

## **PART II: PARTICULAR CONDITIONS OF CONTRACT**

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## **PART II - PARTICULAR CONDITIONS OF CONTRACT**

### **1.1 Definitions**

- (a) (i) The Employer is **Chairman NHA, 28-Mauve Area, G-9/1, National Highway**

**Authority, Islamabad**

- (a) (iv) The Engineer is the concerned Member (Zone) or any other competent person appointed by the Employer, and notified to the Contractor, to act in replacement of the Engineer. Provided always that except in cases of professional misconduct, the outgoing Engineer is to formulate his certifications/recommendations in relation to all outstanding matters, disputes and claims relating to the execution of the Works during his tenure.

The following paragraph is added:

- (a)(vi) “Bidder or Tenderer” means any person or persons, company, corporation, firm or joint venture submitting a Bid or Tender.

- (b)(v) The following is added at the end of the paragraph:

The word “Tender” is synonymous with “Bid” and the word “Tender Documents” with “Bidding Documents”.

The following paragraph is added:

- (b)(ix) “Programme” means the programme to be submitted by the Contractor in accordance with Sub-Clause 14.1 and any approved revisions thereto.

- (e)(i) The text is deleted and substituted with the following:

“Contract Price” means the sum stated in the Letter of Acceptance as payable to the Contractor for the execution and completion of the Works, subject to such additions thereto or deductions there from as may be made, and remedying of any defects therein in accordance with the provisions of the Contract.

### **2.1 Engineer's Duties and Authority**

With reference to Sub-Clause 2.1(b), the following provisions shall also apply;

The Engineer shall obtain the specific approval of the Employer before carrying out his duties in accordance with the following Clauses as per provisions of NHA Code 1355:

- (i) Consenting to the sub-letting of any part of the Works under Sub-Clause 4.1 “Subcontracting”.
- (ii) Certifying additional cost determined under Sub-Clause 12.2 “Not Foreseeable Physical Obstructions or Conditions”.
- (iii) Any action under Clause 10 “Performance Security” and Clauses 21,23,24 & 25 “Insurance” of sorts.

- (iv) Any action under Clause 40 “Suspension”.
- (v) Any action under Clause 44 “Extension of Time for Completion”.
- (vi) Any action under Clause 47 “Liquidated Damages for Delay” or Payment of Bonus for Early Completion of Works (PCC Sub-Clause 47.3).
- (vii) Issuance of “Taking Over Certificate” under Clause 48.
- (viii) Issuing a Variation Order under Clause 51, except:
  - a) in an emergency\* situation, as stated here below, or
  - b) if such variation would increase the Contract Price by less than the amount stated in the Appendix-A to Bid.
- (ix) Fixing rates or prices under Clause 52.
- (x) Extra payment as a result of Contractor’s claims under Clause 53.
- (xi) Release of Retention Money to the Contractor under Sub-Clause 60.3 “Payment of Retention Money”.
- (xii) Issuance of “Final Payment Certificate” under Sub-Clause 60.8.
- (xiii) Issuance of “Defect Liability Certificate” under Sub-Clause 62.1.
- (xiv) Any change in the ratios of Contract currency proportions and payments thereof under Clause 72 “Currency and Rate of Exchange”.
- (xv) Certify additional cost under Clauses 6, 20, 27, 42, 65, 69 and 70.
- (xvi) Issuing instructions under Clause 58.

\* (If in the opinion of the Engineer an emergency occurs affecting the safety of life or of the Works or of adjoining property, the Engineer may, without relieving the Contractor of any of his duties and responsibilities under the Contract, instruct the Contractor to execute all such work or to do all such things as may, in the opinion of the Engineer, be necessary to abate or reduce the risk. The Contractor shall forthwith comply with any such instruction of the Engineer. The Engineer shall determine an addition to the Contract Price, in respect of such instruction, in accordance with Clause 52 and shall notify the Contractor accordingly, with a copy to the Employer.)

## **2.2 Engineer’s Representative**

The following paragraph is added:

The Employer shall ensure that the Engineer’s Representative is a professional engineer as defined in the Pakistan Engineering Council Act 1975 (V of 1976).

The following Sub-Clauses 2.7 and 2.8 are added:

## **2.7 Engineer Not Liable**

Approval, reviews and inspection by the Engineer of any part of the Works does not relieve the Contractor from his sole responsibility and liability for the supply of materials, plant and equipment for construction of the Works and their parts in accordance with the Contract and neither the Engineer's authority to act nor any decision made by him in good faith as provided for under the Contract whether to exercise or not to exercise such authority shall give rise to any duty or responsibility of the Engineer to the Contractor, any Subcontractor, any of their representatives or employees or any other person performing any portion of the Works.

## **2.8 Replacement of the Engineer**

If the Employer intends to replace the Engineer, the Employer shall, not less than 14 days before the intended date of replacement, give notice to the Contractor, of the name, address and relevant experience of the intended replacement Engineer. The Employer shall not replace the Engineer with a person against whom the Contractor raises reasonable objection by notice to the Employer, with supporting particulars.

## **5.1 Language(s) and Law**

- (a) The Contract Documents shall be drawn up in the English language.
- (b) The Contract shall be subject to the Laws of Islamic Republic of Pakistan.

## **5.2 Priority of Contract Documents**

The documents listed at (1) to (6) of the Sub-Clause are deleted and substituted with the following:

- (i) The Contract Agreement;
- (ii) The Letter of Acceptance;
- (iii) The completed Form of Bid (Letter of Technical Bid and Letter of Price Bid);
- (iv) Addendum / Corrigendum, if any, pertaining to Contract documents;
- (v) Special Stipulations (Appendix-A to Bid);
- (vi) Special Provisions (Contractual);
- (vii) The Particular Conditions of Contract – Part-II;
- (viii) The General Conditions – Part-I;
- (ix) The Priced Bill of Quantities (Appendix-D to Bid);
- (x) The completed Appendices to Bid (C, E to P);
- (xi) Special Provisions (Specifications);
- (xii) NHA General Specifications-1998 and its Addenda;
- (xiii) The Drawings;

In case of discrepancies between drawings, those of larger scale shall govern unless they are superseded by a drawing of later date regardless of scale. All Drawings and Specifications shall be interpreted in conformity with the Contract and these Conditions. Addendum, if any, shall be deemed to have been incorporated at the

appropriate places in the documents forming the Contract.

The following Sub-Clauses 6.6 and 6.7 are added:

**6.6 Shop Drawings**

The Contractor shall submit to the Engineer for review 3 copies of all shop and erection drawings applicable to this Contract as per provision of relevant Sub-Clause of the Contract.

Review and approval by the Engineer shall not be construed as a complete check but will indicate only that the general method of construction and detailing is satisfactory and that the Engineer's review or approval shall not relieve the Contractor of any of his responsibilities under the Contract.

**6.7 As-Built Drawings**

At the completion of the Works under the Contract, the Contractor shall furnish to the Engineer 6 copies and one reproducible of all drawings amended to conform with the Works as built. The price of such Drawings shall be deemed to be included in the Contract Price.

**9.1 Contract Agreement**

The words "cost of the Employer" are deleted and substituted with the words "cost of the Contractor including Stamp Papers required to execute the Contract Agreement".

**10.1 Performance Security**

The text is deleted and substituted with the following:

The Contractor shall provide Performance Security to the Employer in the prescribed form. The said Security shall be furnished or caused to be furnished by the Contractor within 28 days after the receipt of the Letter of Acceptance. The Performance Security shall be of an amount equal to ten per cent (10%) of the Contract Price stated in the Letter of Acceptance. Such Security shall, at the option of the bidder, be in the form of either (a) bank guarantee from any Scheduled Bank in Pakistan or (b) bank guarantee from a bank located outside Pakistan duly counter-guaranteed by a Scheduled Bank in Pakistan.

The cost of complying with requirements of this Sub-Clause shall be borne by the Contractor.

The following Sub-Clause 10.4 is added:

**10.4 Performance Security Binding on Variations and Changes**

The Performance Security shall be binding irrespective of changes in the quantities or variations in the Works or extensions in Time for Completion of the Works which are granted or agreed upon under the provisions of the Contract.

**14.1 Programme to be Submitted**

The programme shall be submitted within 42 days from the date of receipt of Letter of Acceptance, which shall be in the form of:

- i) a Bar Chart identifying the critical activities.

Only those items or works taken from the Bills of Quantities and specified and contained in each Interim and the Final Work Schedule issued by the Engineer during the Contract Period, will be required to be done by the Contractor for subsequent measurements and payments. No Works additional to the Scheduled Works as issued by the Engineer will be paid for, even if they are included in the total quantities contained within the Bill of Quantities

### **14.3 Cash Flow Estimate to be Submitted**

The detailed Cash Flow Estimate shall be submitted within 42 days from the date of receipt of Letter of Acceptance.

The following Sub-Clause 14.5 is added:

### **14.5 Detailed Programme and Monthly Progress Report**

- a) For purposes of Sub-Clause 14.1, the Contractor shall submit to the Engineer detailed programme for the following:

- (1) Execution of Works;
  - (2) Labour Employment;
  - (3) Local Material Procurement;
  - (4) Material Imports, if any; and
  - (5) Other details as required by the Engineer including Environmental Management Plan
- b) During the period of the Contract, the Contractor shall submit to the Engineer not later than the 8<sup>th</sup> day of the following month, 03 copies each of Monthly Progress Reports covering:

- (1) A Construction Schedule indicating the monthly progress in percentage;
- (2) Description of all work carried out since the last report;
- (3) Description of the work planned for the next 56 days sufficiently detailed to enable the Engineer to determine his programme of inspection and testing;
- (4) Monthly summary of daily job record;
- (5) Photographs to illustrate progress; and
- (6) Information and video about problems and difficulties encountered, if any, and proposals to overcome the same.

- c) During the period of the Contract, the Contractor shall keep a daily record of the work progress, which shall be made available to the Engineer as and when requested. The daily record shall include particulars of weather conditions, number of men working, deliveries of materials, quantity, location and assignment of Contractor's equipment.

The following Sub-Clauses 15.2 and 15.3 are added:

### **15.2 Language Ability of Contractor's Representative**



The Contractor's authorized representative shall be fluent in the English language. Alternately an interpreter with ability of English language shall be provided by the Contractor on full time basis.

### **15.3 Contractor's Representative**

The Contractor's authorised representative and his other professional engineers working at Site shall register themselves with the Pakistan Engineering Council.

The Contractor's authorised representative at Site shall be authorised to exercise adequate administrative and financial powers on behalf of the Contractor so as to achieve completion of the Works as per the Contract.

The following Sub-Clauses 16.3 and 16.4 are added:

### **16.3 Language Ability of Superintending Staff of Contractor**

A reasonable proportion of the Contractor's superintending staff shall have a working knowledge of the English language. If the Contractor's superintending staff are not fluent in English language, the Contractor shall make competent interpreters available during all working hours in a number deemed sufficient by the Engineer.

#### **16.4 Employment of Local Personnel**

The Contractor is encouraged, to the extent practicable and reasonable, to employ staff and labour from sources within Pakistan.

The following Sub-Clauses 19.3 and 19.4 are added:

#### **19.3 Safety Precautions**

In order to provide for the safety, health and welfare of persons, and for prevention of damage of any kind, all operations for the purposes of or in connection with the Contract shall be carried out in compliance with the Safety Requirements of the Government of Pakistan with such modifications thereto as the Engineer may authorise or direct and the Contractor shall take or cause to be taken such further measures and comply with such further requirements as the Engineer may determine to be reasonably necessary for such purpose.

The Contractor shall make, maintain and submit reports to the Engineer concerning safety, health and welfare of persons and damage to property, as the Engineer may from time to time prescribe.

#### **19.4 Lighting Work at Night**

In the event of work being carried out at night, the Contractor shall at his own cost, provide and maintain such good and sufficient light as will enable the work to proceed satisfactorily and without danger. The approaches to the Site and the Works where the night-work is being carried out shall be sufficiently lighted. All arrangement adopted for such lighting shall be to the satisfaction of the Engineer's Representative.

#### **20.4 Employer's Risks**

The Employer's risks are:

Delete the text and substitute with the following:

- a) insofar as they directly affect the execution of the Works in Pakistan:
  - (i) war and hostilities (whether war be declared or not), invasion, act of foreign enemies,
  - (ii) rebellion, revolution, insurrection, or military or usurped power, or civil war,
  - (iii) ionizing radiations, or contamination by radioactivity from any nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel, radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof,
  - (iv) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds,

- (v) riot, commotion or disorder, unless solely restricted to the employees of the Contractor or of his Subcontractors and arising from the conduct of the Works;
- (b) loss or damage due to the use or occupation by the Employer of any Section or part of the Permanent Works, except as may be provided for in the Contract;
- (c) loss or damage to the extent that it is due to the design of the Works, other than any part of the design provided by the Contractor or for which the Contractor is responsible; and
- (d) any operation of the forces of nature (insofar as it occurs on the Site) which an experienced contractor:
  - (i) could not have reasonably foreseen, or
  - (ii) could reasonably have foreseen, but against which he could not reasonably have taken at least one of the following measures:
    - (a) prevent loss or damage to physical property from occurring by taking appropriate measures, or
    - (b) insure against.

#### **21.4 Exclusions**

The text is deleted and substituted with the following:

There shall be no obligation for the insurances in Sub-Clause 21.1 to include loss or damage caused by the risks listed under Sub-Clause 20.4 paras (a) (i) to (iv).

The following Sub-Clause 25.5 is added:

#### **25.5 Insurance Company**

The Contractor shall be obliged to place all insurances relating to the Contract (including, but not limited to, the insurances referred to in Clauses 21, 23 and 24) with either National Insurance Company of Pakistan or any other insurance company operating in Pakistan and acceptable to the Employer.

Costs of such insurances shall be borne by the Contractor having at least AA Rating.

The following Sub-Clause 31.3 is added:

### **31.3 Co-operation with other Contractors**

During the execution of the Works, the Contractor shall co-operate fully with other contractors working for the Employer at and in the vicinity of the Site and also shall provide adequate precautionary facilities not to make himself a nuisance to local residents and other contractors.

The following Sub-Clauses 34.2 to 34.12 are added:

### **34.2 Rates of Wages and Conditions of Labour**

The Contractor shall pay rates of wages and observe conditions of labour not less favourable than those established for the trade or industry where the work is carried out. In the absence of any rates of wages or conditions of labour so established, the Contractor shall pay rates of wages and observe conditions of labour which are not less favourable than the general level of wages and conditions observed by other employers whose general circumstances in the trade or in industry in which the Contractor is engaged are similar.

### **34.3 Employment of Persons in the Service of Others**

The Contractor shall not recruit his staff and labour from amongst the persons in the services of the Employer or the Engineer; except with the prior written consent of the Employer or the Engineer, as the case may be.

### **34.4 Housing for Labour**

Save insofar as the Contract otherwise provides, the Contractor shall provide and maintain such housing accommodation and amenities as he may consider necessary for all his supervisory staff and labour, employed for the purposes of or in connection with the Contract including all fencing, electricity supply, sanitation, cookhouses, fire prevention, water supply and other requirements in connection with such housing accommodation or amenities. On completion of the Contract, these facilities shall be handed over to the Employer or if the Employer so desires, the temporary camps or housing provided by the Contractor shall be removed and the Site reinstated to its original condition, all to the approval of the Engineer.

### **34.5 Health and Safety**

Due precautions shall be taken by the Contractor, and at his own cost, to ensure the safety of his staff and labour at all times throughout the period of the Contract. The Contractor shall further ensure that suitable arrangements are made for the prevention of epidemics and for all necessary welfare and hygiene requirements.

### **34.6 Epidemics**

In the event of any outbreak of illness of an epidemic nature, the Contractor shall comply with and carry out such regulations, orders and requirements as may be made by the Government, or the local medical or sanitary authorities, for purpose of dealing with and overcoming the same.

#### **34.7 Supply of Water**

The Contractor shall, so far as is reasonably practicable, having regard to local conditions, provide on the Site, to the satisfaction of the Engineer or his representative, adequate supply of drinking and other water for the use of his staff and labour.

#### **34.8 Alcoholic Liquor or Drugs**

The Contractor shall not, otherwise than in accordance with the Statutes, Ordinances and Government Regulations or Orders for the time being in force, import, sell, give, barter or otherwise dispose of any alcoholic liquor or drugs, or permit or suffer any such importation, sale, gift, barter or disposal by his Subcontractors, agents, staff or labour.

#### **34.9 Arms and Ammunition**

The Contractor shall not give, or otherwise dispose of to any person or persons, any arms or ammunition of any kind or permit or suffer the same as aforesaid.

#### **34.10 Festivals and Religious Customs**

The Contractor shall in all dealings with his staff and labour have due regard to all recognized festivals, days of rest and religious and other customs.

#### **34.11 Disorderly Conduct**

The Contractor shall at all times take all reasonable precautions to prevent any unlawful, riotous or disorderly conduct by or amongst staff and labour and for the preservation of peace and protection of persons and property in the neighborhood of the Works against the same.

#### **34.12 Compliance by Subcontractors**

The Contractor shall be responsible for compliance by his Subcontractors of the provisions of this Clause.

The following Sub-Clauses 35.2 and 35.3 are added:

#### **35.2 Records of Safety and Health**

The Contractor shall maintain such records and make such reports concerning safety, health and welfare of persons and damage to property as the Engineer may from time to time prescribe.

### **35.3 Reporting of Accidents**

The Contractor shall report to the Engineer details of any accident as soon as possible after its occurrence. In the case of any fatality or serious accident, the Contractor shall, in addition, notify the Engineer immediately by the quickest available means.

The following Sub-Clause 36.6 is added:

### **36.6 Use of Pakistani Materials and Services**

The Contractor shall, so far as may be consistent with the Contract, make the maximum use of materials, supplies, plant and equipment indigenous to or produced or fabricated in Pakistan and services, available in Pakistan provided such materials, supplies, plant, equipment and services shall be of required standard.

### **41.1 Commencement of Works**

The text is deleted and substituted with the following:

The Contractor shall commence the Works on Site within the period named in Appendix-A to Bid from the date of receipt by him from the Engineer of a written Notice to Commence. Thereafter, the Contractor shall proceed with the Works with due expedition and without delay.

### **45.1 Restriction on Working Hours**

After the first paragraph add the following paragraph:

If as a result of carrying out the Works on holidays or locally recognized days of rest or at night or after the normal working hours, the assistants to the Engineer's Representative perform supervision of the Works, the additional supervision cost based on hourly rates shall be determined by the Engineer after due consultation with the Employer and the Contractor which shall be paid by the Contractor to the assistants through the Engineer's Representative; this mode of compensation shall be applicable also under Sub-Clause 46.1.

### **48.2 Taking Over of Sections or Parts**

For the purposes of para (a) of this Sub-Clause, separate Times for Completion shall be provided in the Appendix-A to Bid "Special Stipulations".

### **51.2 Instructions for Variations**

At the end of the first sentence, after the word "Engineer", the words "in writing" are added.

## **52.1 Valuation of Variations**

In the tenth line, after the words “Engineer shall” the following is added:

Within a period not exceeding one-eighth of the completion time subject to a minimum of 56 days from the date of disagreement whichever is later.

## **52.2 Power of Engineer to Fix Rates**

At the end of the first paragraph add:

Provided further that no change in the rate or price for any item contained in the Contract shall be considered unless such item (varied quantity only) accounts for an amount more than 2 percent of the Contract Price, and the actual quantity of work executed under the item exceeds or falls short of the quantity set out in Bill of Quantities by more than 30% and applicable to the varied quantity only i.e. starting from 130 percent to onward (In case the quantity of an item exceeds) provided the conditions set above are fulfilled and if the quantity of a BOQ item is reduced more than 30 (thirty) percent the change in rate will be applicable to all the leftover /remaining quantity.

## **53.4 Failure to Comply**

This Sub-Clause is deleted in its entirety.

## **54.5 Conditions of Hire of Contractor’s Equipment**

The following paragraph is added:

The Contractor shall, upon request by the Engineer at any time in relation to any item of hired Contractor’s Equipment, forthwith notify the Engineer in writing the name and address of the Owner of the equipment and shall certify that the agreement for the hire thereof contains a provision in accordance with the requirements set forth above.

The Sub-Clauses 59.4 & 59.5 are deleted and substituted with the following:

**59 Nominated Subcontractors**

This Clause is deleted in its entirety.

**60.1 Monthly Statements**

In the first line after the word “shall”, the following is added:

“on the basis of the joint measurement of work done under Clause 56.1,”

**60.2 Monthly Payments**

In the first line, “28” is substituted by “14”.

**60.10 Time for Payment**

The text is deleted and substituted with the following:

The amount due to the Contractor under any Interim Payment Certificate issued by the Engineer pursuant to this Clause, or to any other terms of the Contract, shall, subject to Clause 47, be paid by the Employer to the Contractor within 30 days after such Interim Payment Certificate has been jointly verified by Employer and Contractor, or, in the case of the Final Certificate referred to in Sub Clause 60.8, within 60 days after such Final Payment Certificate has been jointly verified by Employer and Contractor; Provided that the Interim Payment shall be caused in 42 days and Final Payment in 60 days in case of foreign funded project. In the event of the failure of the Employer to make payment within the times stated, the Employer shall pay to the Contractor compensation at the 28 days rate of KIBOR+2% per annum for local currency and LIBOR+1% for foreign currency, upon all sums unpaid from the date by which the same should have been paid. The provisions of this Sub-Clause are without prejudice to the Contractor’s entitlement under Clause 69.

The following Sub-Clause 60.11 is added:

**60.11 Financial Assistance to Contractor**

Financial assistance shall be made available to the Contractor by the Employer by adopting following Mobilization Advance Clause:



## Mobilization Advance

- (a) An interest-free Mobilization Advance up to 10% of the Contract Price stated in the Letter of Acceptance shall be paid by the Employer to the Contractor in two equal parts upon submission by the Contractor of a Mobilization Advance Guarantee for the full amount of the Advance in the specified form from a Scheduled Bank in Pakistan acceptable to the Employer:
  - (1) First part within 14 days after signing of the Contract Agreement or date of receipt of Engineer's Notice to Commence, whichever is earlier; and
  - (2) Second part within 42 days from the date of payment of the first part, subject to the satisfaction of the Engineer as to the state of mobilization of the Contractor.
- (b) This Advance shall be recovered in equal installments; first installment at the expiry of third month after the date of payment of first part of Advance and the last installment two months before the date of completion of the Works as per Clause 43 hereof.

### **63.1 Default of Contractor**

The following para is added at the end of the Sub-Clause:

Provided further that in addition to the action taken by the Employer against the Contractor under this Clause, the Employer may also refer the case of default of the Contractor to Pakistan Engineering Council for punitive action under the Construction and Operation of Engineering Works Bye-Laws 1987, as amended from time to time.

### **65.2 Special Risks**

The text is deleted and substituted with the following:

The Special Risks are the risks defined under Sub-Clause 20.4 sub paragraphs (a) (i) to (a) (v).

### **67.3 Arbitration**

In the sixth to eight lines, the words “shall be finally settled ..... appointed under such Rules” are deleted and substituted with the following:

shall be finally settled under the provisions of the Arbitration Act, 1940 as amended or any statutory modification or re-enactment thereof for the time being in force.

The following paragraph is added:

The place of arbitration shall be Islamabad, Pakistan.

### **68.1 Notice to Contractor**

The following paragraph is added:

For the purposes of this Sub-Clause, the Contractor shall, immediately after receipt of Letter of Acceptance, intimate in writing to the Employer and the Engineer by registered post, the address of his principal place of business or any change in such address during the period of the Contract.

### **68.2 Notice to Employer and Engineer**

For the purposes of this Sub-Clause, the respective addresses are:

- a) The Employer :  
Chairman,  
National Highway Authority  
28-Mauve Area, G-9/1, Islamabad
- b) The Engineer  
Concerned Member  
(Zone)

## 70.1 Increase or Decrease of Cost

Sub-Clause 70.1 is deleted in its entirety, and substituted with the following:

The amounts payable to the Contractor pursuant to Sub-Clause 70.1, shall be adjusted in respect of the rise or fall in the cost of labor, materials, and other inputs to the Works, by applying to such amounts the formula prescribed in this Sub-Clause.

### (a) Other Changes in Cost

To the extent that no compensation for any rise or fall in costs to the Contractor is not covered by the provisions of this or other Clauses in the Contract, the unit rates and prices included in the Contract shall be deemed to include amounts to cover the contingency of such other rise or fall of costs.

### (b) Adjustment Formula

The adjustment to the monthly statements in respect of changes in cost shall be determined from the following formula:-

$$P_n = A + b \frac{L_n}{L_o} + c \frac{M_n}{M_o} + d \frac{E_n}{E_o} + \dots$$

Where:

$P_n$  is a price adjustment factor to be applied to the amount for the payment of the work carried out in the subject month determined in accordance with Paragraph 60.1 (a), and with Paragraphs 60.1 (b) and (e), for materials, provisions and daywork are not otherwise subject to adjustment but excluding Provisional Sums and Bill No. 07;

$A$  is a constant, specified in the Contract, representing the nonadjustable portion in contractual price;

$b, c, d$ , etc., are weightage or coefficients representing the estimated proportion of each cost element (labor, cement and reinforcing steel etc.) in the Works or Sections thereof, net of Provisional Sums and Bill No. 07; the sum of  $A, b, c, d$ , etc., shall be one;

$L_n, M_n, E_n$ , etc., are the current cost indices or reference prices of the cost elements for month "n", determined pursuant to Sub-Clause 70.1(d), applicable to each cost element; and

$L_o, M_o, E_o$ , etc., are the base cost indices or reference prices corresponding to the above cost elements at the date specified in Sub-Clause 70.1(d).

### (c) Sources of Indices and Weightages

The sources of indices shall be those listed in Appendix-C to Bid, as approved by the Engineer. As the proposed basis for price adjustment, the Contractor shall have submitted with his bid the tabulation of Weightage and Source of Indices if different than those given in Appendix-C to Bid, which shall be subject to approval by the Engineer.

**(d) Base, Current, and Provisional Indices**

The base cost indices shall be those prevailing on the day 28 days prior to the latest date for submission of bids. Current indices or prices shall be those prevailing on the day 28 days prior to the last day of the period to which a particular monthly statement is related. If at any time the current indices are not available, provisional indices as determined by the Engineer will be used, subject to subsequent correction of the amounts paid to the Contractor when the current indices become available.

**(e) Adjustment after Completion**

If the Contractor fails to complete the Works within the Time for Completion prescribed under Clause 43, adjustment of prices after until the date of completion of the Works shall be made using either the prices or prices relating to the prescribed time for completion, or the current indices or prices, whichever is more favorable to the Employer, provided that if an extension of time is granted pursuant to Clause 44, the above provision shall not apply to adjustments made after the expiry of such extension of time.

**(f) Weightages**

The weightages for each of the factors of cost given in Appendix-C to Bid shall be adjusted if, in the opinion of the Engineer, they have been rendered unreasonable, unbalanced, or inapplicable as a result of varied or additional work executed or instructed under Clause 41. Such adjustment(s) shall have to be agreed in the variation order.

**72.2 Currency Proportions**

All payments shall be in local currency only.

**72.3 Currencies of Payment for Provisional Sums**

All payments shall be in local currency only.

The following Sub-Clauses 73.1, 73.2, 74.1, 75.1, 76.1, 77.1 and 78.1 are added:

**73.1 Payment of Income Tax**

The Contractor, Subcontractors and their employees shall be responsible for payment of all their income tax, super tax and other taxes on income arising out of the Contract and the rates and prices stated in the Contract shall be deemed to cover all such taxes.

### **73.2 Customs Duty & Taxes**

The prices tendered by the Contractor shall include all import license fees, custom duties, excise duties, sale taxes, surcharges, business taxes, income and other taxes that are levied according to the laws and regulations of Pakistan on the Contractor's Equipment, materials, and supplies (both permanent, temporary and consumable) acquired for the purpose of the Contract and on the services performed under the Contract. Nothing in the Contract shall relieve the Contractor from his responsibility to pay any tax that may be levied in the country on profits made by him in respect of the Contract whatsoever is the rate of the tax during execution of the Works and payment for the same to the Contractor.

### **74.1 Integrity Pact**

If the Contractor or any of his Subcontractors, agents or servants is found to have violated or involved in violation of the Integrity Pact signed by the Contractor as Appendix-L to his Bid, then the Employer shall be entitled to:

- (a) recover from the Contractor an amount equivalent to ten times the sum of any commission, gratification, bribe, finder's fee or kickback given by the Contractor or any of his Subcontractors, agents or servants;
- (b) terminate the Contract; and
- (c) recover from the Contractor any loss or damage to the Employer as a result of such termination or of any other corrupt business practices of the Contractor or any of his Subcontractors, agents or servants.

The termination under Sub-Para (b) of this Sub-Clause shall proceed in the manner prescribed under Sub-Clauses 63.1 to 63.4 and the payment under Sub-Clause 63.3 shall be made after having deducted the amounts due to the Employer under Sub-Para (a) and (c) of this Sub-Clause.

### **75.1 Termination of Contract for Employer's Convenience**

The Employer shall be entitled to terminate the Contract at any time for the Employer's convenience after giving 56 days prior notice to the Contractor, with a copy to the Engineer. In the event of such termination, the Contractor:

- (a) Shall proceed as provided in Sub-Clause 65.7 hereof; and
- (b) Shall be paid by the Employer as provided in Sub-Clause 65.8 hereof.

#### **76.1 Liability of Contractor**

The Contractor or his Subcontractors or assigns shall follow strictly, all relevant labour laws including the Workmen's Compensation Act and the Employer shall be fully indemnified for all claims, damages etc. arising out of any dispute between the Contractor, his Subcontractors or assigns and the labour employed by them.

#### **77.1 Joint and Several Liability**

If the Contractor is a joint venture of two or more persons, all such persons shall be jointly and severally bound to the Employer for the fulfilment of the terms of the Contract and shall designate one of such persons to act as leader with authority to bind the joint venture. The composition or the constitution of the joint venture shall not be altered without the prior consent of the Employer.

#### **78.1 Details to be Confidential**

The Contractor shall treat the details of the Contract as private and confidential, save in so far as may be necessary for the purposes thereof, and shall not publish or disclose the same or any particulars thereof in any trade or technical paper or elsewhere without the prior consent in writing of the Employer or the Engineer. If any dispute arises as to the necessity of any publication or disclosure for the purpose of the Contract, the same shall be referred to the decision of the Engineer whose award shall be final.

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