.53 |
| | Amount after discount | | | | 21,900,443.12 |
| | Cess- 5% | | | | 515,000.00 |
| | VAT | | | | 3,942,079.76 |
| | Total Amount | | | | 26,357,522.88 |

- 2.0 From the table above the cost of Transportation for Building Materials (Soft wood timber pressure impregnated with preservative) from the production area (Mafinga Iringa) to Buhigwe Site is incurred by the Supplier/Service Provider. **Delivery of building materials shall be made within Seven (7) days after 100% Payment to be made.** Any delays in delivery of the above goods shall result to the cancellation of the contract by the client.
- 2.1 In the event of breach of **clause 2.0** Kigoma Regional Vocational Training and Services Centre reserves the right to terminate this contract without liability by giving an immediate notice and to charge the Supplier with any loss incurred as a result of the Supplier's Failure to make the delivery within the time specified or

charge a penalty of 0.1% of the total contract price for every day of delay or breach of the delivery schedule by the Supplier.

- 3.0 There is **Advance Payment of 100%**, therefore payments shall be made to the Supplier before **Delivery** of the described **Building Materials (Soft wood timber pressure impregnated with preservative)** , the goods have to be verified or certified by the **Inspection Committee** to see if comply with the specifications, quantities, qualities and standards as per order, the client shall reject the entire goods if the goods do not comply with the specifications and the Supplier/Service Provider is obliged to change the entire consignment and the Supplier shall reimburse the losses incurred to the Client in the course of contract execution.
- 3.1 The Client have the right of making regular random sampling of the Building Materials (Soft wood timber pressure impregnated with preservative) to see if the Supplier comply with the specifications as agreed in the contract.
- 3.2 Payments shall be made in **Tanzania Shillings** by Bank Transfer to the following name of the Supplier: **M/S SAO HILL INDUSTRIES LIMITED CRDB ACCOUNT NO. 01J1070484800.**
- 3.3 Withholding Tax of 2% shall be deducted by the Client for every payment made to the Supplier and the amount deducted (Withholding tax) to be remitted to the Tanzania Revenue Authority Office (TRA).
- 3.4 Title to the Goods shall pass to Kigoma Regional Vocational Training and Services Centre when they are delivered and accepted by the Client. Risk of loss, injury, or destruction of the Goods shall be borne by the Supplier until title passes to the Client.
- 3.5 The Client shall inspect the goods and either accept or reject them as non-conforming with this contract. Based on an inspection of a valid sample/laboratory testing, Client may reject the entire delivery.

- 3.6 No change in, modification of, or revision to this contract shall be valid unless made in writing and signed by an authorized representatives of Kigoma Regional Vocational Training and Services Centre.
- 4.0 The Supplier warrants that all goods supplied under this contract shall have no defects, arising from design, materials, or workmanship or from any act or omission of the Supplier that may develop under normal use of the supplied goods. This warrant shall remain valid for twelve (12) months after the goods have been delivered to and accepted at the final destination indicated in the contract.
- 4.1 The Supplier shall abide by the highest ethical standards in the performance of this contract, which includes not engaging in any exploitative practice.
- 4.2 The Client may terminate this contract, in whole or part, any time with written notice to the Supplier. Any monies paid in advance by the Client shall be refunded on or before the date of termination.
- 4.3 Neither Party will be liable for any delay in performing or failure to perform any of its obligations under this contract if such delay or failure is caused by force majeure, such as civil disorder, military action, natural disaster and other circumstances which are beyond the control of the party in question. In such event, the party will give immediate notice in writing to the other party of the existence of such cause or event and of the likelihood of delay.
- 4.4 Any notice under this contract shall be in writing and shall be deemed sufficiently served if properly addressed and sent through post office or physically served to the other party's last known address and EMS.
- 4.5 This Contract shall be governed by and construed in accordance with the Laws of United Republic of Tanzania.


IN WITNESS WHEREOF the parties have here to set their hands as of the day and year first above written.

SIGNED FOR and On behalf of
KIGOMA REGIONAL VOCATIONAL TRAINING
AND SERVICES CENTRE

By the said PAUL KIMENYA
Designation AG. PRINCIPAL


CLIENT

In the presence of:

Name: Haji Abdallah
Signature: 
Designation: PROCUREMENT OFFICER

SIGNED FOR and On behalf of
M/S SAO HILL INDUSTRIES LIMITED

By the said George Datta
Designation MANAGER

SUPPLIER

In the presence of:

Name:
Signature:
Designation:

