

Stereo I.B No.386  
Stereo I.B No.389  
Stereo B&R No.28  
Stereo B&R No.29

(Revised)  
(Revised)  
(Revised)  
(Revised)

Agreement No. \_\_\_\_\_

## GOVERNMENT OF THE PUNJAB

\_\_\_\_\_ DEPARTMENT

\_\_\_\_\_ CIRCLE

\_\_\_\_\_ DIVISION

\_\_\_\_\_ SUB-DIVISION

### PERCENTAGE / ITEM RATE TENDER AND CONTRACT FOR WORKS

1. Name of work \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
2. Estimated cost \_\_\_\_\_ Rs. \_\_\_\_\_  
(both in figures and words)  
\_\_\_\_\_
3. Time for completion \_\_\_\_\_
4. Amount of earnest money Rs. \_\_\_\_\_ (in figures)  
Rupees \_\_\_\_\_ (in words)
5. Issued to \_\_\_\_\_  
(Name of the contractor)
6. On payment of Rs. \_\_\_\_\_  
(Both in words and figures)

Signature \_\_\_\_\_  
(Official issuing the form)

Dated \_\_\_\_\_

Office stamp \_\_\_\_\_

Note: - The officer opening the tender shall reject the tender which does not bear the stamp and signature of the issuing official and which is not submitted by the same contractor to whom the tender form was issued.

(This page is to be filled in by the issuing official)

## **GENERAL DIRECTIONS FOR THE GUIDANCE OF THE TENDERERS**

1. These directions are provided to assist the tenderer in preparing and submitting his tender. The tender shall contain all information and data required to be furnished and shall be prepared and submitted in accordance with the instructions set forth herein.
2. All necessary documents, such as copies of specifications (excluding standard specification books etc), contract documents, including bill of quantities, estimated rates and any other documents required in connection with the preparation of tender or execution of works, signed by the Engineer-in-charge will accompany the tender form and the cost of such annexed documents will be reflected in the cost of the tender form.
3. The tenderer will not be reimbursed for any costs of any kind, whatsoever, incurred in connection with the preparation and submission of his tender.
4. No single tender shall include more than one work. A tenderer who wishes to tender for two or more works shall submit tender for each work, separately.
5. The memorandum of work tendered for, and the schedule of materials and equipment to be supplied by the Engineer-in-charge and the rates at which they are to be charged for (annexed hereto) shall be filled in the office of the Engineer-in-charge before the tender form is issued. At this stage the tenderer should ensure that the tender form so issued is complete in all respects.
6. The tenderer shall note that the ultimate responsibility for the quality of work and its conformity with the specifications and drawings rests solely with the successful bidder whose tender is accepted.
7. The tenderer shall at his own expense, inspect and examine the site and surroundings and obtain for himself, on his own responsibility, all information that may be necessary for preparing the tender and entering into contract, and shall determine and satisfy himself by such means as he may consider necessary or desirable as to all matters pertaining to the tender. The tenderer shall also satisfy himself before submitting his tender as to the nature of grounds, hydrological and climatic conditions, the form and nature of the site, the nature and lay out of the terrain, the availability of labour, water, electric power and transportation facilities in the area. The tenderer shall specially investigate into the sources of materials to be used for the works and satisfy himself about the quality and quantities of materials available for the completion of the work and the means of access to the site, the accommodation he may require and, in general, shall himself obtain all necessary information, as to the risks, contingencies and other circumstances which may influence or affect his tender. The Engineer-in-charge shall not assume any responsibility regarding information gathered, interpretation or deduction which the tenderer may arrive at, from the data that may be furnished with the contract documents.
8. (a) The tenderer shall fill up the bid schedule.  
(b) In case tenders are called on item rate basis, the tenderer shall quote his own unit rate in the bid schedule on which he is willing to under take each item of work.

9. (i) The tenderer shall work out the amount against each item of work in the bid schedule and will indicate the total amount of his tender on which he is willing to complete the works. The total amount worked out in the bid schedule shall be entered by the tenderer in his tender as his tender price for the work in case of discrepancy between amounts in figures and in words the amount in words shall prevail.

(ii) Should any discrepancy be found in the amount of pay items or if a column of amount is found blank after filling in a unit rate, the unit rate filled by the tenderer will be extended in working out of the amount of the tender and the total amount of the bid schedule will be adjusted accordingly.

(iii) If a unit rate is left blank, but the amount against the item is filled, the unit rate will be worked out on the basis of the amount divided by the quantity of the item shown in the bid schedule

(iv) If it is found that the tenderer has not entered any unit rate and amount against any of the pay items of the bid schedule, the Engineer-in-charge shall fill in the blanks by noting the word "Nil" in such blanks at the time of opening of the tender. Such pay items shall be deemed to be covered by the rates of other items.

(v) If the tenderer does not accept the adjusted/corrected amount of tender according to the above provision, his tender shall be rejected and the earnest money forfeited.

10 The tender which proposes any alteration in the works specified in the bid schedule or in the time allowed for carrying out the works or in any other condition mentioned by the Engineer-in-charge, will be liable to rejection. The tenderer shall sign each and every page of the tender and contract documents, without making any alteration. All enclosures issued with the contract documents, shall be attached with the tender duly signed by the tenderer. Any addition or alteration made after filling the form shall be duly attested by the tenderer. Non-compliance of this condition shall render the tender liable to rejection.

11 The tenderer shall fill in the tender documents in ink: Errors, if any, shall be scored out and corrections rewritten legibly and attested by the tenderer. Any addition or alternation made after filling the form shall be duly attested by the tenderer. Non-compliance of this condition shall render the tender liable to rejection. Any tender with unattested correction shall be attested by the tenderer in the presence of other tenderers at the time of opening of the tender except that no correction shall be permissible in the rate or amount of the bid schedule or in the tendered price after the opening of the tender.

12 Additional clause(s) for a particular work shall be typed on separate sheets by the Engineer-in-charge, which will be annexed to the contract documents specifying the number of sheets(s). The tenderer shall not add or delete any additional clause(s) in the additional clause(s) sheet(s), provided by the Engineer-in-charge.

13 The quantities mentioned in the bid schedule are estimated quantities, to be used for preparing tenders, and the Engineer-in-charge does not expressly nor by implication agree that the actual amount of works to be performed will correspond therewith. No payment will be made on account of anticipated profits for work covered by the contract which is not performed, nor will any adjustment in the unit rates set forth in the bid schedule be made because of an increase or decrease in the actual quantities from the estimated quantities indicated therein,

except as determined in accordance with the provisions of clause 42 of the general conditions of contract.

14 No tender without earnest money shall be entertained. Earnest money, calculated @ 2% of the estimated cost of the work (rounded suitably), shall be in the form of deposit at call receipt. The earnest money of the unsuccessful tenderers shall normally be returned by the Engineer-in-charge within a week of opening of the tenders and in any case not later than thirty (30) days following the date set for opening of tenders except in cases where the tenders are to be accepted by the Chief Engineer, in those cases the earnest money of only the three lowest bidders will be retained and returned to the unsuccessful bidders not later than sixty (60) days of opening of the tenders. In the event of the tender being accepted, a receipt for the earnest money forwarded therewith, shall there upon be given to the contractor. The earnest money of the successful tenderer on execution of the contract covering work will be adjusted towards the amount of security deposit to be retained from the first amounts(s) payable to the contractor under the contract.

15 The lowest evaluated bidder will be required to furnish the performance security / additional Performance security (wherever required), enter into a contract and to commence the work within the times specified in the memorandum of work. Should the lowest evaluated bidder refuse or fail for any reason to furnish the performance / additional performance security, enter into contract or to commence the work within the time specified in the memorandum of work, it should constitute a just cause for rejection of his tender / annulment of award and in event of such rejection / annulment, the entire earnest money shall be forfeited to Government, as compensation for such default.

16 (i) The tender shall be signed by the person(s) duly authorized to do so. In the event of a tender being submitted by a firm, it shall be signed separately by each member thereof, or in the event of the absence of any partner, it shall be signed on his behalf by a person holding a power of attorney authorizing him to do so. Such power of attorney should be produced with the tender and it must disclose that the firm is duly registered under the partnership Act, 1932 or any other law in force.

(ii) The tender submitted by a joint venture of two or more firms shall be accompanied by a document of formation of the joint venture, duly registered and authenticated by a competent court, in which shall be stated precisely, the conditions under which it shall function, its period of validity, the person(s) authorized to represent it and accept its obligations the participation of several firms forming the joint venture and any other information necessary to permit a full appraisal of its function.

(iii) A tender submitted by a corporation must bear the seal of the corporation and be attested by its Secretary.

(iv) In all cases, the tender must be signed by an individual or individuals having powers to legally bind the firm, joint venture, corporation or companies on whose behalf they are signing.

17 Each tenderer shall be deemed to have satisfied himself before tendering as to the correctness and sufficiency of his tender and of the rates and prices stated in the bid schedule, which rates and prices shall, except in so far as it is otherwise expressly provided in the

contract, cover all obligations under the contract and all matters and things necessary for the proper completion and maintenance of the work.

18 The tenderer may modify or withdraw his tender after submission, provided that the modification or notice of withdrawal is received in writing by the Engineer-in-charge prior to the prescribed deadline for submission of tenders. The tenderer's modification or notice of withdrawal shall be prepared, sealed, marked and delivered, with the inner envelopes additionally marked "**MODIFICATION OR WITHDRAWAL**" as appropriate. No tender may be modified subsequent to the deadline for submission of tenders. Withdrawal of a tender during the interval between the deadline for submission of tenders and the expiration of the period of tender validity i.e. sixty (60) days as specified by the tenderer in the form of tender may result in the forfeiture of the tender security.

19 The tenderer shall submit the original tender documents complete in all respect and keep a copy of the tender for his own record. The original should be sealed in an inner and an outer envelope, duly marking the envelopes as "**ORIGINAL**". The inner and outer envelopes shall (a) be addressed to (Executive Engineer), (b) and bear the following identifications: Tender for (Name of Contract), (Reference Number of Tender), and the words "**DO NOT OPEN BEFORE** (Time and Date, set for opening)". The inner envelopes shall indicate the name and address of the tenderer to enable the tender to be returned unopened in case it is declared to have been received late is otherwise unacceptable. If the outer envelope is not sealed and marked as instructed above, the Engineer-in-charge will assume no responsibility for the misplacement or premature opening of the tender submitted. A tender opened prematurely because of improper identification will be rejected.

20 The tenderer shall indicate in the space provided in the tender his full and proper address at which notices may be legally served on him and at which all correspondence in connection with his tender and the contract is to be sent.

21 The presentation of tender implies full acceptance on the part of the tender of these instructions and all other conditions set forth in the contract document.

22 Any tender received by the Executive Engineer (Engineer-in-charge) after the deadline for submission of tenders prescribed in the Notice Inviting Tenders will be returned unopened to the tenderer.

23 The Engineer-in-charge or his duly authorized officer (not below the rank of Assistant Engineer/Sub Divisional Officers) will open tenders in the presence of intending tenderers or their authorized agents, who may be present at the time. The officer opening the tender will announce the names of the tenderer, tender rates and the presence of requisite tender security.

24 Promptly after the opening of Tenders, the Engineer-in-charge will undertake a detailed evaluation of tenders. The Engineer-in-charge will determine whether each tender is substantially responsive to the requirements of the tender documents and conforms to all the terms, conditions and specifications of the tender documents without material deviation or reservation. If a tender is not substantially responsive to the requirements of the tender documents, it will be rejected by the Engineer-in-charge, and may not subsequently be made

responsive by the tenderer having corrected or withdrawn the non-confirming deviation or reservation.

25 Except for information to be read out by the Engineer-in-charge at the time of opening tenders in accordance with para 23 above, no information relating to the examination, clarification, evaluation and comparison of tenders and recommendations concerning the award of contract shall be disclosed to tenderers or other persons not officially concerned with such process. Any effort by a tenderer to influence the process of examination, clarification, evaluation and comparison of tenders, an in decisions concerning award of contract, may result in the rejection of his tender.

26 To assist in the examination, evaluation and comparison of tenders, the Engineer-in-charge may ask tenderers individually for clarification of their tenders, including breakdowns of unit rates. The request for clarification and the response shall be in writing or by cable, but no change in the price or substance of the tender shall be sought, offered or permitted except as required to confirm the correction of arithmetical errors discovered by the Engineer-in-charge during the evaluation of the tender.

26 (A) In case the total tendered amount is less than 5% of the approved estimated (DNIT) amount, the lowest bidder will have to deposit additional performance security from the Scheduled Bank ranging from 5% to 10% as under, within 15 days of issuance of notice or with in expiry period of bid, whichever is earlier.

<b>TOTAL TENDERED AMOUNT BELOW CORRESPONDING ESTIMATED COST.</b>	<b>ADDITIONAL PERFORMANCE SECURITY.</b>
5%	5%
6%	6%
7%	7%
8%	8%
9%	9%
10%	10%

26 (B) Lowest evaluated bidder shall, within 15 days of receipt by him of a notice in this regard, furnish to the tender approving authority in cash, bank draft, cashier's cheque, payment order or bank guarantee (valid for three months beyond completion time/extended completion time) from any scheduled Bank of Pakistan, the amount to make up performance security and / or additional performance security where required and specified in the tender in item (h) of Memorandum of work. Should the lowest evaluated bidder refuse or fail for any reason to furnish the performance security within the specified time, it should constitute a just cause for rejection of his tender and in the event of such rejection the entire earnest money shall be forfeited to government as compensation for such default.

27 The Engineer-in-charge shall have the right of rejecting all or any of the tenders without assigning any reason thereof. The Engineer-in-charge will not be bound to award the contract to the lowest or to any other tenderer.

28 The unit rates and prices entered in the bid schedule will be the rates at which the contractor will be paid (Subject to the adjustment specified in clause 55 of the annexed conditions) and shall be deemed to include all costs of performing the work, including income tax, super tax, and/or other charges, duties and taxes of the Government, autonomous, semi-autonomous and local bodies, profits and costs of accepting the general risk, liabilities and obligations set forth in or implied from the contract.

29 Prior to the expiration of the period of tender validity (60 days) prescribed in the tender form or any extension thereof that may have been granted by the tenderer, the Engineer-in-charge will notify the successful tenderer by cable and confirm in writing by registered letter that his tender has been accepted. This letter of acceptance shall name the sum which will be paid in consideration of the execution, completion and maintenance of the works as prescribed in the contract, (hereinafter called the contract price). The notification of award will constitute the formation of the contract.

30 At the time, the Engineer-in-charge notifies acceptance of the tender to the tenderer, he will send the tenderer the form of agreements between the parties. Within fifteen (15) days of receipt of the form of agreement, the successful tenderer shall furnish the performance security (10% of the contract price) and sign the contract in the presence of the Engineer-in-charge.

31 After the successful tenderer has signed the contract and furnished adequate performance security the Engineer-in-charge will notify to the unsuccessful tenderers that they were unsuccessful.

32 The completion period will be reckoned from the date of delivering the award or the handing over of the site to the contractor, which ever is later.

33 A copy of the contract agreement may be obtained by the contractor at his own cost.

# TENDER FOR WORK

To

The Executive Engineer,  
\_\_\_\_\_  
\_\_\_\_\_

Dear Sir,

I/We \_\_\_\_\_  
(Name of the contractor)

the undersigned tenderer, having examined the conditions of contract, specifications, drawings, bid schedule and addenda Nos. \_\_\_\_\_ thereto, for the work of \_\_\_\_\_

(Name of the work)

and the works associated therewith, and having examined the site of the above named works, or having caused the site to be visited on our behalf by my/our competent and reliable agent, and having satisfied myself/ourselves as to all conditions under which the above named work must be performed, hereby offer to execute, complete and maintain the whole of the above mentioned work including its ancillary works associated therewith, in accordance with the said contract documents, including the addenda indicated above, a tender price of Rs \_\_\_\_\_ (Rupees) \_\_\_\_\_

\_\_\_\_\_ or such other sums as may be ascertained in accordance with the said conditions of contract and the rates, and the prices set forth in the bid schedule.

2 As security for the due performance of the undertaking and obligations of this tender I/We submit herewith a deposit at call receipt No. \_\_\_\_\_

Dated \_\_\_\_\_ in the amount of Rs. \_\_\_\_\_

(Rupees) \_\_\_\_\_

from the \_\_\_\_\_ Bank \_\_\_\_\_ Branch \_\_\_\_\_ drawn in your favour or made payable to you as earnest money, the full value of which will be absolutely forfeited to Government without prejudice to any other rights or remedies of the said Government, should I/We withdraw or modify the tender within its validity period of sixty (60) days, following the date of receipt of tender.

3. I/We understand that if my/our tender is accepted, the full value of the earnest money as attached with the tender shall be detained by Government towards the amount of security deposit specified in clause 48 of the said conditions of contract and item(d) of the memorandum of work.

4. Should this tender be accepted by you I/We hereby undertake:-

- a) To sign all the necessary documents for entering into a contract agreement in the form set out in the contract document within fifteen (15) days following your notification of such acceptance.
- b) To commence the work within the stipulated time named in item (f) of memorandum hereto annexed following the date of issuance of your order to proceed with or the handing over of the site, whichever is later and in the event of my/our failure to do so, the entire amount of earnest money deposited by me/us for which deposit at call receipt is enclosed herewith is to be absolutely forfeited to the Government. On the commencement of the work, I/We hereby also agree to abide by and fulfill all the terms or provisions of the said conditions of the contract annexed hereto so far as applicable and in default thereof, to forfeit and pay to Government the sums of money mentioned in the said conditions.

- c) To complete and deliver the whole of the work comprised in the contract within the time stipulated in item No.(g) of the memorandum hereto annexed, subject to such extension in the time limit as may be granted under the conditions of contract.
- d) The furnishing of performance security under item(h) of the memorandum annexed hereto, in the sum equal to 10 (ten) percent of the cost of the work in the same form and on the same conditions as are prescribed by and to the satisfaction of the Engineer-in-charge.

5. I/We also agree that when materials and/or equipment for the work are provided by the Government the rates to be paid for them shall be as provided in appendices annexed hereto.

6. I/We agree to abide by this tender for the period of sixty (60) days following the date set for receiving of tenders and it shall remain binding upon me/us and may be accepted by you at any time before the expiration of that period.

7. Unless and until a formal agreement is prepared and executed, this tender, together with your written acceptance thereof, shall constitute a binding contract between us, and shall be deemed for all purposes to be the contract agreement.

8. I/We understand that you are not bound to accept the lowest or any tender you may receive, and that you will not defray any expenses incurred by me/us in tendering.

Thanking you,

Yours Faithfully,

\_\_\_\_\_  
(Signature of tenderer)

❖ Name \_\_\_\_\_

Address \_\_\_\_\_

Dated this \_\_\_\_\_ day

of \_\_\_\_\_ 200

The above tender is hereby accepted by me on behalf of Government.

\_\_\_\_\_  
(Signature of Executive Engineer)

Division \_\_\_\_\_

- ❖ In case the above address is changed, the contractor will immediately notify in writing to the Executive Engineer, his new address.

**Memorandum of work  
(To be filled in by the Government Department)**

- (a) General Description \_\_\_\_\_  
(If several sub works are included, they should be detailed in a separate sheet).  
\_\_\_\_\_
- (b) Estimate cost Rs. \_\_\_\_\_  
\_\_\_\_\_
- (c) Amount of earnest money to  
accompany the tender Rs. \_\_\_\_\_  
(to be furnished by the tenderer in the  
shape of deposit at call from a scheduled  
Bank of Pakistan).
- (d) Percentage of security deposit to be retained from the bills.
- i. On the amount of work done upto  
    Rs.5 million               =     Ten (10) percent.
- ii. On the amount of work done beyond  
    Rs. 5 million               =     Five (5) percent.
- (e) Minimum amount of interim running bills Rs. \_\_\_\_\_
- (f) Mobilization period \_\_\_\_\_ days.
- (g) Time allowed to complete the work after the expiry  
of mobilization period \_\_\_\_\_ days.
- (h) Amount of performance security  
Rs ----- 5% of bid price in the case of bid price exceeding Rs 50 million as per  
General Direction for the guidance of tenderer 26(B) read with general conditions of  
Contact Clause (7) and amount of additional performance security Rs ----- as per  
General Directions for the guidance of tenderer 26(A).
- (i) Period of maintenance.  
(after the date of issuance of  
certificate of completion) \_\_\_\_\_

## BID SCHEDULE

1. Schedule of Items

NAME OF WORK \_\_\_\_\_

Sr.No.	Item in Schedule of Rates		Description of Item	Estimated Quantity	Unit of Rate	Schedule Rate		Amount (Rs.)
	Page No.	Serial No.				Labour	Composite	
1	2	3	4	5	6	7	8	9

**BID SCHEDULE (Contd.)**

2. Item Rate

NAME OF WORK

Sr.No.	Pay item No. or reference to special specification supplied	Description of Item	Estimated Quantity	Unit of Rate	Unit Rate (To be filled in by the contractor where not already filled by the Executive Engineer)		Amount (To be filled in by the contractor when not already filled in by the Executive Engineer for items against which the unit rate have already been filled in by him.)
					In figures	In words	
1	2	3	4	5	6	7	8

Total cost of other /Item Rates

Rs.

**BID SCHEDULE (Contd.)**

NAME OF WORK \_\_\_\_\_

Total tendered amount of the work  
(To be filled in by the Tenderer)

Rs. \_\_\_\_\_

. Total cost of /item rates.

Rs. \_\_\_\_\_

Grand Total

Rs. \_\_\_\_\_

\_\_\_\_\_

Rs. \_\_\_\_\_

(in words )

Rupees \_\_\_\_\_

## **GENERAL CONDITIONS OF CONTRACT**

### **DEFINITIONS AND INTERPRETATIONS**

#### **Definitions Clause 1**

In the contract (as herein after defined) the following words and expressions shall have the meanings hereby assigned to them, except where the context otherwise requires:-

- 1) “*Agent*” means the person appointed by the contractor to act on his behalf in his absence;
- 2) “*Certificate of completion*” means the certificate of completion given by the Engineer-in-charge pursuant to clause 40 of these conditions;
- 3) “*Contract*” means the contract agreement, the documents set out therein and includes the conditions of contract, the tender and acceptance thereof, the specifications, the drawings, the bid schedule, schedule of rates and the prices;
- 4) “*Contractor*” means the person or persons, firm or company whose tender has been accepted by the Engineer-in-charge, and shall include the contractor’s duly authorized representative, successors and assigns;
- 5) “*Contract price*” means the sum named in the tender, subject to such addition thereto or deductions there from as may be made under the provisions of the contract;
- 6) “*Constructional Plant*” means all appliances, or things required in or about the execution, completion, or maintenance of the works or temporary works, but does not include the materials or other things intended to form or forming part of permanent or temporary works;
- 7) “*Drawings*” means the drawing(s) referred to in the contract documents and any modifications of such drawing(s) as may from time to time be furnished or approved in writing by the Engineer-in-charge;
- 8) “*Engineer-in-charge*” means the Executive Engineer or any other officer who for the time being and from time to time is in charge of the works and includes an officer appointed by the Government to act as Engineer-in-charge for the purposes of the contract;
- 9) “*Government*” means the Government of the Punjab;
- 9-a) “*Item Rates*” mean the rates determined on the basis of the market rates system introduced by the Government in replacement of the Composite Schedule of Rates 1998 through Finance Department Notification No.RO (Tech) F.D.2-3/2004 dated 02.08.2004 (Annexure A).

- 10) "*Period of maintenance*" means the period during which the contractor is obliged to guarantee the work or defined portions of work against defect and during which he is obliged to perform any maintenance procedure that may be specified by the Engineer-in-charge and shall be calculated from the date of the certificate of completion given by the Engineer-in-charge in accordance with clause 40 hereof or in the event of more than one certificate having been issued by the Engineer-in-charge under the said clause from the respective dates so certified;
- 11) "*Maintenance*" means the repairs, amendment, reconstruction and includes the rectification of defects imperfections, shrinkages and other faults except fair wear and tear as may be required of the contractor in writing by the Engineer-in-charge during the period of maintenance;
- 12) "*Programme of work*" means the Programme of work submitted by the contractor and approved by the Engineer-in-charge and includes and amendment thereto made from time to time and approved by the Engineer-in-charge;
- 13) "*Site*" means the lands and other places on, at, over, under; in or through which the works are to be executed or carried out in pursuance of the contract or any adjacent land, or part or street, which may be allotted or used for the purpose of carrying out the contract or any lands or places provided by the Engineer-in-charge for the purpose of the contract together with such other places as may be specifically designated in or pursuant to the contract as forming part of the site;
- 14) "*Specifications*" means the specification referred to in the tender and any modification thereof or addition thereto as may from time to time be furnished or approved in writing by the Engineer-in-charge
- 15) "*Temporary works*" means all temporary works of every kind required in or about the construction, completion or maintenance of the works;
- 16) "*Works*" means the works to be executed in accordance with the contract and includes any permanent works as required for the performance of the contract.

## **Clause 2:**

Marginal  
headings for  
information  
only

The marginal headings, the words, notes, titles and phrases used in these general conditions and documents attached hereto, are strictly for information and direction of the reader with regard to the contents of the said documents and shall by no means be invoked for interpretation of the said clauses nor shall they be deemed to be part thereof or be taken into consideration in the interpretation thereof or of the contract.

### Clause 3

Terms to include designation of corresponding post

The term “Executive Engineer” “Superintending Engineer” and “Chief Engineer” used in the contract and the documents attached thereto, shall respectively be taken to include the terms “Deputy Director” “Director” and “Director General” or the holder of the corresponding posts in relation to the work.

## CONTRACT DOCUMENTS

### Clause 4

Documents manually explanatory

Except if and to the extent otherwise provided by the contract, the conditions of contract and additional conditions annexed hereto shall prevail over those of any other document forming part of the contract. Subject to the foregoing, the several documents forming the contract are to be taken as mutually explanatory of one another, but in case of any error, omission, ambiguity or discrepancy is found between these documents, the same shall be reported to the Engineer-in-charge who shall correct such error or omission or explain and adjust the ambiguity or discrepancy, as the case may be, and shall thereupon issue to the contractor instructions directing in what manner the work is to be carried out. Provided always that if in the opinion of the Engineer-in-charge compliance with any such instructions shall involve the contractor in any expenses which by reason of any such error, omission, ambiguity or discrepancy, the contractor did not have reasons to anticipate, the Engineer-in-charge shall pay such additional sums as he shall certify to be reasonable to cover such expenses. Provided further that any work done by the contractor, which perpetuates or adds to any error, omission, ambiguity or discrepancy, already discovered and pointed out, shall be considered to have been done at the contractor’s own risk.

### Clause 5

Custody of drawings

1) The drawings shall remain in the sole custody of the Engineer-in-charge but two sets of the detailed or working drawings will be obtained by the contractor free of cost from the Engineer-in-charge after acceptance of his tender. The contractor shall provide and make at his own expense any further copies required by him. On the completion of the contract, the contractor shall return to the Engineer-in-charge all drawings provided to him under the contract.

Classified drawings

2) If so instructed, the contractor shall undertake not to disclose details of classified drawings, other than to men in his employ, and will give an undertaking to the Engineer-in-charge that these drawings are not replicated or passed on to others or used by any other agency/person.

One copy of Drawing to be kept on site.

3) One copy of the drawings furnished to the contractor as aforesaid shall be kept by the contractor at site and the same shall at all reasonable times also be made available for inspection and used by the Engineer-in-charge or by any of his superior officer, or by any other person authorized by the Engineer-in-charge in writing.

- Further drawings and instructions
- 4) The Engineer-in-charge shall supply to the contractor, from time to time during the progress of the works, such further drawings and instructions as shall be necessary for the purpose of the proper and adequate execution and maintenance of the works, and the contractor shall carry out and be bound by the same. The contractor shall give adequate notice in writing, to the Engineer-in-charge of any such further drawing and instructions that contractor may require for execution of works or otherwise under the contract.

## GENERAL OBLIGATIONS

### Clause 6:

Contract agreement

The contractor shall, when called upon so to do by the Engineer-in-charge enter into and execute a contract agreement in the form annexed.

### Clause 7:

Performance security

In every case where performance security has been provided, as specified in item (h) of Memorandum of Work, contractor shall furnish/maintain the performance security for the extended period of completion under Clause 37 of the Agreement. All compensations or the sums of money payable by the contractor under the terms of this contract may be deducted from or paid by the sale of sufficient part of his performance security, and in the event of his performance security reduced by reason of any such deduction or sale as aforesaid the contractor shall within ten days thereafter make good in cash or other securities as aforesaid any sum or sums which may have been deducted from, or raised by sale of performance security or any part thereof.

The performance security deposit / additional performance security deposit lodged by a contractor (in cash or/other form) shall be refunded to him after the expiry of three months after the issue of the certificate of completion of the work under Clause 40 hereof by the Engineer-in-charge or along with the final bill if it is prepared after that period on account of some unavoidable circumstances.

### Clause 8:

- Programme of work to be furnished it so required by Engineer-in-charge
- i. The contractor shall if so required by the Engineer-in-charge submit in writing to the Engineer-in-charge within the period specified by him for his approval a Programme showing the order of procedure and the method in which he proposes to carry out the works. The time and progress chart shall be prepared indirect relation to the time period stated in item (g) of the memorandum hereto annexed for the completion of individual items thereof and the works as a whole. It shall indicate the forecast of the date for commencement and completion of various trade processes or section of the works, and shall be amended as may be required by agreement between the Engineer-in-charge and the contractor within the limitation of time imposed in the contract documents.
  - ii. The contractor shall also, whenever required by the Engineer-in-charge, furnish for his information full particulars in writing of the organization and staff by which he proposes to

direct and administer his performance of the contract and also such further information concerning the contractor's arrangements for the carrying out the work and of the constructional plants or temporary works which the contractor intends to supply, use or construct, as the case may be.

- iii. The submission to and approval by the Engineer-in-charge of such Programme, or the furnishing of such particulars or information shall not relieve the contractor of any of his duties or responsibilities under the contract.
- iv. In the event of the non-submission of the Programme or revised/amended programme of work by the contractor for approval by the Engineer-in-charge within the period specified by the Engineer-in-charge, the contractor shall be liable to pay as compensation an amount, equal to ¼ % per day or such smaller amount as the Engineer-in-charge (whose decision in writing shall be final) may decide on the total tendered amount of the work, subject to maximum of 2% of contract amount.

Action when Programme not submitted in time

### Clause 9:

Setting out

The contractor shall be responsible for the true and proper setting out of the works in relation to original points, lines and levels of reference given by the Engineer-in-charge in writing and for the correctness (subject as above mentioned) of the position, levels, dimensions and alignments of all parts of the works and for the provision of all necessary instruments, appliances and labour in connection therewith. If at any time during the progress of the work, any error shall appear or arise in the position, levels, dimensions, or alignment or any part of the works, the contractor on being required so to do by the Engineer-in-charge, shall at his own expense, rectify such error to the satisfaction of the Engineer-in-charge, unless such error is based on incorrect data, supplied in writing by the Engineer-in-charge, in which case the expenses of rectifying the same shall be borne by the Government. The checking of any setting out or of any line or levels by the Engineer-in-charge shall not in any way relieve the contractor of his responsibility for the correctness thereof, and the contractor shall carefully protect and preserve all points, marks, lines levels, bench marks, site-rails, pegs, slope stakes, batten-boards, stakes for location, and other things used in setting out the works.

### Clause 10:

Work to be executed in accordance with the specifications drawings orders etc.

The contractor shall execute the whole and every part of the works in the most substantial and workman-like manner, and both as regards material and otherwise in every respect in strict accordance with the specifications. The work executed by the contractor shall also conform to the design(s) and/or drawings and instructions in writing relating to the work signed by the Engineer-in-charge and lodged in his office, and to which the contractor shall be entitled to have access at such office, or on the site of the work for the purpose of inspection during office hours. The contractor shall, if so required; be entitled at his own expenses to make or cause to be made copies of specifications, and of all such designs, drawings and instructions as aforesaid.

### Clause 11:

Action where no specifications are provided

In the case of any class of work for which there is no such specification as mentioned is para-2 of the general directions for the guidance of the tenderer annexed hereto, such

work shall be carried out in accordance with the prescribed standard specifications, and in the event of there being no such specifications, in accordance with the specification attached with the tender, if however, there is no standard specification or specifications attached with the tender, the work shall be carried out, in all respects in accordance with the instructions and requirements of the Engineer-in-charge

**Clause 12:**

Works to be under direction of Engineer-in-charge All works to be executed under the contract shall be executed under the directions and subject to the approval in all respects, of the Engineer-in-charge who shall be entitled to direct at what point or points and in what manner they are to be commenced and from time to time carried on.

**Clause 13:**

- Lighting at night work
- Watching and lighting
- i. In the event of night work being carried on, the contractor shall provide and maintain such good and sufficient lights as will enable the work to proceed with satisfactorily and without danger. Similarly, the approach to the site and works where the night work is being carried out shall be efficiently lighted. All arrangements adopted for such lighting shall be to the satisfaction of the Engineer-in-charge
  - ii. The contractor shall in connection with the works provide and maintain at his own cost all lights, warning lights, caution boards, attendants, guard fencing and watch men, when and where necessary or required by the Engineer-in-
  - iii. Charge for the protection of the work or for the safety and convenience of the public or others.

**Clause 14:**

Arrangements to safeguard danger to unfinished work The contractor is expected to make himself acquainted with the weather conditions, etc, and make his arrangements in such a manner that unfinished work is not in danger from storms, floods, etc. A claim by the contractor for a loss caused by any such eventuality will not be entertained by the Government.

**Clause 15:**

Contractor to supply plant, ladders, scaffolding, etc. The contractor shall supply at his own cost all materials (except such materials, if any as may in accordance with the contract be supplied from the departmental store) constructional plants, tools, appliances, implements, ladders, cordage, tackles, scaffoldings and temporary works, requisite or proper for the execution of the works, whether original, altered or substituted, and whether included in the specifications or other documents forming part of the contract referred to in these conditions or not, or which may be necessary for the purpose of satisfying or complying with the requirements of the Engineer-in-charge as any matter as to which under these conditions he is entitled to be satisfied, or which he is entitled to require together with carriage therefore, to and from the work. The contractor shall also supply without charge the requisite number of persons with the means and materials necessary for the purpose of setting out works, and counting, weighing, and assisting in measurement or examination at any time, and

from time to time of the work or materials. Failing his so doing the same may be provided by the Engineer-in-charge at the expense of the contractor, and the expenses may be deducted from any money due to the contractor under the contract, or from his security deposit. The contractor shall also provide all necessary fencing and lights required to protect the public from accident, and shall be bound to bear the expenses of defense of every suit action or other proceedings at law that may be brought by any person for injuries sustained by him owing to neglect in taking the above precautions and to pay any damages and costs which may be awarded in any such suit, action or proceedings to any such person, or which may with the consent of the contractor be paid to compromise any claim by any such person.

**Clause 16:**

Notice to be given before the work is covered up.

The contractor shall give not less than five days notice in writing to the Engineer-in-charge or his subordinates in charge of the work, before covering up or otherwise placing beyond the reach of measurement any work in order that the same may be measured, and correct dimensions thereof be taken before the same is so covered up or placed beyond the reach of measurement and shall not cover up or place beyond the reach of measurement any work without the consent in writing of the Engineer-in-charge or his subordinate in charge of the work. If any work is covered up or placed beyond the reach of measurement, without such notice having been given and consent obtained, the same shall be uncovered at the contractor's expenses, and no payment or allowance shall be made for such work or the materials with which the same was executed.

**Clause 17:**

Contractor's employees.

- 1) The contractor shall provide and employ on the site for the purpose of and in connection with the execution and maintenance of the work under the contract:-
  - (a) Only such engineer and technical assistance as are skilled and experienced in their respective callings, and such sub-agents, foremen and leading hands as are competent to give proper supervision of the work, they are required to supervise, and
  - (b) Such skilled, semi-skilled and unskilled labour as is necessary for the proper and timely execution and maintenance of works under the contract.

Removal of contractor's employees.

- 2) (i) The Engineer-in-charge shall have full powers at all times to object to the employment and to require the contractor to remove forthwith from the site, the agent, workman, foreman or any other person employed by the contractor or any sub-contractor, who in the opinion of the Engineer-in-charge misconducts himself or is incompetent or negligent in the proper performance of his duties or whose employment is otherwise considered by the Engineer-in-charge to be undesirable, and the contractor shall comply with the request forthwith.
- (ii) No such agent, workman, foreman or other employees after his removal from the work by request of the Engineer-in-charge shall be re-employed or reinstated by the contractor for the purposes of and in connection with the contract at any time, except with the prior approval in writing of the Engineer-in-charge.

### Clause 18:

Whole time  
qualified technical  
personnel for  
supervision of work

(a) The contractor shall employ for each contract, whole time qualified technical personnel to the satisfaction of the Engineer-in-charge for the supervision of the work at the scale given below:-

On contracts valuing:-

- |                               |  |
|-------------------------------|--|
| (i) Upto Rs.7.5 Million       | One diploma engineer.  |
| (ii) Exceeding Rs.7.5 Million | One senior graduate engineer.<br>One junior graduate engineer. |

(b) If the contractor fails to employ the qualified technical personnel to the above scale, the Engineer-in-charge shall, after giving the contractor 15 days notice to this effect, have the option to employ to make up the deficiency in the number of such persons at the risk and cost of the contractor.

### Clause 19:

Opportunities  
for other  
contractors.

The contractor shall in accordance with the requirements of the Engineer-in-charge afford all reasonable opportunities for carrying out the work by any other contractor(s)/specialist contractor(s) executing a part of the original work or ancillary to the work, employees/workmen of such contractor(s) or those of the Government, who may be employed in execution of, or near the site of work not included in the contract. If, however, the contractor provides any material services/assistance or facilities to any such contractor or to the Government on the written request of the Engineer-in-charge, he shall be paid a reasonable sum as determined by the Engineer-in-charge or paid according to provision in bid schedule if already made therein.

### Clause 20

Damage to  
persons and  
property

- 1) The contractor shall indemnify and keep indemnified the Government against all losses and claims for injuries or damage caused to any person or any property whatever, (other than surface or other damage to land or crops being on the site suffered by tenants of occupants) which may arise out of or in consequence of the construction and maintenance of the works and against all claims, demands, proceedings, damages, costs, charges and expenses whatever in respect of or in relation thereto. Provided always that nothing herein contained shall be deemed to render the contractor liable for, or in respect of or to indemnify the Government against any compensation or damages for or with respect to:-
  - a) The permanent use or occupation of land by the works or any part thereof or (save as hereinafter provided) surface or other damage as aforesaid.
  - b) The right of the Government to construct the works or any part thereof on, over, under, in or through any land.

- c) Interference whether temporary or permanent with any right of light, air, way or water, or other assessment of quasieasement which is the unavoidable result of the construction of the works in accordance with the contract.
- d) Injuries or damage to persons or property resulting from any act or neglect done or committed during the currency of the contract of the Government, its agents, servants or other contractors (not being employed by the contractor) or for or in respect of any claims, demands, proceedings, damages, costs, charges, and expenses in respect thereof or in relation, thereto.

Provided further that for the purposes of this clause the expression “the site” shall be deemed to be limited to the Area define in the specification or shown on the drawings in which land and crops will be disturbed or damaged as an inevitable consequence of carrying out the works.

Indemnity by the Government

- 2) The Government will indemnify the Contractor for and against all claims, demands, proceedings, damages, costs, charges and expenses in respect of the matters referred to in the proviso to sub-clause (1) of this clause.

Note: - The limit of various departments for the application of this clause is as follows:-

- 1) Buildings Contracts exceeding Rs.5 Million.
- 2) Public Health Engineering. Contracts exceeding Rs. 5 Million.
- 3) Highways. Contracts exceeding Rs. 10 Million.
- 4) Irrigation. The clause would not apply.
- 5) Housing and Physical Planning Contract exceeding Rs. 5 Million.

The clause may be adopted in contracts of smaller amount wherever so directed by the Chief Engineer.

### Clause 21:

Work to be open to inspection

Contractor or his responsible agent to be present.

All works under or in the course of execution or executed in pursuance of the contract, shall at all time be open to inspection and supervision of the Engineer-in-charge or his subordinate, and the contractor shall at all times during the usual working hours and at all other times for which reasonable notice of the intention of the Engineer-in-charge, his senior or his subordinate to visit the works shall have been given to the contractor, either himself be present to receive orders and instruction or have an agent, duly accredited in writing present for that purpose. Orders given to the contractor’s agent shall be considered to have the same force as if they have been given to the contractor himself.

### Clause 22:

Giving of notices and payment of fees.

- i. The contractor shall give all notices, and at his own cost pay all fees, required to be given or paid by any national or state statute, ordinance or other laws any regulation or by-laws of any local or other duly constituted authority in relation to the execution of the works or of any temporary works and by the rules and

- regulations of all public bodies and companies whose property or rights are affected or may be affected in any way by the works or any temporary works.
- Compliance with status regulations etc.
- ii. The contractor shall conform in all respects with the provisions of any such federal, provincial and local statutes, ordinance or law as aforesaid and the regulations or by-laws of any local or other duly constituted authority, which may be applicable to the works, or to any temporary works and with such rules and regulations of Public Bodies and companies as aforesaid and shall keep the Government indemnified against all penalties and liabilities of every kind for breach of any such statutes, ordinance or law, regulation or by-laws.
- Payment of income tax and other taxes.
- iii. The contractor shall be responsible for the payment of all income tax, super tax and other Government or local taxes arising out of the contract, which shall not be reimbursed to him by the Government and the rates and prices stated in the bid schedule shall be deemed to cover all such taxes.

**Clause 23:**

Cost of bonds.

The cost of various bonds to be entered into and executed between the contractor and the Engineer-in-charge shall be in all respects, at the expense of the contractor.

**Clause 24:**

Change in the constitution of firm

In the case of tender by partners, any change in the constitution of the firm, joint venture, company or corporation shall be forthwith notified by the contractor to the Engineer-in-charge for his information.

**Clause 25:**

Photographs and advertisements.

Photographs of the works shall be taken by permission of the Engineer-in-charge. Only signs or other advertisement approved by the Engineer-in-charge may be displayed at or near the works. Photographs of the works shall not be published without prior written approval of the Government, which shall not be unreasonably withheld.

**ASSIGNMENT AND SUB-LETTING**

**Clause 26:**

Assignment.

The contractor shall not assign the contract or any part thereof or any benefit or interest therein or there under without the prior written consent of the Engineer-in-charge

**Clause 27:**

Subletting.

The contractor shall not sublet the works or any part thereof except where otherwise provided by the contract, without the prior written consent of the Engineer-in-charge and such consent, if given, shall not relieve the contractor from any liability or obligation under the contract and he shall be responsible for

the acts, defaults and negligence of any sub-contractor, his agents, servants or workmen as if they were the acts, defaults or neglects of the contractor, his agents, servants or workmen. Provided always that the provision of labour as a piecework basis shall not be deemed to be a subletting under this clause.

## MATERIAL AND WORKMANSHIP

### Clause 28:

- |   |  |
|---|--|
| Quantity of materials and workmanship and tests | 1) All materials and workmanship shall be of the respective kinds described in the contract and in accordance with the instructions of the Engineer-in-charge and shall be subjected from time to time to such tests as the Engineer-in-charge may direct at the place of manufacture or fabrication or on the site or at all or any of such places. The contractor shall provide such assistance, instruments, machines, labour and materials as are normally required for examining, measuring and testing any work and the quality, weight or quantity of any material used and shall supply samples of materials before incorporation in the works for testing, as may be selected and required by the Engineer-in-charge. |
| Cost of samples                                 | 2) All samples shall be supplied by the contractor at his own cost if the supply thereof is clearly intended by or provided for in the specifications or bill of quantities but if not then at the cost of the Government.   |
| Cost of tests                                   | 3) The cost of making any test shall be borne by the contractor if such test is clearly intended by or provided for in the specification or bill of quantities and (in the cases only of a test under load or of a test to ascertain whether the design or any finished or partially finished work is appropriate for the purposes which it was intended to fulfill) is particularized in the specification or bill of quantities in sufficient detail to enable the contractor to price or allow for the same in his tender.  |
| Cost of tests etc not provided for              | 4) If any test is ordered by the Engineer-in-charge which in either:-<br>a) Not so intended by or provided for; or<br>b) (in the cases above mentioned) is not so particularized; or<br>c) Through so intended or provided for is ordered by the Engineer-in-charge to be carried out by an independent person at any place other than the site or the place of manufacture or fabrication of the materials tested.  |

Then the cost of such test shall be borne by the contractor if the test shows the workmanship or materials not to be in accordance with the provisions of the contract or the instructions of the Engineer-in-charge but otherwise by the Government.

### Clause 29:

Constructional material fittings, etc. to conform to representative samples approved by Engineer-in-charge

Before any constructional material, fittings is brought to the site of work, the contractor shall submit to the Engineer-in-charge representative samples of the material fittings, etc, he proposes to use. The samples after approval will be

retained by the Engineer-in-charge in his custody and the contractor shall be responsible for ensuring that materials and fittings, etc, conforming to such samples are used through out the contract, failing which the material, fittings, etc, will not be accepted and shall be removed forthwith from the site of work if so desired by the Engineer-in-charge.

**Clause 30:**

Stores to be  
supplied by  
Government

If the specification, or the estimate of the work provides for the use of any special description of material and equipment to be supplied from the Engineer-in-charge's store or if it is required that the contractor shall use certain stores to be provided by the Engineer-in-charge (such materials, stores and equipment and the prices to be charged therefore as hereinafter mentioned being so far as practicable for the convenience of the contractor but not so as in any way to control the meanings or effect of this contract specified in the schedule of memorandum hereto annexed), the contractor shall be supplied with such materials and stores as required from time to time to be used by him for the purpose of the contract only; and the value of the full quantity of materials and stores so supplied at the rates specified in the said schedule or memorandum may be set off or deducted from any sums due or to become due, to the contractor, under the contract or otherwise: or against or from the security deposit. All materials supplied to the contractor shall remain the absolute property of the Government, and shall not, on any account be removed from the site of works without the written permission of the Engineer-in-charge, and shall at all times be open to inspection of the Engineer-in-charge. Any such material unused or in perfectly good condition at the time of the completion or termination of the contract shall be returned to the Engineer-in-charge's store, if by a notice in writing under his hand he shall so require; but the contractor shall not be entitled to return any such materials unless with such consent, and shall have no claim for compensation on account of any such materials so supplied to him, as aforesaid being unused by him, or for any wastage in or damage to any such materials.

**Clause 31:**

Action and  
compensation  
payable in  
cases of bad  
work

If it shall appear to the Engineer-in-charge or to his subordinate in charge of the work, that any work has been executed with unsound, imperfect, or unskillful workmanship or that any materials or articles provided by him for the execution of the work are unsound, or of a quality inferior to that contracted for, or otherwise not in accordance with the contract the contractor shall on demand in writing from the Engineer-in-charge specifying the work, materials or articles complained of notwithstanding that the same may have been inadvertently passed, certified and paid for, forthwith rectify, remove and reconstruct the work so specified in whole or in part, as the case may require, or as the case may be, remove the materials or articles so specified and provide material as originally contracted or articles at his own proper charge and cost, and in the event of his failing to do so within a period to be specified by the Engineer-in-charge in his demand aforesaid, then the Engineer-in-charge may rectify or remove and re-execute the work, remove and

replace with others, the materials and articles complained of, as the case may be, by his own workman or by other contractor and recover from the contractor towards the cost thereof a sum equal to the sum actually incurred by the Engineer-in-charge (whose certificate as to the amount of the work shall be final and binding on the parties plus departmental charges on the amount so incurred equal to ten (10) percent or such smaller amount as the Engineer-in-charge (whose decision in writing shall be final) may decide, and deduct the same from any money due or that becomes due to the contractor under this contract or on any account whatsoever, due by Government to the contractor. Measures of rectification will be decided by the Engineer-in-charge and may include additional work necessary to strengthen or set right the unusual work carried out by the contractor.

## **LABOUR**

### **Clause 32:**

Application of labour laws and rules.

The contractor shall employ labour, provide all facilities and pay wages to his work people or employees in accordance with the labour laws or enactments relating thereto and rules framed there under, inforce from time to time.

### **Clause 33:**

Contractor liable for payment of compensation to injured workman or in case of death to his relations.

- 1) In every case in which by virtue of the provision of Section 12, sub section (1) of the workman's Compensation Act 1923 Government is obliged to pay compensation to a workman employed by the contractor in execution of the work Government will recover from the contractor the amount of the compensation so paid and without prejudice to the rights of the Government under section 12, sub section (2) of the said Act. Government shall be at liberty to recover such amount or any part thereof, by deducting it from the security deposit or from any sum due by Government to the contractor, whether under the contractor or otherwise.
- 2) Government shall not be bound to contest any claim made against under section 12, sub section(1) of the said Act, except on the written request of the contractor and upon his giving to the Government full security for all costs for which Government right become liable in consequence of contesting such claims.

### **Clause 34:**

Use of donkeys and other animals.

- i. No contractor shall use donkeys or other animals with breaching of string or thin rope. The breaching must be at least 75mm wide and should be of tape (Nawar).
- ii. No animal suffering from sores, lameness or emaciation or which is immature shall be used on the work.

## COMMENCEMENT, TIME AND DELAYS

### Clause 35:

Commencement  
of work

The contractor shall commence the works on the site within the period named in the memorandum, after the receipt by him of an order in writing to this effect from the Engineer-in-charge and shall proceed with the same with due diligence and without delay, except as may be expressly sanctioned or ordered by the Engineer-in-charge or be wholly beyond the contractor's control.

### Clause 36:

Time for  
completion

Subject to any requirements in the specification as to the completion of any portion of the works before completion of the whole, the whole of the works shall be completed within the time stated in the memorandum or such extended time as may be allowed under clause 37 hereof.

### Clause 37:

Extension of  
time for  
completion.

If by reasons of the amount of extra or additional work of any kind or variation of form, quality or quantity of the works or any part thereof ordered by the Engineer-in-charge, or on the ground of his having been unavoidable hindered in the execution of the work or on any other ground or other special circumstances of any kind whatsoever, or any cause beyond the reasonable control of the contractor, the work is delayed or impeded or the contractor prevented from whether by the Engineer-in-charge or otherwise howsoever, or hindered in the execution or completion of the work or any part thereof, whether such delay or impediment or prevention or hindrance occurs before or after the time or extended time fixed for completion the contractor shall apply in writing to the Engineer-in-charge within thirty, days of the date of such circumstances, the full and detailed particulars of the claim on account of which he desires an extension as aforesaid. The Engineer-in-charge shall, if in his opinion (which shall be final) reasonable grounds shown therefore by the contractor are such as fairly to entitle the contractor to an extension of time for the completion of the work, authorize him from time to time in writing, either prospectively or retrospectively, such extension of time for the completion of the work or any part thereof, as may in his opinion be necessary or proper.

### Clause 38:

No work at  
night or on  
Sundays / Public  
Holidays

Subject to any provision to the contrary contained in the contract, none of the permanent work shall save as here in after provided be carried on during the night or on Sundays or public holidays without the permission in writing of the Engineer-in-charge save when the work is unavoidable or absolutely necessary for the saving of life or property or for the safety of the works in which case the contractor shall immediately advise the Engineer-in-charge. Provided always that the

provisions of this clause shall not be applicable in the case of any work which it is customary to carry out by rotary or double shifts.

**Clause 39:**

- Compensation for delay.
- a) The time allowed for carrying out the work as entered in the tender shall be strictly observed by the contractor. The works shall throughout the stipulated period of the contract be proceeded with all due diligence in accordance with the programme of work, as approved by the Engineer-in-charge or any amended programme of work approved by the Engineer-in-charge from time to time (time and quality being deemed to be the essence of the contract on the part of the contractor) and the contractor shall pay as compensation an amount equal to one percent of the amount of contract, subject to maximum of 10% or such smaller amount as the Engineer-in-charge (whose decision in writing shall be final) may decide, on the amount of the estimated cost stated in item(b) of the memorandum of work annexed hereto for every day
- Compensation for inadequate funding
- b) That the work remains un-commenced or unfinished after the proper date.
- c) If the funds required for completion of contract are not provided within two years of the stipulated date of completion, contractor may ask for finalization of his contract. All recoveries due from contractor (mobilization, secured advance, machinery hire charges, etc.) will be made before finalization of contract.

**CERTIFICATE OF COMPLETION**

**Clause 40:**

- Certification of completion of work
- Without prejudice to the right of the Government under any such clause(s) herein contained, as soon as in the opinion of the Engineer-in-charge, the works shall have been substantially completed and shall have satisfactory passed any final test that may be prescribed by the contract, the Engineer-in-charge will issue to the contractor a certificate of completion in respect of the work, and the period of maintenance of work shall commence from the date of such certificate, provided that the Engineer-in-charge may give such a certificate with respect to any independent part of the works before the completion of the whole of the works, and when any such certificate is given in respect of such a part of the works, such part shall be considered as completed and the period of maintenance of such part shall commence from the date of such certificate. Provided also that a certificate of completion given in accordance with the foregoing provisions of any part of the works shall not be deemed to certify completion of any ground or surface requiring reinstatement, unless such certificate shall expressly so state. Provided further that no such certificate shall be given nor shall the works or any of its parts be considered to be complete until the contractor shall have removed from the premises on which the works or any such parts shall be executed, all scaffoldings, surplus materials of all kinds and rubbish, buildings and other construction materials of all kinds and cleaned off the dirt from all woodwork, doors, windows, walls, floors, or other parts of any building or buildings, or road works and road

structures, water supply, sewerage or drainage works, sanitary installations, gas and electric fittings, in, upon, or about which the works are to be executed, or which he may have had possession for the purpose of the execution thereof, nor until the works shall have been measured by the Engineer-in-charge whose measurements shall be binding and conclusive against the contractor.

If the contractor shall fail to comply with the requirements of this clause as to the removal of scaffoldings, surplus material of all kinds and rubbish as aforesaid and cleanings of dirt on or before the date fixed for the completion of the works, the Engineer-in-charge may at the expense of the contractor, remove such scaffoldings or surplus materials of all kinds and rubbish and dispose of the same as he thinks fit, and clean off such dirt as aforesaid and the contractor shall forthwith pay the amount of all expenses so incurred, and shall have no claim in respect of any such scaffoldings or surplus materials of all kinds as aforesaid, except for any sum actually realized by sale thereof.

## **ALTERATIONS, ADDITIONS AND COMMISSIONS**

### **Clause 41:**

Alternation in specifications and drawings.

Alternations omissions or substitution do not invalidate the contract.

Extension of time in consequence of alterations

Rate of works not in schedule of rates, bid schedule or in the estimates.

The Engineer-in-charge shall have power to make any alteration in, omission from, addition to, or substituted for, the original specification, drawing designs and instructions that may appear to him to be necessary or advisable during the progress of the work, and the contractor shall be bound to carry out the works in accordance with any instructions which may be given to him in writing signed by the Engineer-in-charge, and such alternations, omission, additions or substitutions shall not invalidate the contract, and any altered, additional or substituted work which the contractor may be directed to do in manner above specified as part of the work, shall be carried out by the contractor on the same conditions in all respects on which he agreed to do the main work, and the same rates as are specified in the tender (bid schedule for the main work). The time for the completion of the work shall be extended in the proportion that the altered, additional or substituted work bears to the original contract work and the certificate of the Engineer-in-charge shall be conclusive as to such proportion.

And, if the altered, additional or substituted work includes any item of work, for which no rate is specified in this contract, then such items of work shall be carried out at the item rates enforced at the time of receipt of tenders with reference to which the tender for the work was submitted by the contractor.

If such altered, additional or substituted item(s) of work is not entered in the bid schedule, then the contractor shall within seven days of the date of receipt of the orders to carry out the work inform the Engineer-in-charge of the rate which it is his intension to charge for such items of work, and if the Engineer-in-charge does not agree to this rate, or the approval to this rate (or the negotiated rate, if any), is not communicated to the contractor within a period of thirty (30) days reckoned

from the date of receipt by the Engineer-in-charge of the proposed rate, the Engineer-in-charge shall by a notice in writing be at liberty to cancel his order to carry out such item of work and arrange to carry it out in such a manner as he may consider advisable, provided always that if the contractor shall commence work or incur an expenditure in regard thereto, before the rates shall have been determined as lastly hereinafter mentioned, he shall do so at his own risk and cost.

No deviation from specification stipulated in the contract or additional items of work shall be carried out by the contractor unless the rate of the substituted, altered or additional items have been approved in writing failing which Government will not be bound to entertain any claim on this account. The interpretation of the Engineer-in-charge in the event of any dispute due to any ambiguity in the specification or nomenclature shall be binding and final.

**Clause 42:**

No compensation for alteration in or restriction of work to be carried out, if variation does not exceed 20%

If at any time after the commencement of the work, the Engineer-in-charge shall for any reason whatsoever, not require the whole thereof as specified in the tender (bid schedule annexed hereto) to be carried out, or increase or decrease in the quantity of work included in the contract or omit any such work, or change the contract or quality or kind of any such work, or change the levels, lines, position and dimensions of any part of the works, or require the contractor to execute additional work of any kind necessary for the completion of the work, the Engineer-in-charge shall give notice in writing of this fact to the contractor, who shall have no claim to any payment or compensation whatsoever on account of any profit or advantage which he might have derived from the execution of the work in full, but which he did not derive in consequence of the full amount of the work not having been carried out; neither shall he have any claim for compensation by reasons of any alteration having been made in the original specifications, drawings, designs and instructions which shall involve any curtailment or increase of the work, as originally contemplated; nor shall the contractor be entitled to any adjustment in the unit rate/price or amount of the contract, if the aggregate effect of all such alterations, additions, omissions, or adjustments (other than those arising out by reasons of price variation under clause 55 hereof) on completion of the whole of the works, does not exceed 20 percent of the sum named in paragraph of 1(one) of this tender.

Variation exceeding 20%

If, on completion of the whole of the works, it shall be found that a reduction or increase greater than 20 percent of the sum named in paragraph 1 of the tender results from the aggregate effect of all increases, decreases omissions or adjustments (other than those arising out because of price variation under clause 55 hereof), as a result of the requirement of the Engineer-in-charge, the amount of the contract price shall be adjusted by such sum(s) as may be determined by the Engineer-in-charge and the contractor. In the event of disagreement, the Engineer-in-charge shall fix such sum as shall, in his opinion, be reasonable and

proper, regard being had to all materials and relevant factors including the contractor's cost and over heads.

## MAINTENANCE AND DEFECTS.

### Clause 43:

- Period of maintenance
- 1) The period of maintenance mentioned in item (i) of the memorandum hereto annexed shall be calculated from the date of completion of the works certified by the Engineer-in-charge in accordance with clause 40 hereof or in the event of more than one certificate having been issued by the Engineer-in-charge under the said clause, from the respective dates so certified, and in relation to the period of maintenance the expression the "work" shall be construed accordingly.
- Execution of work of repair etc.
- 2) The works shall at or as soon as practicable after expiration of the period of maintenance be delivered to the Engineer-in-charge in as good and perfect condition (fair wear and tear excepted) to the satisfaction of the Engineer-in-charge as that in which they were at the commencement of the period of maintenance, the contractor shall execute all such works of repair, amendment, reconstruction, rectification and making good of defects, imperfection, shrinkage other faults as may be required of the contractor in writing by the Engineer-in-charge during the period of maintenance or within fourteen days after its expiration as a result of an inspection made by or on behalf of the Engineer-in-charge prior to its expiration.
- Cost of execution of works of repair etc.
- 3) All such works shall be carried out by the contractor at his own expense, if the necessity thereof shall, in the opinion of the Engineer-in-charge, be due to use of materials or workmanship not in accordance with the contract or to neglect or failure on the part of the contractor to comply with any obligation expressed or implied on the contractor's part under the contract. If in the opinion of the Engineer-in-charge such necessity shall be due to any other cause, the value of such work shall be ascertained and paid for, as if it were an additional work.
- Remedy of contractor's failure to carry out work required
- 4) If the contractor shall fail to do any such work as aforesaid, required by the Engineer-in-charge, the Engineer-in-charge shall be entitled to carry out such work by his own workmen or by other contractor(s) and if such work is a work which the contractor should have carried out at the contractor's own cost, shall be entitled to recover from the contractor towards the cost thereof a sum equal to the actual expenditure so incurred by the Engineer-in-charge (whose certificate as to the amount of the work shall be final and binding on the parties) any may deduct the same from any moneys due or that may become due to the contractor.

### Clause 44:

If the contractor or his work people, or servant shall break, deface, injure or destroy any part of a building in which they may be working or any building, road, road work, road structure, water supply, sewerage and drainage works, sanitary

Contractor liable to make good damages and for any imperfection noticed during period of maintenance

fitting and electric installation, fences, enclosures, water pipes, cables, drains, electric or telephone posts or any works, trees, grass or grass land, or cultivated ground contiguous to the premises on which the work, or any part of its is being executed, or if any damage shall happen to the work, while in progress from any cause whatsoever or any imperfections become apparent in it within the specified period of maintenance in item No. (i) of the memorandum hereto annexed after a certificate, final or otherwise of its completion shall have been given by the Engineer-in-charge as aforesaid, the contractor shall make the same good at his own expense, or in default, the Engineer-in-charge may cause the same to be made good by other workmen, and deduct the expenses (of which the certificate of the Engineer-in-charge shall be final) from any sums that may then, or at any time thereafter may become due to the contractor, or from his security deposit.

### **ADVANCES TO CONTRACTORS**

#### **Clause 45:**

Secured advance on materials brought to site.

Should the contractor, whose contract is for finished work require an advance on the security of material of imperishable nature brought by him to the site, the Engineer-in-charge shall assess the value of such materials and the contractor may be paid an advance upto an amount not exceeding seventy five percent (the decision of the Engineer-in-charge as to this percentage shall be final) of the value of the materials assessed by the Engineer-in-charge. The materials shall remain the property of the Government and the contractor shall not remove it from the site without the written permission of the Engineer-in-charge. The contractor shall be responsible for any loss to the materials due to the contractor postponing the execution of the work or to the shortage of or misuse of the materials and against the expenses entailed for their proper watch and safe custody.

The recovery of the amount of such advance shall be made from the contractor's bill for the work done, as the materials are used in the work.

### **PAYMENTS**

#### **Clause 46**

Bills to be on prescribed form.

The contractor shall submit all bills on the form prescribed by the Engineer-in-charge to be had on application at the office of the Engineer-in-charge and the charges in the bills shall always be entered at the rates specified in the tender (bid schedule) or in the case of any extra work ordered in pursuance of the conditions and not mentioned or provided for the tender, at the rate hereinafter provided for such works.

#### **Clause 47:**

The contractor shall submit each month on or before the date fixed by the Engineer-in-charge a bill, on the basis of measurements carried out by the

Bills to be on submitted monthly.

contractor through his own staff, for all works executed in the previous month, and the Engineer-in-charge shall take or cause to be taken the requisite measurements for the purpose of having the same verified and the claim, as for as admissible adjusted, if possible, before the expiry of ten days from presentation of the bill subject to the condition laid down in item(s) of the memorandum of work. If the contractor does not submit the bill within the time fixed as aforesaid, the Engineer-in-charge may depute a subordinate to measure up the work in the presence of the contractor or otherwise and the Engineer-in-charge may prepare a bill from such measurements, which shall be binding on the contractor in all respects.

**Clause 47-A: Payment of items with imbalance rates**

If a contractor quotes such disproportionate rates in his tender which deviate from the rates provided in the technically sanctioned estimate, the payment of items whose rates are lower will be made at tendered rate(s) in full on the execution of items (s) but the payment of item whose rates are **higher** shall be made at the rates depicted in technically sanctioned estimate, on the execution of such items, the balance payment shall be withheld by the engineer in-charge till the completion of the work of items for which low rates have been quoted.

**Clause 48:**

Deduction of security deposit.

At the time of making any payment to the contractor for the work done under this contract, the Engineer-in-charge shall retain from the amount so payable to the contractor, the amount of security deposit at the percentage rate specified in item(d) of the memorandum of work annexed hereto. The earnest money of the contractor on execution of the contract, will however, be adjusted towards the amount of such security deposit to be retained from the amount of his first bill of the work done by him and payable to the contractor under this contract.

All compensations of other sums of money payable by the contractor to the Government under the terms of this contract may be deducted from the amount of his security deposit of the contract or from any sums which may be due or may become due to the contractor by the Government on any account whatsoever, and in the event of his security deposit being reduced by such deductions, the contractor shall, within ten days thereafter, make good in cash any sum or sums which may have been deducted from his security deposit, or may be made good through additional deductions from his bill or dues.

**Clause 49:**

Conversion of security deposit into profit bearing securities.

Subject to any general or special directions given by the government to the contrary, if the contractor so desires and makes a written request to the Engineer-in-charge to the effect that the amount of security deposit retained from the bills of the contractor may be converted into the recognized form of profit bearing security

at the cost of the contractor, the amount of security deposit retained from bills of the contractor shall be deposited in any of the following banks:-

- 1) National Bank of Pakistan Ltd.
- 2) Habib Bank Ltd.
- 3) United Bank Ltd.
- 4) Muslim Commercial Bank of Pakistan Ltd.
- 5) Allied Bank of Pakistan Ltd.
- 6) The Bank of Punjab.

and pledged in the name of the Executive Engineer concerned, and on the maturity the amount of security is retrieved back in the Public Account and refunded to the contractor in prescribed manner.

#### **Clause 50:**

Refund of  
security deposit.

- a) The amount retained as security deposits shall not be refunded to the contractor before the expiry of six(6) months in the case of original works valuing upto Rs.5 million and twelve (12) months or even more, as may be determined by the Engineer-in-charge with the prior approval of the Chief Engineer, in the case of works valuing above Rs.5 million, after the issue of the certificate of completion of the work under clause 40 hereof by the Engineer-in-charge provide that in case the contractor is required by the Engineer-in-charge to rectify any imperfection, damage, defects or other faults in work, etc. during the period of maintenance, the security deposit shall not be refunded till the contractor has fulfilled his obligations under clause 43 and 44 hereof to the satisfaction of the Engineer-in-charge.
- b) Should the contractor so apply in writing to the Engineer-in-charge the amount of security deposit will be refunded to the contractor three (3) months after the issue of certificate of completion of work by the Engineer-in-charge under clause 40 subject to the production of bank
- c) guarantee from a scheduled bank in Pakistan to the satisfaction of and in the form suitable to the Engineer-in-charge, for the same amount covering the balance of period of maintenance, to the effect that the contractor shall fulfill his obligations under clause 43 and 44 of the contract.
- d) Subject to the conditions stipulated in sub-clause (a) of this clause, in the case of contracts for maintenance and repair works, the security deposits would be refunded to the contractor after the expiry if three (3) months of the issue of certificate of completion of work by the Engineer-in-charge .

#### **Clause 51:**

Payment on  
intermediate certificate  
to be regarded as  
advances

The contractor shall on submitting the bill be entitled to receive a monthly payment proportionate to the part thereof then approved and passed by the Engineer-in-charge, subject to the condition laid down in item(s) of the memorandum, whose certificate of such approval and passing of the sum so payable, shall be final and conclusive against the contractor. But all such intermediate payments shall be regarded as payment by way of advance against the final payment only, and not as payment for work actually done and completed and shall not preclude the

requiring of bad, unsound, imperfect or unskillful work to be removed and taken away and reconstructed, or re-erected or be considered as an admission of the due performance of the contract, or any part thereof in any respect, or the accruing of any claim: nor shall it conclude, determine, or affect in any way the power of Engineer-in-charge, under these conditions or any of them as to the final settlement and adjustment of the accounts or otherwise, or in any other way vary or affect the contract.

**Clause 52:**

Final bill to be submitted within one month.

The final bill shall be submitted by the contractor within one month of the date fixed for completion of the works, otherwise the Engineer-in-charge's certificate of the measurement and of the total amounts payable for the works accordingly, shall be final and binding on all parties.

**Clause 53:**

Procedure for payment to firms.

The department may refuse or suspend payment on account of a work when executed by a firm, or by a contract described in their tender as a firm, unless receipts are signed by all the parties, or one of the partners or some other person producing power of attorney enabling him to give actual receipts on behalf of the firm.

**Clause 54:**

Sums payable by way of compensation to be considered as reasonable compensation without reference to actual loss.

All sums payable by way of compensation under any of these conditions, shall be considered as reasonable compensation to be applied to the use of Government, without reference to the actual loss or damage sustained, and whether or not any damage shall have been sustained.

**VARIATION IN PRICES OF SPECIFIED MATERIALS**

**Clause 55:**

- 1) Where any variation (increase or decrease), to the extent of 5% or more, in the price of any of the item mentioned in sub-clause (2) below takes place after the acceptance of tender and before the completion of contract, the amount payable under the contract shall be adjustable to the extent of the actual variation in the cost of the item concerned
- 2) No price variation under the clause shall be admissible except in respect of the following items:-
  - i. Cement
  - ii. Steel
    - a) M.S Bars (Plain and deformed)
    - b) M.S. sections.
    - c) High Tensile steel wire.
    - d) M.S. and G.I.Pipes.

- iii. Asbestos Cement Pipes.
  - iv. P.V.C.Pipes.
  - v. R.C.C/P.C.C.Pipes.
  - vi. Bitumen.
  - vii. High Speed Diesel.
  - viii. Bricks
    - a) Brick
    - b) Tiles
    - c) Gutka
  - ix Stone aggregate
    - a) Stone metal for sub base.
    - b) Stone metal for base course.
    - c) Crushed bajjri.
  - x. Labour
- 3) The base price for the purposes of calculation of the price variation shall be the price prevalent in the month during which the last day of the submission of tender falls.
  - 4) The price variation under this clause shall be worked out on the basis of the price of the item concerned as notified or placed at web site by the Finance Department, Government of the Punjab for the particular month and particular District.
  - 5) If no notification in respect of any of the item mentioned in sub-clause (2) is issued under sub-clause (4) no price variation shall be admissible in respect of that item during that month.
  - 6) The amount payable or deductible in respect of items No.(i) to (x) of sub-clause (2) shall be calculated on the basis of the quantity of the item actually consumed on the work during the month.
  - 7) The amount payable or deductible in respect of item No.(v) of sub clause (2) shall be calculated on the basis of the actual quantity of cement and steel bars used in the manufacture of the pipes during the month.
  - 8) No escalation shall be allowed to the contractor in respect of the period extended for the completion of the work due to his own fault.
  - 9) If, under the existing codal rules, secured advance is paid on all or any of the imperishable items mentioned at (ii) to (vi) & (viii) to (ix) in sub-clause (2) above, no price variation shall be admissible on such item(s) in respect of the quantity or quantities for which secured advance has been paid to the contractor.
  - 10) The increase or decrease in the contract price subsequent to any increase or decrease in the cost of high speed diesel shall be calculated from the increase or decrease in the basic price of high speed diesel using the following formula:  
 Increase or decrease =  $\alpha \times \text{VOW} \times (\text{CPD}-\text{BPD}) / \text{BPD}$  in contract price.

Where:

VOW= the value of the work for which payment has been certified by the Engineer-in-charge, executed subsequent to such increase or decrease in the Basic Price as shall be obtained by applying the approved unit rates and prices entered in the measurement book.

CPD= Current price of high speed diesel, and

BPD= Basic price of high speed diesel.

Factor  $\alpha = 0.15$  for Highway / Road works &

$\alpha = 0.07$  for Buildings and R.C.C structures &

$\alpha = 0.07$  for Irrigation Works

- 11) The increase or decrease in the contract price subsequent to any increase or decrease in the cost of labour shall be calculated from the increase or decrease in the basic price of labour using the following formula:

Increase or decrease =  $\square \times VOW \times (CLR - BLR) / BLR$  in contract price.

Where:

VOW= the value of the work for which payment has been certified by the Engineer-in-charge, executed subsequent to such increase or decrease in the Basic Price as shall be obtained by applying the approved unit rates and prices entered in the measurement book.

CLR= Current labour rates for unskilled worker  
(as placed on website of Finance Department).

BLR= Basic labour rates of unskilled worker on the date of receipt of tenders  
(as placed on website of Finance Department)

Factor  $\beta = 0.15$  both for building & road works &

Factor  $\beta = 0.15$  for Irrigation works

## CLAIMS OF CONTRACTOR

### Clause 56:

Bills to be submitted  
monthly

The contractor shall deliver in the office of the Engineer-in-charge on or before the 10<sup>th</sup> day of every month during the continuance of the work covered by this contract a return in such form as the Engineer-in-charge may from time to time prescribe showing details of any rate, amount and work claimed as extra, and such return shall also contain the value of such work which the contractor may consider himself to be entitled upto the end of the previous month, which value shall be based upon the rates and prices mentioned in the contract (bid schedule) or the rate determined pursuant to clause 41 hereof. The contractor shall include in such monthly returns particulars of all claims of whatsoever kind and howsoever arising, which at the date thereof he has or may claim to have, against the Engineer-in-charge under or in respect of, or in any manner arising out of the execution of the works, and the contractor shall be deemed to have waived all claims not included in such return and will have no right to enforce any claim not so included, whatsoever be the circumstances.

### Clause 57:

Claims for payment  
of extra ordinary  
nature.

No claim for payment of extra ordinary nature, such as claim of a bonus for extra labour employed in completion of the work before the expiry of the contractual period at the request of the Engineer-in-charge or claim for compensation where

the work has been temporarily brought to a stand still through no fault of the contractor, shall be allowed, unless and to the extent that the same shall have been expressly sanctioned by the Punjab Government.

**Clause 58:**

Time limit for unforeseen claims

Under no circumstances whatsoever shall the contractor be entitled to any compensation on account of the contract unless the contractor shall have submitted claim in writing to the Engineer-in-charge within one month of the cause of such claim occurring.

**Clause 59:**

Claim for compensation for delay in the execution of work.

No compensation shall be allowed for any delay in execution of the work on account of water standing in borrow pits or compartment. The rates inclusive for hard or rocky soil, excavation had, sub soil water or water standing in borrow pits, and no claim for extra rate shall be entertained, unless expressly verified by Engineer-in-charge and confirmed by Superintending Engineer.

**REMEDIES AND POWERS**

**Clause 60:**

Action when whole of security deposit is forfeited.

In any case in which under any clause or clauses of the contract, the contractor shall have rendered himself liable to pay compensation amounting to whole of the security deposit or in the opinion of the Engineer-in-charge has abandoned the contract, or is not executing the works in accordance with the contract or is presently or flagrantly neglecting to carry out his obligations under the contract, or if the contractor employs any employee of the Government in defiance to the provisions of clause 32 thereof, the Engineer-in-charge on behalf of the Government, may, after giving fourteen days notice in writing to the contractor, rescind the contract (of which rescission notice in writing to the contractor under the hand of the Engineer-in-charge shall be conclusive evidence and in which case the security deposit of the contractor, shall stand forfeited, and be absolutely at the disposal of Government. And in case the contract shall be rescinded under the provisions aforesaid):-

- i. The contractor shall have no claim to compensation for any loss sustained by him by reasons of his having purchased or procured any materials, or entered into any engagement, or made any advances on account of or with a view to the execution of the works or the performance of the contract.
- ii. The contractor shall not be entitled to recover, or be paid any sum for any work actually performed under this contract, unless and until the Engineer-in-charge will have certified in writing. The performance of such work and the value payable in respect thereof, and he shall only be entitled to be paid the value so certified, after deducting there from the amount of aforesaid compensation and other charges duly ascertained and certified by the Engineer-in-charge to be payable by the

contractor. But if such sum payable by the contractor for any losses, compensation or any other charge shall exceed the sum for any work actually performed under the contract and certified by the Engineer-in-charge, the amount of such excess shall be deemed a debt due by the contractor to the Government and shall be recovered accordingly.

**Clause 61:**

Work at the risk  
and expense of  
the contractor

In every case in which the contract should be rescinded under clause 60 hereof and in the opinion of the Engineer-in-charge such work should be done at the risk and expense of the contractor without thereby avoiding the contract or relieving the contractor from any of his obligation or liabilities under the contract or affecting the rights and powers conferred on the Government or the Engineer-in-charge by the contract, the Engineer-in-charge on behalf of the Government, after giving fourteen days notice in writing to the contractor, shall have powers to adopt any of the following courses, as may in the opinion of the Engineer-in-charge be desirable:-

- a) to measure up the work of the contractor and to take such part thereof, as shall be executed out of his hands and to give it to another contractor to complete, in which case any expenses which may be incurred in excess of the sum which would have been paid to the original contractor, had the whole of the work been executed by him (of the amount of which excess, the certificate in writing of the Engineer-in-charge shall be final and conclusive) shall be borne and paid by the original contractor, and may be deducted from any money due to him by the Government, under the contract or otherwise, or from his security deposit or from the value of the performance security given by the contractor under clause 7 hereof.
- b) to employ labour paid by the department and to supply materials or supply/arrange tools and plants to carry out the works or any part of the works, debiting the contractor with the cost of the labour and the price of the materials and cost of supply/arrangement, operation and maintenance of tools and plants of the amount of which cost and price a certificate of the Engineer-in-charge shall be final and conclusive against the contractor, plus departmental charges on the amount so incurred equal to ten percent or such smaller amount as the Engineer-in-charge (whose decision in writing shall be final) may decide, and crediting him with the value of the work done, in all respects, in the same manner and at the same time and rates, as if it had been carried out by the contractor under the terms of his contract, the certificate of the Engineer-in-charge as to the value of the work done shall be final and conclusive against the contractor.

In the event of any of the above courses mentioned in this clause being adopted by the Engineer-in-charge, the contractor shall have no claim to compensation for any loss sustained by him by reason of his having purchased or procured any

materials, or entered into any engagement, or made any advances on account of, be with a view to, the execution of the works or the performance of the contract.

**Clause 62:**

Contractor remains liable to pay compensation if action is not taken under clauses.

In any case in which any of the powers, conferred upon the Engineer-in-charge by clause 60 or by para (a) of clause 61 hereof, shall have become exercisable and the same shall not be exercised, the non-exercise thereof shall not constitute a waiver of any of the conditions hereof, and such powers shall notwithstanding be exercisable in the event of any future case of default by the contractor for which, by any clause or clauses hereof he is declared liable to pay compensation amounting to the whole of his security deposit and the liability of the contractor for past and future compensation shall remain unaffected.

Power to take possession or require removal of or sell contractor's plant, etc.

In the event of the Engineer-in-charge putting in force either of the power vested in him under clause 60 or para (a) of the preceding clause, he may, if he so desires, take possession of all or any tools, constructional plants, materials and stores, in or upon the works, or the site thereof, or belonging to the contractor, or procured by him and intended to be used for the execution of the work or any part thereof, paying or allowing for the same in account at the contract rates, or, in case of those not being applicable at current market rates to be certified by the Engineer-in-charge whose certificate shall be final otherwise the Engineer-in-charge, may be notice in writing to the contractor or his clerk of the works, foreman or other authorized agent, require him to remove such tools, construction plants, materials, or stores from the premises (within a time to be specified in such notice) and in the event of the contractor failing to comply with any such requisition, the Engineer-in-charge may remove them at the contractor's expense or sell them by auction or private sale on account of the contractor and at his risk in all respects and the certificate of the Engineer-in-charge as to the expenses of any such removal, and the amount of the proceeds and expenses of any such sale, shall be final and conclusive against the contractor.

**Clause 63:**

Contract may be rescinded and security deposit for subletting bribing, or if contractor becomes insolvent

If the contractor shall, in defiance of the Engineer-in-charge's instructions to the contrary or without his written approval, assign or sublet his contract or attempts to do so; or become insolvent, or commence any insolvency proceedings or make any composition with his creditors, or attempts so to do; or if any bribe, gratuity, gift, loan prerequisite, reward or advantage, pecuniary or otherwise, shall either directly or indirectly be given, promised or offered by the contractor, or his servants or agents to any way relating to his office, or employment; or if any such officer or person shall become in any way directly or indirectly interested in the contract; the Engineer-in-charge may thereupon by notice in writing rescind the contract, and the security deposit of the contractor shall thereupon stand forfeited and be absolutely at the disposal of Government and the same consequence shall ensue as if the contract had been rescinded under clause 60 hereof and in

addition to the contractor shall not be entitled to receive or be paid for any work therefore actually performed under the contract.

**Clause 64:**

Deduction of amount due to Government on any account whatsoever to be permissible from any sums payable to the contractor

Any excess payment made to the contractor inadvertently or otherwise, under this contract or on any account whatsoever, and any other sum found to be due to the Government by the contractor in respect of this contract, or any other contract or work order, or on any account whatsoever, may be deducted from any sum whatsoever payable by Government to the contractor, either in respect of this contract or any work order or contract, or on any other account by any other department of the Government; or recovered from the contract or as arrears of land revenue.

**SETTLEMENT OF DISPUTES**

**Clause 65:**

Procedure in disagreement.

In the event of any disagreement between the Engineer-in-charge and the contractor arising out of the contract, the matter shall first be referred to the Superintending Engineer for decision who shall, after making such enquiries, as he may deem fit, give his decision in writing not later than three months after the reference is made to him. The period for decision of the case by the Superintending Engineer may, however, be extended by the Chief Engineer under special conditions according to the circumstances, justification, available in each case. The contractor shall forthwith give effect to the decision of the Superintending Engineer and shall proceed with due diligence, whether arbitration is intended or not.

Contractor dis-satisfied with the decision of Superintending Engineer

If the contractor be dissatisfied with the decision of the Superintending Engineer or if his decision is not forthcoming within the stipulated or extended period/periods and desires arbitration under the arbitration clause as hereinafter provided, he shall give notice in writing of such intention to the Superintending Engineer within a period of twenty eight days of the receipt of the Superintending Engineer's decision or in case no decision is given, at the end of the period or periods within which the Superintending Engineer was to give his decision. The said notice shall contain the cause of action, material facts of the case and relief sought, failing which the decision of the Superintending Engineer shall become final, conclusive and binding, and the contractor shall be deemed to have forfeited or departed from the claim in excess of that allowed by the Superintending Engineer. The subsequent inflation/increase in the amount of claim once preferred in the said notice shall not be allowed nor shall any other claim in respect of the same work be entertained from the contractor at any later stage.

Increase in amount of claim once preferred not allowed

Reference to arbitration

A reference to arbitration shall be made by the contractor in writing not later than three months after the completion of the work. Failure to make such a reference

within this period shall be deemed to mean that the contractor has waived all claims in respect of all disputes.

- Disputes for arbitration limited.
- a) Disputes which may be referred to arbitration shall be limited to:-
- i. Any question, difference, or objection, whatsoever which shall arise in any way, connected with or arising out of the contract or/and
  - ii. The meanings of the operation of any part of the contract; or/and
  - iii. The rights, duties and liabilities of either party to the contract; or/and
  - iv. Whether the contract should be terminated or has been rightly terminated and as regards the rights and obligations of the parties as a result of such termination.
- Provided that those matters for which provision has been made in the contract for final and binding decision by the Superintending Engineer or the Engineer-in-charge shall be excluded from arbitration.
- Arbitration
- b) "The venue of arbitration shall be in Punjab. The contractor will have to deposit 20% of the amount of the claim up to Rs. 0.20 million and 10% of claims, exceeding Rs. 0.20 million along with the claim. This amount will be refunded after the Award has been made Rule of the Court. Otherwise the amount deposited will be forfeited."
- c) In the event of any dispute arising in accordance with the limitations provided in sub-clause (a) of this clause, the same shall be referred to the decisions of a sole arbitrator to be appointed by the Chief Engineer, in charge of the region, from among the officers of the department not below the rank of Superintending Engineer, and other than the Superintending Engineer in charge of the work. In case the claim preferred is for an amount upto half a million rupees, the decision of the sole arbitrator in such case shall be final and binding on the parties concerned.
- d) In case the amount of the claim preferred is over half a million rupees, the dispute shall be referred to the award of two arbitrators, to be appointed from the Superintending Engineers of the department, other than the Superintending Engineer in charge of the work, one to be nominated by the Chief Engineer of the region concerned and the other by the contractor. In the case of the said two arbitrators not agreeing, the case shall be referred to the award of an umpire who shall be an officer of the department not below the rank of Chief Engineer to be appointed by the Government in the administrative department. The decision of the two arbitrators / umpire, as the case may be shall be final and binding on the parties concerned. Where the matter involves claim for the payment of recovery or deduction of money only, the amount, if any, awarded in the arbitration shall be recoverable in respect of the matter so referred.

**SCHEDULE SHOWING (APPROXIMATELY) MATERIALS TO BE SUPPLIED  
FROM THE DEPARTMENTAL STORE FOR WORKS CONTRACTED TO BE  
EXECUTED AND THE RATES AT WHICH THEY ARE TO BE CHARGED FOR  
(See clause 30)**

Particulars	Rates at which the material will be charged to the contractor		Place of delivery
	Unit	Rate	

**Note:** The person or firm submitting the tender should see that the rates in the above schedule are filled up by the Executive Engineer before the issue of the form prior to the submission of the tender.

**SCHEDULE SHOWING EQUIPMENT TO BE SUPPLIED BY THE GOVERNMENT AT THE  
REQUEST OF THE CONTRACTOR**

**(SEE CLAUSE 30)**

The Equipment and/or constructional plant listed in the following table are available with the employer and can provide to the contractor at his request, at the rental rates and places set out therein.

**(SEE CLAUSE 30)**

Rentals should be exclusive of depreciation of donor financed equipment.

**SCHEDULE SHOWING THE NAMES OF MANUFACTURERS OR SUPPLIERS WHOSE PRICES FOR THE SPECIFIED MATERIALS AT THE PLACES SHOWN AGAINST EACH ARE TO FORM BASIS OF PAYMENT OF PRICE VARIATION.**

**“(See Clause 55)”**

<b>Name of Item</b>	<b>Name of Manufacturer or Supplier</b>	<b>Price at Places which are to form basis of Price Variation</b>
1	2	3
(i) Cement	Javadan Cement Karachi (Ex-factory) w.e.f 6.4.2005	As per rate of Cement placed at Website by the Finance Department, Govt. of the Punjab.
(ii) Steel (a) M.S Bars (Plain & deformed)	Pakistan Steel Mills Karachi w.e.f 6.4.2005	As per rate of M.S Bars (Plain & deformed) placed at Website by the Finance Department, Govt. of the Punjab.
(b) M.S sections	Pakistan Steel Mills Karachi w.e.f 6.4.2005	As per rate of M.S sections placed at Website by the Finance Department, Govt. of the Punjab.
(c) High Tensile Steel wire	Metropolitan Steel Corporation Ltd. Karachi w.e.f 6.4.2005	As per rate of High Tensile Steel wire placed at Website by the Finance Department, Govt. of the Punjab.
(d) M.S & G.I pipe	(i) M/S Karachi Pipe Mills Ltd. Karachi (ii) M/S Poineer Steel Mills Muridke, Distt. Sheikhupurs w.e.f 6.4.2005	As per rate placed at Website by the Finance Department, Govt. of the Punjab
(iii) Asbestos cement pipes	M/S Dadax Eternit Ltd. Karachi w.e.f 6.4.2005	As per rate placed at Website by the Finance Department, Govt. of the Punjab
(iv) P.V.C. Pipes	Pakistan PVC Ltd. Karachi w.e.f 6.4.2005	As per rate placed at Website by the Finance Department, Govt. of the Punjab
(v) Cement and Steel Bars For R.C.C pipes	As per item (i) & (ii) above	As per item (i) & (ii) above
(vi) Bitumen	(i) National Refinery Karachi w.e.f 6.4.2005 (ii) Pak Arab Refinery Ltd (Parco) District Muzaffargarh w.e.f 27.3.2015	As per rate placed at Website by the Finance Department, Govt. of the Punjab
(vii) High Speed Diesel	w.e.f 6.4.2005	To be ascertained by Advisory Committee notified by Govt.

# GOVERNMENT OF THE PUNJAB

\_\_\_\_\_ Department.

## CONTRACT AGREEMENT

(See Clause 6)

This agreement made this \_\_\_\_\_ day of \_\_\_\_\_ 200\_\_\_\_\_  
BETWEEN THE GOVERNOR OF THE PUNJAB (hereinafter called the Government) as  
represented by the Executive Engineer \_\_\_\_\_ Division \_\_\_\_\_

On the one part and \_\_\_\_\_ (hereinafter called the contractor) on the other part.

WHEREAS tenders have been received by the Government for the construction, completion and  
maintenance of \_\_\_\_\_

(Name of work)

as well as possible new and ancillary works associated therewith which have to be executed in  
accordance with the contract document, and the tender by the contractor for the construction,  
completion and maintenance of such works has been accepted by the Government.

**NOW, THEREFORE,** for and in consideration of the promises, covenants and agreement  
hereinafter contained and to be performed by the parties hereto, the said parties hereby  
covenant and agree as follows:-

- i. In consideration of the covenants and agreements to be kept and performed by the contractor and for the faithful performance of the contract and the
- ii. completion and maintenance of works embraced therein, according to the specifications, drawings and conditions herein contained and referred to the Government shall pay and the contractor shall receive and accept as full compensation for everything furnished and done by the contractor under this agreement and the tender price stipulated in the contractor's tender at the times and in the manner prescribed by the contract.
- iii. The said work shall be started within the period specified in item No.(f) of the memorandum of work, following the, receipt of written order of the Executive Engineer \_\_\_\_\_ Division \_\_\_\_\_ to proceed with and the contractor shall complete fully the works within the stipulated period reckoned from the commencement of work, subject to such extensions of time s as may be granted under the conditions of contract except for maintenance which shall be completed within the period named in item (g) of the memorandum hereto annexed after issuance of the final certificate of completion.
- iv. The following documents shall be deemed to form and be read and construed as part of this agreement:-
  - a) The said tender and covering letter and subsequent undertaking, if any,
  - b) The drawings,
  - c) The conditions of contract and additional conditions, if any,

- d) The specifications;
  - e) The bid schedule;
  - f) Addendum No.1 to \_\_\_\_\_  
(Which have been incorporated in the tender)
  - g) Schedule of materials to be supplied from the departmental store;
  - h) The scale of rates and prices;
  - i) The letter of acceptance; and
  - j) The performance security.
- v. All disputes or differences between the parties in connection with or arising out of this agreement shall be settled in accordance with the provisions of relevant clause of the conditions of contract.

IN WITNESS WHEREOF, the parties have hereunto set their respective hands and seals the day and the year hereinbefore set forth.

Signed by \_\_\_\_\_  
(contractor)

Signed by \_\_\_\_\_

Executive Engineer \_\_\_\_\_  
Division \_\_\_\_\_  
For and on behalf of the  
Governor of the Punjab.

**WITNESSES**

1. \_\_\_\_\_

2. \_\_\_\_\_

**BANK GUARANTEE.**  
(See Clause 7)

Penal sum of bond \_\_\_\_\_  
(express in words and figures)

KNOW ALL MEN BY THESE PRESENTS THAT Mr./MESSERS \_\_\_\_\_  
(Name of contractor)

Whose official address is \_\_\_\_\_

As principal(s) (herein after referred to as principal) and the Bank of Punjab or scheduled Bank(s) of Pakistan (hereinafter appearing in the schedule of sureties, as sureties (hereinafter some time called the surety at the request of the principal are held and firmly bond to the Government of the Punjab acting through the Executive Engineer \_\_\_\_\_

Division \_\_\_\_\_ or his successor or assigns) a body organized and existing under and by virtue of laws of the Government of the Punjab, in the penal sum of the amount stated above lawful money for the payment of which sum well and truly made we bind ourselves our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

PROVIDED THAT We, the sureties, bound ourselves in such sum jointly and severally, as well as, severally only for the purpose of allowing a joint actions against any or all of us and

for all other purposes, each surety bond itself, jointly and severally with the principal for the payment of such sum only as set forth opposite its name in the following schedule:-

### SCHEDULE OF SURETIES

Name of bank, branch and address	limit of liability
_____	_____
_____	_____
_____	_____

The conditions of the above obligations is such that:

WHEREAS, the tender of the above bounden principal has been accepted and he has entered into a contract with the Executive Engineer \_\_\_\_\_  
Division \_\_\_\_\_ for the work \_\_\_\_\_  
\_\_\_\_\_ on the \_\_\_\_\_  
(Name of work)  
day of \_\_\_\_\_ 200\_\_\_\_\_

AND WHEREAS, under the terms of the contract Government has required the principal to furnish a performance guarantee to form a part of the contract.

NOW THEREFORE, it is agreed as follows:-

- 1) If the above bounden principal shall well truly and faithfully perform the contract and comply with and fulfill all the undertakings, terms and provisions thereof, and satisfy all the obligations of the said principal arising there under, and comply with all covenants therein contained and contained in the specifications, plan and other instruments constituting a part of the contract, required to be performed by the said principal, in the manner and within the time provided in the contract or any extension thereof that may be granted by the Government with or without notice to the surety(s) and shall fully indemnify and the Government, for all costs and damages which the Government may suffer by reason of failure so to do, and shall fully reimburse and repay the said Executive Engineer \_\_\_\_\_  
Division \_\_\_\_\_ all out-lay and expenses which may incur in making good any such default and reasonable counsel fee incurred in the prosecution of defense of any action arising out of or in connection with any such default, and shall pay all persons who have contracts directly with the principal for labour and materials; if any, in connection with the work performed under the contract or any addition in or alternation thereto, or if the contract has not otherwise been rescinded by the Government under the provisions of clause 60 if general conditions of contract, then this obligation shall be null and void and of no effect, otherwise to remain in full force and effect and virtue.
- 2) The said surety, for value received, hereby stipulate and agree that no change in or in respect of any matter or thing concerning the said contract on the part of the

Government or the Engineer-in-charge, extension in time, alteration in or addition to the terms of the contract between the Government and the contractor or to the extent and nature of the work be construed, completed and maintained there under, or the specifications accompanying the same shall in any way affect its obligations to this guarantee and it does hereby waive notice of any change extension in time, alteration or addition to the terms of the contractor to the specifications.

- 3) The liability of the surety is irrevocable and shall in no case exceed the aggregate amount stated on the top of this guarantee which each surety binds itself and promise to pay the whole or any part of this amount on demand to the Executive Engineer \_\_\_\_\_ Division \_\_\_\_\_

Without question and without reference to the principal. Provided that the notice of demand shall be given by the aforesaid Executive Engineer, in writing to the surety.

IN WITNESS WHEREOF, the above named principal and the surety have executed this instrument under its seal on this \_\_\_\_\_ day of 200\_\_\_\_\_

The name and corporate seal of the surety being hereto affixed and these presents duly signed by its undersigned representatives pursuant to the authority of its Government body.

\_\_\_\_\_  
Principal (Contractor)

Address \_\_\_\_\_  
\_\_\_\_\_

Sureties 1 \_\_\_\_\_ Bank of Pakistan Ltd. Or Bank of Punjab \_\_\_\_\_  
Branch.

Seale