



Date: 13th July 2023

Ref: FF/LOI/23-319/1307/IP131

M/S. Naffco Electro Mechanical Contracting

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LETTER OF INTENT

**Attn. : Mr. Mohammad Uthman,
Business Development Manager**

Project : Al Forsan International Equestrian Club Expansion Phase 2

Subject : Supply, Installation, Testing & Commissioning of Fire Protection System

Dear Sir,

We are pleased to hereby inform you of our intention to place an order with **M/s Naffco Electro Mechanical Contracting** for the **Supply, Installation, Testing & Commissioning of Fire Protection System** for the above-mentioned project in compliance with the Tender BOQ, Project's Specifications, Approved Drawings/Design, Schedules and other contract documents related to your scope of work, rules and regulations of the Concerned Statutory Authorities and in conformance with all reasonable directions, instructions and requirements of the Client/Consultant as per the following terms & conditions:

1. SCOPE OF WORK:

Supply, Installation, Testing & Commissioning of Fire Protection System

- A. Supply, Installation, Testing & Commissioning of Fire Protection System Package as per project documents.
- B. Preparation of shop drawing, material submittal, builder's work, and as-built drawings.
- C. Preparation of O&M manual
- D. Handing over to Main Contractor, Consultant & Client.
- E. Getting approval of shop drawings from Civil Defense.
- F. Handing over to Civil Defense.
- G. Coordinate with other subcontractors at site.
- H. All work to be as per IFC documents, drawings, specifications, bill of quantities, and schedule of works
- I. Variation Orders will be applied on back-to-back basis.
- J. Scope of works as per attached checklist.
- K. All comments as per attached prequalification approval to be followed and it is part of agreement with full terms & conditions.
- L. Integration with existing as per required by consultant



2. PRICE:

The total price is **AED 1,100,000.00 (UAE ONE MILLION ONE HUNDRED THOUSAND DIRHAMS only) + 5% VAT**. Price is Lump Sum.

3. RATES & PAYMENT TERMS:

- a. The contract is Lump sum.
- b. **Payment terms:**
 - **100% progress payment against 45 days PDC as per work done certified by client & main contractor**
 - **10% retention for each invoice to be paid as below**
 - **5% against T&C 45 days PDC**
 - **5% via 45 days PDC shall be released against bank guarantee valid for 12 months from the date of T&C.**
 - **Breakdown – Supply & Installation – Material 60%, Installation 30%
T&C Item – T&C 10%**

4. DELIVERY:

- As per project baseline with project duration of 6 months only.

5. PROGRAM OF WORKS AND PENALTY.

10% Penalty to be applied against any delay in delivery of materials or other services as per agreement and project base line.

6. MAINTENANCE PERIOD, WARRANTIES, GUARANTEES, & SPARE PARTS.

- a. Maintenance, warranty, guarantees and spare parts to be as per project documents in back-to-back basis until the client's satisfaction.

The above works include but not limited to the following:-

All as described in the tender documents, drawings, specifications, bill of quantities, schedule of works and to the consultant/client's approval. Variation Orders will be applied on the **back-to-back** basis. You are kindly requested to submit technical submittal and related drawings to attain engineer/client's approval within 14 days.

The above acceptance is subject to your company being approved by both the consultant/client for the said works. Until a formal agreement/LPO is signed between both parties this letter of intent shall be treated as a valid and our Official Standard Sub-Contract/LPO will be forwarded to you in due course. As a token of acceptance of this LOI, we are requesting you to please sign, stamp and return.

7. TERMS & CONDITIONS



IPCO GENERAL CONTRACTING LLC

- IF NOT APPROVED BY CONSULTANT/CLIENT, OR THERE IS DELAY IN YOUR ENGINEERING SUBMISSIONS AND APPROVAL FROM THE STATED DURATION ABOVE, THEN, NO FINANCIAL OR CONTRACTUAL OBLIGATIONS ARE ABIDING.
- This LOI is not applicable for any kind of legal disputes and it must be followed by LPO/Contract to be valid for financial claims. No contractual obligations are abiding.
- 2nd Party Signature on stamp means acceptance for terms & conditions above.
- Incase work proceeded without contract & main contractor breaks the contract with the 1st party, 2nd party must obtain official NOC from 1st party to continue the work and will carry all damages accordingly.
- LOI response should be within 3 working days from the date of release. Exceeding the 3-day period, it will be considered all terms & conditions are agreed from your side.

<u>ACCEPTED BY:</u>	<u>APPROVED BY:</u>
M/s. Naffco Electro Mechanical Contracting	M/S. IPCO General Contracting L.L.C.
NAME: Mr. Mohammad Uthman	NAME: Engr. Ghassan Hazzouri
TITLE: Business Development Manager	TITLE: Chief Executive Officer
SIGNATURE:	SIGNATURE:
SEAL:	SEAL:
DATE:	DATE: 07/13/2023