

CONSTRUCTION CONTRACT AGREEMENT

Contract Number: CC-2024-001

Date: January 15, 2024

PARTIES:

Client: ABC Development Corporation

Address: 123 Business Park, Mumbai, Maharashtra

Contact: Rajesh Kumar, Project Director

Contractor: XYZ Construction Private Limited

Address: 456 Industrial Estate, Chennai, Tamil Nadu

Contact: Priya Sharma, Managing Director

PROJECT DETAILS:

Project Name: Commercial Office Complex - Phase 2

Location: Sector 5, Whitefield, Bangalore

Scope: Construction of 5-story commercial building with basement parking

FINANCIAL TERMS:

Total Contract Value: ₹25,00,00,000 (Twenty-Five Crore Rupees)

Payment Terms:

- Advance Payment: 10% within 7 days of signing
- Stage Payments: 30%, 30%, 20% upon milestone completion
- Final Payment: 10% upon project handover

TIMELINE:

Start Date: February 1, 2024

Completion Date: January 31, 2026

Project Duration: 24 months

KEY TERMS AND CONDITIONS:

1. SCOPE OF WORK

The Contractor shall provide all labor, materials, equipment, and services necessary for the complete construction of the project as per approved drawings and specifications.

2. PAYMENT MILESTONES

- Foundation completion: 30%
- Structural completion: 30%
- Interior finishing: 20%
- Final inspection clearance: 10%

3. INSURANCE REQUIREMENTS

Contractor must maintain:

- Workmen's Compensation Insurance
- Public Liability Insurance (minimum ₹1 crore coverage)
- Contractor's All Risk Insurance

4. WARRANTIES

- Structural warranty: 10 years
- Waterproofing warranty: 5 years
- Electrical and plumbing: 2 years

5. PENALTIES AND LIQUIDATED DAMAGES

Delay penalty: ₹50,000 per day beyond completion date (maximum 10% of contract value)

6. SAFETY REQUIREMENTS

Contractor must comply with all safety regulations and maintain proper safety equipment on site.

POTENTIAL RISKS IDENTIFIED:

- ⚠ HIGH RISK: No performance bond mentioned
- ⚠ MEDIUM RISK: Force majeure clause missing
- ⚠ MEDIUM RISK: Dispute resolution mechanism not specified
- ⚠ LOW RISK: Material escalation clause absent

DISPUTE RESOLUTION:

Any disputes shall be resolved through arbitration in Bangalore under Indian Arbitration Act.

SIGNATURES:

ABC Development Corporation

XYZ Construction Pvt Ltd

Rajesh Kumar

Priya Sharma

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