

**STANDARD FORM OF CONTRACT
FOR
ENGINEERING CONSULTANCY SERVICES
(For Smaller Projects)**

**Available on PEC website (www.pec.org.pk)
and PPRA website (www.ppra.org.pk)**

(Harmonized with PPRA Rules)

June 11, 2007



**PAKISTAN ENGINEERING COUNCIL
ISLAMABAD**

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Pakistan Engineering Council extends deep appreciations and acknowledges the tremendous contribution in developing and finalizing this document by the following members of the Pakistan Engineering Council (PEC):-

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NOTIFICATION NO. 8(60)WR/PC/2008 DATED 12th FEBRUARY, 2008 PLANNING & DEVELOPMENT DIVISION GOVERNMENT OF PAKISTAN
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PREFACE

1. Pakistan Engineering Council (PEC) being the statutory regulatory body has been entrusted to regulate the engineering profession in Pakistan. It has carried out standardization of "country specific" documents to regulate and streamline hiring of engineering consultancy services and procurement of works in line with advice by Planning Commission, Govt of Pakistan in 1996. Standard Form of Contract for Engineering Consultancy Services (For Smaller Projects) is one such document prepared by a team of experts comprising employers, constructors and consultants. With the passage of time, this document was developed into a complete contract document which was notified for implementation by Government of Pakistan. On the basis of feedback received from the users of this document and comments from PPRA in September 2005, it is revised upto June 11, 2007. It is expected that use of this document will provide an equitable and just basis for execution of contract agreements for providing engineering consultancy services in line with the international practice and relevant PEC Bye-laws thus minimizing ambiguities and likely contractual disputes.
2. This document is primarily based on the standard formats being used in NESPAK for execution of engineering consultancy contract on Time Based or Lump Sum or any other mode agreed upon between the parties.
3. This document is to be used for small projects with consultancy fee not more than Rupees two (2.0) Million.
4. This document has been approved by ECNEC in its meeting on 12th November, 2007. The document has been notified by Planning Commission, Government of Pakistan vide Notification No. 8(60)WR/PC/2008 dated 12th February, 2008. It is, therefore, mandatory for all engineering organizations and departments at Federal and Provincial level and district governments to use this document for procurement of Engineering Consultancy Services.
5. Any suggestions for improvement shall be appreciated. These may be addressed to Registrar, PEC, Ataturk Avenue, G-5/2, Islamabad (e-mail: registrar@pec.org.pk).

INSTRUCTIONS TO USERS OF THIS DOCUMENT
(Not to be included in the Contract Documents)

1. This document is designed for Engineering Consultancy Contract on Cost Plus (Time Based), Lump Sum or any other method of remuneration stipulated in Appendix A of "Conduct and Practice of Consulting Engineers Bye-Laws 1986 (SRO 809(1) /86)" issued by the Pakistan Engineering Council. Two other documents for Engineering Consultancy Contracts namely, (a) "Standard Form of Contract for Engineering Consultancy Services (Time Based)" and (b) "Standard Form of Contract for Engineering Consultancy Services on Lump Sum Assignment" are also separately published. It is expected that most of the Engineering Consultancy contracts will generally be covered by the above three documents, however, for any other mode of remuneration to the consultants as stipulated in Appendix-A of the above referred PEC Bye-Laws, the users are to tailor the relevant clause(s) to suit their requirements.
2. This simplified document is recommended for use on small projects where the consultancy fee is not more than Rupees two (2.0) Million.
3. This document has been developed for use of consultancy services with payment of remunerations in Pakistani Rupees only, however, if any foreign currency payment is involved, it should be spelled out in Appendix-C.
4. Instructions to users are also provided in various places of this document within parenthesis or as Note(s). Users are expected to edit and finalise this document accordingly, by filling all the blank spaces and forms, deleting all the notes and instructions intended to help the users.

(Client)

(Project Name)

AGREEMENT FOR CONSULTANCY SERVICES
(For Smaller Projects with Consultancy Fee Not More Than Rs. 2,000,000)

(Month) (Year)

(Name and address of the Consultant)

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AGREEMENT FOR CONSULTANCY SERVICES

THIS AGREEMENT, together with APPENDICES A to D which constitute an integral part thereof (herein referred to as the Agreement), is entered into on this ----- day of ----- (month), 200--.

between

----- (herein referred to as the “Client”) of the first part;

and

----- (herein referred to as “Consultant”), of the second part.

The Parties hereto agree as under:-

1. ARTICLE 1: THE PROJECT

The Project for which Services are required to be performed under this Agreement is described in the attached Appendix A.

2. ARTICLE 2: SCOPE OF SERVICES

2.1 The scope of consultancy and other professional services (herein referred to as "Services") to be performed by the Consultant for the Project under this Agreement are described in the attached Appendix A.

3. ARTICLE 3: TIME SCHEDULE

3.1 Effective Date of Commencement

Effective Date of Commencement of Services shall be as defined in the attached Appendix-B.

3.2 Time Schedule of Services

The time schedule of Services is given in the attached Appendix B.

3.3 Extension of Time

Extension of Time for completion of Services and the terms and conditions thereof shall be mutually agreed between the Client and the Consultant as and when required.

4. ARTICLE 4: MODE OF OPERATION

4.1 Obligations of the Consultant

- The Consultant shall perform Services as an independent consultant in accordance with recognized international standards, applicable laws and regulations.
- The Consultant shall appoint a Project Manager (professional engineer licensed by PEC) named in Appendix D who shall represent the Consultant for purposes of this Agreement and shall be responsible for the administration of the Agreement including performance of Services thereunder. He shall remain in contact with the representative of the Client to keep him fully informed on all matters relating to the provision of Services by the Consultant.
- The Consultant shall carry out the Services with due diligence and efficiency and in conformity with sound engineering practices.
- The Consultant shall act at all times so as to protect the interests of the Client and shall take all reasonable steps to keep all expenses to a minimum consistent with sound economic and engineering practices.
- The Consultant shall furnish the Client such information relating to the Services as the Client may from time to time reasonably request.
- Except with the prior written approval of the Client, the Consultant shall not assign or transfer the Agreement for Services or any part thereof nor engage any other independent consultant or sub-contractor to perform any part of the Services.
- The Consultant agrees that no proprietary and confidential information received by the Consultant from the Client shall be disclosed to a third party unless the Consultant receives a written permission from the Client to do so.

4.2 Obligations of the Client

The Client shall provide to the Consultant:

- All necessary data/documents/reports, as listed in Appendix A, that may be required by the Consultant for performing the Services within the Time Schedule given in Appendix B.

- The Client shall designate a person named in Appendix D to act as its representative on all matters pertaining to this Agreement and to fully cooperate with the Project Manager of the Consultant.
- The Client shall take all necessary measures to make timely payments to the Consultant as stipulated in Article 5, hereof.

5. ARTICLE 5: REMUNERATION FOR SERVICES AND SCHEDULE OF PAYMENT

The remuneration for Services rendered by the Consultant and the mode of payment shall be as described in the attached Appendix-C.

6. ARTICLE 6: ADDITIONAL SERVICES

The Client may ask the Consultant to perform Additional Services during the currency of this Agreement. Such Additional Services shall be performed with the prior concurrence of both the Parties. the Consultant shall submit an estimate of the additional time (if any) and the additional remunerations for such Additional Services which shall be approved in writing by the Client before the commencement of the Additional Services.

7. ARTICLE 7: TERMINATION

7.1 End of Services

The Agreement shall terminate when, pursuant to the provisions hereof, the Services have been completed and the payment of remunerations have been made.

7.2 Termination by the Client

The Client may, by a written notice of thirty (30) days to the Consultant, terminate this Agreement. All accounts between the Client and the Consultant shall be settled not later than sixty (60) days of the date of such termination.

7.3 Termination by the Consultant

The Consultant may suspend the Agreement by a written notice of thirty (30) days only if the Consultant does not receive payments due under this Agreement within thirty (30) days of submission of its invoice. If the payment is still not made to the Consultant after thirty (30) days of notice of suspension, the Consultant may terminate this Agreement in whole or in part by giving fifteen (15) days advance notice of intent to terminate. If the Agreement is terminated by the Consultant under such circumstances, the Client shall pay, within a period of thirty (30) days of the date of such

notice of intent to terminate referred above, all payments due to the Consultant.

8. ARTICLE 8: FORCE MAJEURE

The term "Force Majeure" as employed herein shall mean acts of God, strikes, lock-out or other industrial disturbances, acts of public enemy, wars, blockades, insurrection, riots, epidemics, landslides, earthquakes, storms, lightning, floods, washouts, civil disturbances, explosions and any other similar events, not within the control of either Party and which by the exercise of due diligence neither Party is able to overcome.

If either Party is temporarily unable by reason of Force Majeure or the laws or regulations of Pakistan to meet any of its obligations under the Agreement, and if such Party gives to the other Party written notice, of the event within fifteen (15) days after its occurrence, such obligations of the Party, as it is unable to perform by reason of the event, shall be suspended for as long as the inability continues. Neither Party shall be liable to the other Party for loss or damage sustained by such other Party arising from any event referred to as Force Majeure or delays arising from such event. Force Majeure shall not include insufficiency of funds or failure to make any payment required under the Agreement.

9. ARTICLE 9: RESOLUTION OF DISPUTES

Any dispute or difference arising out of the Agreement which cannot be amicably settled between the Parties, shall be finally settled under the provisions of the Arbitration Act, 1940 (Act No. X of 1940) and Rules made thereunder as amended from time to time. The venue of arbitration shall be in Pakistan as given in Appendix D, Special Conditions.

10. ARTICLE 10: APPLICABLE LAWS

This Agreement shall, in all respects, be read and construed and shall operate in conformity with the laws of Pakistan and the courts at the location indicated in Appendix D, Special Conditions shall have exclusive jurisdiction for adjudicating and interpreting the Agreement.

11. ARTICLE 11: CONTRACT AMENDMENT

No variation in or modifications to the terms of the Agreement shall be made, except by a written amendment signed by the Parties hereto.

12. ARTICLE 12: NOTICES

Any notice given by any of the Parties hereto shall be sufficient only if in writing and delivered in person or through registered mail as follows:

To: The Client -----

To: The Consultant Project Manager,-----

or to such other address as either of these Parties shall designate by notice given as required herein. Notices shall be effective when delivered.

IN WITNESS WHEREOF, the Parties have executed this Agreement, in two (2) identical counterparts, each of which shall be deemed as original, as of the day, month and year first above written.

FOR AND ON BEHALF OF
(The Consultant)

FOR AND ON BEHALF OF
(The Client)

Signed by: -----

Signed by: -----

Designation:-----

Designation:-----

(Seal)

(Seal)

Witness:

Witness:

Signed by:-----

Signed by:-----

APPENDIX A

THE PROJECT

&

SCOPE OF SERVICES

A-1 **THE PROJECT**
(Refer Article 1 hereof)

A-2 **SCOPE OF SERVICES**
(With reference to Article 2.1 give detailed scope of consultancy and other professional services to be performed by the Consultant under this Agreement including listing of deliverables such as reports, documents, drawings and number of copies thereof.)

A-3 **DATA/DOCUMENTS/REPORTS**
(With reference to Article 4.2 list the data, documents and reports which are to be provided by the Client and will be required by the Consultant for performing the Services.)

APPENDIX B

TIME SCHEDULE

B-1 Effective Date of Commencement of Services.

(The date on which this Agreement shall come into effect is the date when the Agreement is signed by both the parties and the amount of advance payment due upon signing of the Agreement is received by the Consultant.)

B-2 Time Schedule of Services

(With reference to Article 3.2 give time schedule of Services taking into account data/documents required from the Client and the time of approval(s) by the Client.)

APPENDIX C

REMUNERATION FOR SERVICES

&

SCHEDULE OF PAYMENT

(With reference to Article 5)

- C-1 Total Remuneration
(lumpsum/Cost plus fee)

- C-2 Advance Payment
(Generally 10% of the total remuneration)

- C-3 Schedule of Payments
(Either in terms of time with respect to Date of Commencement or on submission of deliverables)

- C-4 Delayed Payment
(In case of delay in payment beyond the stipulated period, the Client shall pay to the Consultant, compensation at the rate of eight percent (8%) for the delayed amount)

APPENDIX D

SPECIAL CONDITIONS

D-1 PROJECT MANAGER (Refer Article 4.1)

D-2 REPRESENTATIVE OF THE CLIENT (Refer Article 4.2)

D-3 VENUE OF ARBITRATION (Refer Article 9)

D-4 LOCATION OF THE COURTS
HAVING JURISDICTION (Refer Article 10)

LIST OF PEC CONTRACT DOCUMENTS

<u>Sr. No.</u>	<u>Name of the Document</u>	<u>Status</u>
(1)	Standard Form of Bidding Documents (Civil Works) <i>(to be used for estimated value of more than Rs. 25 Millions)</i>	Completed
(2)	Standard Form of Bidding Documents for Procurement of Works (E&M) <i>(to be used for estimated value of more than Rs. 25 Millions)</i>	Completed
(3)	Standard Form of Bidding Documents for Procurement of Works (For Smaller Contracts) <i>(to be used for all type of procurement for estimated value of not more than Rs. 25 Millions)</i>	Completed
(4)	Standard Form of Contract for Engineering Consultancy Services (For Large Projects) – Time Based Assignments <i>(to be used for consultancy fee over Rs. 2 Millions)</i>	Completed
(5)	Standard Form of Contract for Engineering Consultancy Services (For Large Projects) – Lump Sum Assignments <i>(to be used for consultancy fee over Rs. 2 Millions)</i>	Completed
(6)	Standard Form of Contract For Engineering Consultancy Services (For Smaller Projects) <i>(to be used for consultancy fee not more than Rs. 2 Millions)</i>	Completed
(7)	Standard Procedure for Pre-qualifications of Constructors	Completed
(8)	Standard Procedure for Evaluation of Bids for Procurement of Works	Completed
(9)	Standard Procedure for Pre-qualifications of Consultants	Completed
(10)	Standard Procedure for Evaluation of Proposals for Procurement of Engineering Services	Completed
(11)	Standard Procedure and Formula for Price Adjustment	Completed
(12)	PEC Rules of Conciliation and Arbitration	Completed
(13)	Standard Form of Bidding on BOT Basis	Under Completion
(14)	Standard Form of Bidding Documents for Operation and Maintenance Works	Under Completion
(15)	Standard Form of Joint Venture Agreements	Under Completion