

Sample Joint Venture (JV) Agreement

The parties hereto declare that they have agreed to form a joint venture for the purpose of submitting the pre-qualification Application/ tender document initially and then tender and if successful for the execution of the works as an integrated joint venture. The parties are not, under this agreement, entering into any permanent partnership of Joint Venture to Tender or undertake any contract other than the subject works. Nothing herein contained shall be considered to constitute the parties of partners to constitute either partly or wholly the agent of the other.

I. WITNESS:

Where as Public Health Engineering Department has invited offers from intending bidders and PHED has permitted a group of Three firms forming a Joint Venture to be eligible to be a bidder and whereas -----the parties of Joint Venture are desirous to enter into a Joint Venture in the nature of partnership engaged in the joint undertaking for the specific purpose of execution of the work of preparing Detailed Project Report of Drinking Water Supply Scheme of various district of M.P. and whereas the parties of the first and second part reached understanding to submit pre-qualification application / offer,

if pre-qualified and to execute the contract if awarded.

This agreement witness as follows:

(a) The parties do not enter into an agreement of any permanent partnership of Joint Venture to tender or undertake any contract other than the specified above.

(b) The operation of this joint venture firms, concerns is confined to the work of preparing Detailed Project Report of Drinking Water Supply Scheme of various district of M.P. being executed under the Office of The Engineer In Chief, Public Health Engineering Department, Bhopal.

(c) The name of the Joint Venture firm for convenience and continuity shall be -----

(d) The address of the Joint Venture for communication shall be as under-----

(e) The Joint Venture shall jointly submit qualification criteria on the above name according to all terms and conditions stated in the relevant instructions contained in the bid documents.

(f) That this Joint Venture shall regulate the relations between the parties thereto and shall include without being limited to them the following conditions.

(1) ----- firm shall be the lead company in charge of the Joint Venture for all intents and purpose.

(2) In case the said work is awarded to the Joint Venture the partners of the Joint Venture will nominate a person with duly notarized Power of Attorney on stamp paper, who will represent the Joint Venture with the authority to incur liabilities, receive instructions and payments, sign and execute the contract for and on behalf of the Joint Venture.

(g) The parties agree to make financial participation and to place at disposal of Joint Venture the benefits of its individual, technical knowledge, skill and shall in all respect bear its share as regards planning and execution of the work and responsibilities including provision of information, advice and other assistance required in the Joint Venture and participation shall be in proportion of

Firm A-----%

Firm B-----%

Firm C-----%

Total 100%

(h) All rights, interests, liabilities, obligations work experience and risks (and all net profit or net losses) arising out of the contract shall be borne by the parties in proportion to their share. Each of the parties shall furnish its proportionate share in any bonds, guarantees; sureties required for the works as well its proportionate share in connection with the works. The share and participation of the partners in working capital and other financial requirements shall be in ration as mentioned above.

(II) Internal responsibilities and liabilities:

- (a) The division of individual scope of work may be worked out mutually by the parties but the party shall be jointly and severally liable to the Engineer In Chief , P.H.E.Deptt. Bhopal for the whole work.
- (b) The parties specifically under take to carry out their separate and full compliance with the contract with the Engineer In Chief. Each party shall be responsible jointly and severally for consequences if any arising out of defective or delayed execution of works which falls within the individual party's area or responsibility and / or it has been caused due to acts and or omission of the concerned party.
- (c) The parties jointly & severally agree to replace, modify or repair any defect in their respective portion of works in accordance with the terms and condition of the contract with the Engineer In Chief.
- (d) The parties jointly and severally indemnify and hold harmless to each other against any claim made by the Engineer In Chief or any other third party for injury, damage loss or expenses is attributed to the breach/ non performance of his responsibilities by the indemnifying party in accordance with the agreements and / or contract with the Engineer In Chief.
- (e) None of parties have joined in any other Joint Venture for the said works.

(III) Responsibilities and liabilities of Joint Venture towards the Engineer In Chief:-

- (a) Parties hereto shall be jointly & severally liable & responsible for acts, deeds, and things done or omitted (to be done) in respect of the execution of the contract & for any financial liabilities arising there from.
- (b) Parties hereto shall be jointly & severally liable & responsible to the Engineer In Chief for the execution of works in accordance with the contract conditions.
- (c) Parties hereto shall be jointly & severally indemnify to the Engineer In Chief against any claim made by the Engineer In Chief or any other third party for any injury, damage or loss which may be attributed to the breach of the obligation under the contract, pursuant to the contract.

(IV) Site Management

- (a) The execution of the work on the site will be managed by a Project Manager appointed by the Joint Venture and who will report to the -----(name

of the JV). The Project Manager shall be authorised to represent the JV on site in respect of matters arising under the contract.

(b) The -----(Name of the JV) shall be jointly and severally liable to the Engineer In Chief for the execution of the contract commitment in respect of the works in accordance with contract conditions.

(V) Termination of the Agreement

The agreement shall be terminated in the following circumstances:

(a) The Engineer In Chief awards the contract for the work to the other agencies.

(b) The Engineer In Chief elaborates the cause of cancellation the work to award the contract.

(c) On completion of the defect liability period as stipulated in the agreement of the works and all the liabilities thereof are liquidated.

(VI) No partner has the right to assign any benefits, obligation or liability under agreement to any third party without the written consent of the other partners as well as the Engineer In Chief.

(VII) Financial Matter

(a) Bank Account in the name of the JV will be opened with any schedule or nationalised bank to be operated by an individual signatory as decided mutually by the Joint Venture Partners.

(b) All the partners shall be responsible to maintain or cause to maintain proper Books of Accounts in respect of the JV firm as per the Indian Contract Regulation Act and shall be closed at the end of the every financial year ending 31 March. Upon closure of the books of accounts balance sheet and profit and loss account as to the stat of affairs of the firm as at the end of the financial year and as to the profit and loss made or incurred by the firm for the year ended on that date shall be prepared for the same, shall subject to audit by a chartered accountant.

(c) Non of the party shall be entitled to make any borrowing on behalf of the JV without prior written consent of all the other parties of JV.

(VIII) Negotiation

Any negotiations agreement between the parties hereto and the Engineer In Chief subsequent to the submission of the tender and prior to award shall take place only

with the consent of each of the parties who shall be represented at the such negotiations or agreement.

(IX) Legal Jurisdiction

All questions relating to validity interpretation of this agreement shall be governed by the law of India and shall be subject to jurisdiction of Court at Bhopal.

(X) Settlement of Disputes,

Any dispute in interpretation of any condition mentioned herein shall be referred to an arbitrator/ tribunal by mutual consent of the partners and such proceedings shall be governed by the Indian Arbitration and Conciliation Act. 1996 and as amended from time to time. The award of arbitrator shall be final and binding on the party hereto. Neither the obligation of each party here to the performance of contract nor the execution of work shall stop during the course of arbitration proceeding or as a result thereof

(XI) Insurance :

(a) The Joint Venture through the parties individually shall take such insurance in connection with the work in accordance with the tender condition acceptable to the Engineer In Chief.

(b) The cost of insurance premium paid by the Joint Venture shall be borne by the parties in proportion to their respective shares of work. Insurance taken individually by the parties shall be fully borne by the respective parties.

(XII) No change shall be made in this agreement without prior written consent of the Engineer In Chief and other parties. However if the Engineer In Chief directs the parties to make changes in the agreement so as to fulfill tender conditions the parties shall discuss with Engineer In Chief and mutually agree such changes required to be made in the agreement.

(XIII) Default and withdrawal from the JV : In case that either party fails to observe the provision stipulated in this agreement withdrawal from the Joint Venture, loss and / or expenses incurred by other parties due to such default and /or withdrawal shall be fully compensated by the party who has defaulted.

(XIV) All matter relating to or arising due to this agreement shall be treated as confidential and shall not be disclosed to any other party. In witness whereof the parties have caused their duly authorized representative to sign below.

Witness

1.

(Signed for and on behalf of firm A)

2.

Date :

Seal :

Witness

1.

(Signed for and on behalf of firm B)

2.

Date :

Seal :

Witness

1.

(Signed for and on behalf of firm C)

2.

Date :

Seal :