

Contract: Government Construction Service Contract (Based on Connected Companies Pattern)

PUBLIC WORKS CONSTRUCTION CONTRACT

Contract No: DM/2019/INFRA/078 **Date:** June 20, 2019

Project: Al Khaleej Road Infrastructure Upgrade

PARTIES:

- **Contracting Authority:** Dubai Municipality
- **Contractor:** Emirates Elite Construction LLC
- **Municipality Representative:** Eng. S.M., Project Director
- **Contractor Representative:** A.R. Al-Mansouri, Managing Director

PROJECT SCOPE:

- Road surface renovation (15 kilometers)
- Drainage system installation
- Street lighting upgrade
- Traffic signal modernization
- Landscaping and beautification

CONTRACT VALUE:

- **Total Contract Value:** AED 85,000,000
- **Market Estimate Value:** AED 52,000,000
- **Variation Allowance:** Up to 25% without retendering
- **Performance Bond:** 5% of contract value

PAYMENT SCHEDULE:

- **Advance Payment:** 20% upon contract signing
- **Progress Payments:** Monthly based on completion certificates
- **Final Payment:** 10% upon project completion
- **Retention:** 5% held for 12 months post-completion

PROJECT TIMELINE:

- **Start Date:** July 1, 2019
- **Completion Date:** December 31, 2020
- **Penalty for Delay:** AED 50,000 per day (rarely enforced)

SPECIAL PROVISIONS:

- Contractor has exclusive right to select subcontractors
- Quality inspections conducted by contractor's preferred consultant
- Materials specification flexibility allowed for "equivalent standards"
- Direct reporting to Project Director only

SELECTION JUSTIFICATION:

- "Single source selection due to specialized expertise"
- "Previous satisfactory performance with municipality"
- "Competitive pricing for scope of work"
- Waiver of competitive bidding approved by Municipal Council

KEY PERSONNEL:

- Project Manager: R.K. (Municipality secondee)
- Quality Controller: M.N. (Contractor's consultant)
- Financial Controller: L.P. (Shared oversight)

AMENDMENT PROVISIONS:

- Contract modifications require approval from Project Director only
- Scope changes up to 25% automatically approved
- Timeline extensions granted for "unforeseen circumstances"

Note: This contract shows inflated pricing, limited oversight, and preferential selection without proper competition.