

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

**TIME BASED ASSIGNMENTS**

**Available on PEC website ([www.pec.org.pk](http://www.pec.org.pk))  
and PPRA website ([www.ppra.org.pk](http://www.ppra.org.pk))**

**(Harmonized with PPRA Rules)**

**June 11, 2007**



**PAKISTAN ENGINEERING COUNCIL  
ISLAMABAD**

## **ACKNOWLEDGMENT**

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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<b>NOTIFICATION NO. 8(60)WR/PC/2008 DATED 12th FEBRUARY, 2008</b> <b>PLANNING &amp; DEVELOPMENT DIVISION</b> <b>GOVERNMENT OF PAKISTAN</b>
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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 Large Projects) - Time Based Assignments; 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 on time based assignment basis 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 prepared by NESPAK and comprises General Conditions of Contract, Special Conditions of Contract and sample Appendices.
3. This document is to be used for large projects with consultancy fee over Rupees two (2.0) Million.
4. This document has been approved by ECNEC in its meeting on 12<sup>th</sup> November, 2007. The document has been notified by Planning Commission, Government of Pakistan vide Notification No. 8(60)WR/PC/2008 dated 12<sup>th</sup> 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](mailto: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 "Time Based" basis which is the modern form of "Cost Plus fixed" assignments stipulated in Item-3, 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 Services (Lump Sump Fee)" and (b) "Standard Form of Contract for Engineering Consultancy Services for Small Works" 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 document has been developed for use of consultancy services with payment of remunerations in Pakistani Rupees as well as in foreign currencies. However, in case one of the currencies is not used, appropriate modifications shall be made in the "Special Conditions of Contract" and relevant Appendices.
3. No change shall be made by the users in the "General Conditions of Contract" of this document. Any adjustment or change to meet specific project features shall be made only in the "Special Conditions of Contract".
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.

**CONTRACT FOR ENGINEERING CONSULTANCY SERVICES**

**between**

---

**(NAME OF THE CLIENT)**

**and**

---

**(NAME OF THE CONSULTANTS)**

**for**

**\_\_\_\_\_ (BRIEF SCOPE OF SERVICES)  
OF \_\_\_\_\_ (NAME OF PROJECT)**

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**Month and Year**

(vi)

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## FORM OF CONTRACT

- [Notes: 1. Use this Form of Contract when the Consultants perform Services as Sole Consultants.  
2. In case the Consultants perform Services as a Member of the joint venture, use the Form included at the end.  
3. All notes should be deleted in the final text.]

This CONTRACT (hereinafter called the "Contract") is made on the \_\_\_\_\_ day of \_\_\_\_\_ (month) of \_\_\_\_\_ (year), between, on the one hand,

---

(hereinafter called the "Client" which expression shall include the successors, legal representatives and permitted assigns) and, on the other hand,

---

(hereinafter called the "Consultants" which expression shall include the successors, legal representatives and permitted assigns).

### WHEREAS

- (a) the Client has requested the Consultants to provide certain consulting services as defined in the General Conditions of Contract attached to this Contract (hereinafter called the "Services"); and
- (b) the Consultants, having represented to the Client that they have the required professional skills, and personnel and technical resources, have agreed to provide the Services on the terms and conditions set forth in this Contract;

NOW THEREFORE the Parties hereby agree as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this Contract:
  - (a) the General Conditions of Contract;
  - (b) the Special Conditions of Contract;
  - (c) the following Appendices:

*[Note: If any of these Appendices are not used, the words "Not Used" should be inserted below/next to the title of the Appendix and on the sheet attached hereto carrying the title of that Appendix.]*

- Appendix A: Description of Services
- Appendix B: Reporting Requirements
- Appendix C: Key Personnel and Subconsultants
- Appendix D: Breakdown of Contract Price in Foreign Currency
- Appendix E: Breakdown of Contract Price in Local Currency

Appendix F: Services & Facilities to be Provided by the Client and Counterpart Personnel to be Made Available to the Consultants by the Client.

Appendix G: Integrity Pact (for Services above Rs. 10 million)

2. The mutual rights and obligations of the Client and the Consultants shall be as set forth in the Contract, in particular:
  - (a) the Consultants shall carry out the Services in accordance with the provisions of the Contract; and
  - (b) the Client shall make payments to the Consultants in accordance with the provisions of the Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names in two identical counterparts, each of which shall be deemed as the original, as of the day, month and year first above written.

For and on behalf of

Witness \_\_\_\_\_ (CLIENT)

Signatures \_\_\_\_\_

Signatures \_\_\_\_\_

Name \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

(Seal)

For and on behalf of

Witness \_\_\_\_\_ (CONSULTANTS)

Signatures \_\_\_\_\_

Signatures \_\_\_\_\_

Name \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

(Seal)

## **II. GENERAL CONDITIONS OF CONTRACT**

### **1. GENERAL PROVISIONS**

#### **1.1 Definitions**

Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:

- (a) "Applicable Law" means the laws and any other instruments having the force of law in the Islamic Republic of Pakistan, as those may be issued and in force from time to time;
- (b) "Contract" means the Contract signed by the Parties, to which these General Conditions of Contract (GC) are attached, together with all the documents listed in Clause 1 of such signed Contract;
- (c) "Contract Price" means the price to be paid for the performance of the Services, in accordance with Clause 6;
- (d) "Effective Date" means the date on which this Contract comes into force and effect pursuant to Sub-Clause 2.1;
- (e) "GC" means these General Conditions of Contract;
- (f) "Government" means the Government of the Islamic Republic of Pakistan;
- (g) "Foreign Currency" means currency other than the currency of Islamic Republic of Pakistan;
- (h) "Local Currency" means the currency of the Islamic Republic of Pakistan;
- (i) "Member" in case the Consultants consist of a joint venture of more than one entity, means any of the entities, and "Members" means all of these entities;
- (j) "Party" means the Client or the Consultants, as the case may be, and "Parties" means both of them;
- (k) "Personnel" means persons hired by the Consultants or by any Subconsultant as employees and assigned to the performance of the Services or any part thereof;
- (l) "SC" means the Special Conditions of Contract by which the GC are amended or supplemented;
- (m) "Services" means the work to be performed by the Consultants pursuant to this Contract, as described in Appendix A;

- (n) "Subconsultant" means any entity to which the Consultants subcontract any part of the Services in accordance with the provisions of Sub-Clause 3.6;
- (o) "Third Party" means any person or entity other than the Client, the Consultants or a Subconsultant; and
- (p) "Project" means the work specified in SC for which engineering consultancy services are desired.

## **1.2 Law Governing the Contract**

This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the Applicable Law.

## **1.3 Language**

This Contract has been executed in the English language which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract. All the reports and communications shall be in the English language.

## **1.4 Notices**

Any notice, request, or consent made pursuant to this Contract shall be in writing and shall be deemed to have been made when delivered in person to an Authorised Representative of the Party to whom the communication is addressed, or when sent by registered mail, telex, or facsimile to such Party at the address of the Authorised Representative specified under Sub-Clause SC 1.6. A Party may change its address for notice hereunder by giving the other Party notice of such change.

## **1.5 Location**

The Services shall be performed at such locations as are specified in Appendix A and, where the location of a particular task is not so specified, at such locations as mutually agreed by the Parties.

## **1.6 Authorised Representatives**

Any action required or permitted to be taken, and any document required or permitted to be executed, under this Contract by the Client or the Consultants shall be taken or executed by the Authorised Representatives specified in the SC.

## **1.7 Taxes**

Unless specified in the SC, the Consultants, Subconsultants, and their Personnel shall pay such taxes, fees, and other impositions as may be levied under the Applicable Law.

### **1.8 Leader of Joint Venture**

In case the Consultants consist of a joint venture of more than one entity, the Consultants shall be jointly and severally bound to the Client for fulfillment of the terms of the Contract and designate the Member named in SC, to act as leader of the Joint Venture, for the purpose of receiving instructions from the Client.

### **1.9 Relation between the Parties**

Nothing contained herein shall be construed as establishing a relation of master and servant or of principal and agent as between the Client and the Consultants. The Consultants, subject to this Contract, have complete charge of Personnel and Subconsultants, if any, performing the Services and shall be fully responsible for the Services performed by them or on their behalf hereunder.

### **1.10 Headings**

The headings shall not limit, alter or affect the meaning of this Contract.

## **2. COMMENCEMENT, COMPLETION, MODIFICATION, AND TERMINATION OF CONTRACT**

### **2.1 Effectiveness of Contract**

This Contract shall come into force and effect on the date (the "Effective Date") of the Client's notice to the Consultants instructing the Consultants to begin carrying out the Services. This notice shall confirm that the effectiveness conditions, if any, listed in the SC have been met.

### **2.2 Termination of Contract for Failure to Become Effective**

If this Contract has not become effective within such time period after the date of the Contract signed by the Parties as shall be specified in the SC, either Party may, by not less than twenty eight (28) days written notice to the other Party, declare this Contract to be null and void, and in the event of such a declaration by either Party, neither Party shall have any claim against the other Party except for the work (if any) already done or costs already incurred by a Party at the request of the other Party.

### **2.3 Commencement of Services**

The Consultants shall begin carrying out the Services at the end of such time period after the Effective Date as shall be specified in the SC.

## **2.4      Expiration of Contract**

Unless terminated earlier pursuant to Sub-Clause 2.9, this Contract shall expire when, pursuant to the provisions hereof, the Services have been completed and the payments of remunerations including the direct costs if any, have been made. The Services shall be completed within a period as is specified in the SC, or such extended time as may be allowed under Sub-Clause 2.6.

The term "Completion of Services" is as specified in the SC.

## **2.5      Modification**

Modification of the terms and conditions of this Contract, including any modification of the scope of the Services or of the Contract Price, may only be made in writing, which shall be mutually agreed and signed by both the Parties.

## **2.6      Extension of Time for Completion**

If the scope or duration of the Services is increased:

- (a) the Consultants shall inform the Client of the circumstances and probable effects;
- (b) the increase shall be regarded as Additional Services; and
- (c) the Client shall extend the time for Completion of the Services accordingly.

## **2.7      Force Majeure**

### **2.7.1    Definition**

- (a) For the purposes of this Contract, "Force Majeure" means an event which is beyond the reasonable control of a Party and which makes a Party's performance of its obligations under the Contract impossible or so impractical as to be considered impossible under the circumstances, and includes, but is not limited to, war, riots, civil disorder, earthquake, fire, explosion, storm, flood or other adverse weather conditions, strikes, lockouts or other industrial actions (except where such strikes, lockouts or other industrial actions are within the power of the Party invoking Force Majeure to prevent), confiscation or any other action by government agencies.
- (b) Force Majeure shall not include (i) any event which is caused by the negligence or intentional action of a Party or such Party's Subconsultants or agents or employees, nor (ii) any event which a diligent Party could reasonably have been expected to both (A) take into account at the time of the conclusion of this Contract and (B) avoid or overcome in the carrying out of its obligations hereunder.

- (c) Force Majeure shall not include insufficiency of funds or failure to make any payment required hereunder.

### **2.7.2 No Breach of Contract**

The failure of a Party to fulfill any of its obligations under the Contract shall not be considered to be a breach of, or default under this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event; (a) has taken all reasonable precautions, due care and reasonable alternative measures in order to carry out the terms and conditions of this Contract; and (b) has informed the other Party in writing not later than fifteen (15) days following the occurrence of such an event.

### **2.7.3 Extension of Time**

Any period within which a Party shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

### **2.7.4 Payments**

During the period of their inability to perform the Services as a result of an event of Force Majeure, the Consultants shall be entitled to continue to be paid under the terms of this Contract, as well as to be reimbursed for additional costs reasonably and necessarily incurred by them during such period for the purpose of the Services and in reactivating the Services after the end of such period.

## **2.8 Suspension of Payments by the Client**

The Client may, by written notice of suspension to the Consultants, suspend all payments to the Consultants hereunder if the Consultants fail to perform any of their obligations under this Contract, including the carrying out of the Services, provided that such notice of suspension (i) shall specify the nature of the failure, and (ii) shall request the Consultants to remedy such failure within a period not exceeding thirty (30) days after receipt by the Consultants of such notice of suspension.

## **2.9 Termination**

### **2.9.1 By the Client**

The Client may terminate this Contract, by not less than thirty (30) days written notice of termination to the Consultants, to be given after the occurrence of any of the events specified in paragraphs (a) through (e) of this Sub-Clause 2.9.1 and sixty (60) days in the case of the event referred to in paragraph (f):

- (a) if the Consultants do not remedy a failure in the performance of their obligations under the Contract, within thirty (30) days after being notified or within any further period as the Client may have subsequently approved in writing;
- (b) if the Consultants become (or, if the Consultants consist of more than one entity, if any of their Members becomes) insolvent or bankrupt or enter into

any agreements with their creditors for relief of debt or take advantage of any law for the benefit of debtors or go into liquidation or receivership whether compulsory or voluntary;

- (c) if the Consultants fail to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause 8 hereof;
- (d) if the Consultants submit to the Client a statement which has a material effect on the rights, obligations or interests of the Client and which the Consultants know to be false;
- (e) if, as the result of Force Majeure, the Consultants are unable to perform a material portion of the Services for a period of not less than sixty (60) days;
- (f) if the Client, in its sole discretion, decides to terminate this Contract.

### **2.9.2 By the Consultants**

The Consultants may terminate this Contract, by not less than thirty (30) days written notice to the Client, such notice to be given after the occurrence of any of the events specified in paragraphs (a) through (d) of this Sub-Clause 2.9.2:

- (a) if the Client fails to pay any monies due to the Consultants pursuant to this Contract and not subject to dispute pursuant to Clause 8 within forty-five (45) days after receiving written notice from the Consultants that such payment is overdue;
- (b) if the Client is in material breach of its obligations pursuant to this Contract and has not remedied the same within forty-five (45) days (or such longer period as the Consultants may have subsequently approved in writing) following the receipt by the Client of the Consultants' notice specifying such breach;
- (c) if, as a result of Force Majeure, the Consultants are unable to perform a material portion of the Services for a period of not less than sixty (60) days;
- (d) if the Client fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause 8 hereof.

### **2.9.3 Cessation of Services**

Upon receipt of notice of termination under Sub-Clause 2.9.1, or giving of notice of termination under Sub-Clause 2.9.2, the Consultants shall take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum. With respect to documents prepared by the Consultants, and equipment and materials furnished by the Client, the Consultants shall proceed as provided, respectively, by Sub-Clauses 3.8 or 3.9.

#### **2.9.4 Payment upon Termination**

Upon termination of this Contract pursuant to Sub-Clauses 2.9.1 or 2.9.2, the Client shall make the following payments to the Consultants:

- (a) remuneration and reimbursable direct costs expenditure pursuant to Clause 6 for Services satisfactorily performed prior to the effective date of termination. Effective date of termination for purposes of this Sub-Clause means the date when the prescribed notice period would expire;
- (b) except in the case of termination pursuant to paragraphs (a) through (d) of Sub-Clause 2.9.1, reimbursement of any reasonable cost incidental to the prompt and orderly termination of the Contract, including the cost of the return travel of the Personnel, according to Consultants Traveling Allowance Rules.

#### **2.9.5 Disputes about Events of Termination**

If either Party disputes whether an event specified in paragraphs (a) through (e) of Sub-Clause 2.9.1 or in paragraphs (a) through (d) of Sub-Clause 2.9.2 hereof has occurred, such Party may, within forty-five (45) days after receipt of notice of termination from the other Party, refer the matter to arbitration pursuant to Clause 8 hereof, and this Contract shall not be terminated on account of such event except in accordance with the terms of any resulting arbitral award.

### **3. OBLIGATIONS OF THE CONSULTANTS**

#### **3.1 General**

##### **3.1.1 Standard of Performance**

The Consultants shall perform the Services and carry out their obligations with all due diligence, efficiency, and economy, in accordance with generally accepted professional techniques and practices, and shall observe sound management practices, and employ appropriate advanced technology and safe methods. The Consultants shall always act, in respect of any matter relating to this Contract or to the Services, as faithful advisers to the Client, and shall at all times support and safeguard the Client's legitimate interests in any dealings with Subconsultants or third parties.

##### **3.1.2 Law Governing Services**

The Consultants shall perform the Services in accordance with the Applicable Law and shall take all practicable steps to ensure that any Subconsultants, as well as the Personnel of the Consultants and any Subconsultants, comply with the Applicable Law.

### **3.2 Consultants Not to Benefit from Commissions, Discounts, etc.**

The remuneration of the Consultants pursuant to Clause 6 shall constitute the Consultants' sole remuneration in connection with this Contract or the Services, and the Consultants shall not accept for their own benefit any trade commission, discount, or similar payment in connection with activities pursuant to this Contract or to the Services or in the discharge of their obligations under the Contract, and the Consultants shall use their best efforts to ensure that the Personnel, any Sub consultants, and agents of either of them similarly shall not receive any such additional remuneration.

### **3.3 Confidentiality**

The Consultants, their Subconsultants, and the Personnel of either of them shall not, either during the term or after the expiration of this Contract, disclose any proprietary or confidential information relating to the Project, the Services, this Contract, or the Client's business or operations without the prior written consent of the Client.

### **3.4 Liability of the Consultants**

The Consultants are liable for the consequence of errors and omissions on their part or on the part of their employees in so far as the design of the Project is concerned to the extent and with the limitations as mentioned herein below.

If the Client suffers any losses or damages as a result of proven faults, errors or omissions in the design of a project, the Consultants shall make good such losses or damages, subject to the conditions that the maximum liability as aforesaid shall not exceed twice the total remuneration of the Consultants for design phase in accordance with the terms of the Contract.

The liability of the Consultants expires after one (1) year from the stipulated date of completion of construction or after three (3) years from the date of final completion of the design whichever is earlier.

The Consultants may, to protect themselves, insure themselves against their liabilities but this is not obligatory. The extent of the insurance shall be up to the limit specified in second para above. The Consultants shall procure the necessary cover before commencing the Services and the cost of procuring such cover shall be borne by the Consultants up to a limit of one percent of the total remuneration of the Consultants for the design phase for every year of keeping such cover effective.

The Consultants shall, at the request of the Client, indemnify the Client against any or all risks arising out of the furnishing of professional services by the Consultants to the Client, not covered by the provisions contained in the first para above and exceeding the limits set forth in second para above provided the actual cost of procuring such indemnity as well as costs exceeding the limits set forth in fourth para above shall be borne by the Client.

### **3.5 Other Insurances to be Taken out by the Consultants**

In addition to the insurance stated in Sub-Clause 3.4 above, the Consultants shall take out and maintain the various insurances as are specified in the SC, at the cost and expense of the Client.

### **3.6 Consultants' Actions Requiring Client's Prior Approval**

The Consultants shall obtain the Client's prior approval in writing before taking any of the following actions:

- (a) appointing such Personnel as are listed in Appendix-C merely by title but not by name;
- (b) entering into a subcontract for the performance of any part of the Services, it being understood (i) that the selection of Subconsultants and the terms and conditions of the subcontract shall have been approved in writing by the Client prior to the execution of the subcontract, and (ii) that the Consultants shall remain fully liable for the performance of the Services by the Subconsultants and its Personnel pursuant to this Contract;
- (c) any other action that may be specified in the SC.

### **3.7 Reporting Obligations**

The Consultants shall submit to the Client the reports and documents specified in Appendix B in the form, in the numbers, and within the periods set forth in the said Appendix.

### **3.8 Documents Prepared by the Consultants to be the Property of the Client**

All plans, drawings, specifications, reports, and other documents and software prepared by the Consultants in accordance with Sub-Clause 3.7 shall become and remain the property of the Client, and the Consultants shall, not later than upon termination or expiration of this Contract, deliver (if not already delivered) all such documents and software to the Client, together with a detailed inventory thereof. The Consultants may retain a copy of such documents and software.

Restriction(s) about the future use of these documents, is specified in the SC.

### **3.9 Equipment and Materials Furnished by the Client**

Equipment and materials made available to the Consultants by the Client, or purchased by the Consultants with funds provided by the Client, shall be the property of the Client and shall be marked accordingly. Upon termination or expiration of this Contract, the Consultants shall make available to the Client an inventory of such equipment and materials and shall dispose of such equipment and materials in accordance with the Client's instructions or afford salvage value of the same. While

in possession of such equipment and materials, the Consultants, unless otherwise instructed by the Client in writing, shall insure them at the expense of the Client in an amount equal to their full replacement value.

### **3.10 Accounting, Inspection and Auditing**

The Consultants (i) shall keep accurate and systematic accounts and records in respect of the Services hereunder, in accordance with internationally accepted accounting principles and in such form and detail as will clearly identify all relevant time charges, and cost, and the basis thereof, and (ii) shall permit the Client or its designated representatives periodically, and up to one year from the expiration or termination of this Contract, to inspect the same and make copies thereof as well as to have them audited by auditors appointed by the Client.

## **4. CONSULTANTS' PERSONNEL AND SUBCONSULTANTS**

### **4.1 General**

The Consultants shall employ and provide such qualified and experienced Personnel and Subconsultants as are required to carry out the Services.

### **4.2 Description of Personnel**

- (a) The title, activities of job description and estimated period of engagement in the carrying out of the Services of each of the Consultants' Personnel are described in Appendix C.
- (b) Adjustment with respect to the estimated periods of engagement of various salary grades of the Personnel set forth in Appendix C may be made by the Consultants in accordance with the actual requirements of the Contract to ensure efficient performance of the Services, provided that the aggregate of such adjustments shall not cause payments under this Contract to exceed the ceilings set forth in Sub-Clause 6.1(a) of this Contract.

### **4.3 Approval of Personnel**

The Key Personnel and Subconsultants listed by title as well as by name in Appendix C are deemed to be approved by the Client. In respect of other Key Personnel which the Consultants propose to use in carrying out of the Services, the Consultants shall submit to the Client for review and approval a copy of their biographical data. If the Client does not object in writing (stating the reasons for the objection) within fourteen (14) calendar days from the date of receipt of such biographical data, such Key Personnel shall be deemed to have been approved by the Client.

### **4.4 Working Hours, Leave, Overtime, etc.**

Working Hours for Key Personnel are set forth in Appendix-C hereto.

Except for the staff covered under reimbursable direct costs expenditure, the Consultants' remuneration given in Appendix D and Appendix E shall be deemed to cover paid casual leave, sick leave and earned leave. The Client will reimburse overtime payments to eligible Personnel provided by the Consultants, in respect of support staff and work charged staff. Any taking of leave by Personnel shall be subject to the prior approval by the Consultants who shall ensure that absence for leave purposes will not delay the progress and adequate supervision of the Services. Such leave taking of the Authorised Representative of the Consultants at site, if any, shall be preceded by the Client informed in writing.

#### **4.5 Removal and/or Replacement of Personnel**

- (a) Except as the Client may otherwise agree, no changes shall be made in the Key Personnel. If, for any reason beyond the reasonable control of the Consultants, it becomes necessary to replace any of the Key Personnel, the Consultants shall provide as a replacement a person of equivalent or better qualifications.
- (b) If the Client; (i) finds that any of the Personnel has committed serious misconduct or has been charged with having committed a criminal action; or (ii) has reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Consultants shall, at the Client's written request specifying the grounds therefor, provide as a replacement a person with qualifications and experience acceptable to the Client.
- (c) Any of the Personnel provided as a replacement under Sub-Clauses (a) and (b) above, the rate of remuneration applicable to such person as well as any reimbursable expenditures (including expenditures due to the number of eligible dependents) the Consultants may wish to claim as a result of such replacement, shall be subject to the prior written approval by the Client. Except as the Client may otherwise agree, (i) the Consultants shall bear all additional travel and other costs arising out of or incidental to any removal and/or replacement, and (ii) the remuneration to be paid for any of the Personnel provided as a replacement shall not exceed the remuneration which would have been payable to the Personnel replaced.

#### **4.6 Resident Engineer**

If required by the SC, the Consultants shall ensure that at all times during the Consultants' performance of the Services, a Resident Engineer acceptable to the Client, shall take charge of the performance of such Services

## **5. OBLIGATIONS OF THE CLIENT**

### **5.1 Assistance, Coordination and Approvals**

#### **5.1.1 Assistance**

The Client shall use its best efforts to ensure that the Client shall:

- (a) provide at no cost to the Consultants, Subconsultants and Personnel such documents prepared by the Client or other consulting engineers appointed by the Client as shall be necessary to enable the Consultants, Subconsultants or Personnel to perform the Services. The documents and the time within which such documents shall be made available, are as specified in the SC;
- (b) assist to obtain the existing data relevant to the carrying out of the Services, with various Government and other organisations. Such items shall be returned by the Consultants upon completion of the Services under this Contact;
- (c) issue to officials, agents and representatives of the concerned organisations, all such instructions as may be necessary or appropriate for prompt and effective implementation of the Services;
- (d) provide to the Consultants, Subconsultants, and Personnel any such other assistance and exemptions as may be specified in the SC;
- (e) assist to obtain permits which may be required for right-of-way, entry upon the lands and properties for the purposes of this Contract.

#### **5.1.2 Co-ordination**

The Client shall:

- (a) coordinate and get or expedite any necessary approval and clearances relating to the work from any Government or Semi-Government Agency, Department or Authority, and other concerned organisation named in the SC.
- (b) coordinate with any other consultants employed by him.

#### **5.1.3 Approvals**

The Client shall accord approval of the documents within such time as specified in the SC, whenever these are applied for by the Consultants.

### **5.2 Access to Land**

The Client warrants that the Consultants shall have, free of charge, unimpeded access to all land of which access is required for the performance of the Services.

### **5.3 Change in the Applicable Law**

If, after the date of this Contract, there is any change in the Applicable Law which increases or decreases the cost of the Services rendered by the Consultants, then the remunerations and direct costs otherwise payable to the Consultants under this Contract shall be increased or decreased accordingly, and corresponding adjustment shall be made to the amounts referred to in Sub-Clause 6.1 (a). Rate in the Appendix-E shall be revised in case of revision in salary made in an organization due to statutory Notification. Such revised rate(s) shall be applicable from the respective date(s) of implementation of such Notification by the concerned organizations for which necessary proof shall be provided to the Client.

### **5.4 Services and Facilities**

The Client shall make available to the Consultants, Subconsultants and the Personnel, for the purpose of the Services and free of any charge, the services, facilities and property described in Appendix F at the times and in the manner specified in said Appendix F, provided that if such services, facilities and property shall not be made available to the Consultants as and when so specified, the Parties shall agree on; (i) any time extension that it may be appropriate to grant to the Consultants for the performance of the Services; (ii) the manner in which the Consultants shall procure any such services, facilities and property from other sources; and (iii) the additional payments, if any, to be made to the Consultants as a result thereof pursuant to Sub-Clause 6.1(b) hereinafter.

### **5.5 Payments**

In consideration of the Services performed by the Consultants under this Contract, the Client shall make to the Consultants such payments and in such manner as is provided by Clause 6 of this Contract.

### **5.6 Counterpart Personnel**

- (a) If so provided in Appendix-F hereto, the Client shall make available to the Consultants, as and when provided in such Appendix-F, and free of charge, such counterpart personnel to be selected by the Client, with the Consultants' advice, as shall be specified in such Appendix-F. Counterpart personnel shall work under the exclusive direction of the Consultants. If any member of the counterpart personnel fails to perform adequately any work assigned to such member by the Consultants which is consistent with the position occupied by such member, the Consultants may request the replacement of such member, and the Client shall not unreasonably refuse to act upon such request.
- (b) If counterpart personnel are not provided by the Client to the Consultants as and when specified in Appendix-F, the Client and the Consultants shall agree on; (i) how the affected part of the Services shall be carried out; and (ii) the

additional payments, if any, to be made by the Client to the Consultants as a result thereof pursuant to Sub-Clause 6.1(c) hereof.

## **6. PAYMENTS TO THE CONSULTANTS**

### **6.1 Cost Estimates, Ceiling Amount**

- (a) An estimate of the cost of Services payable in foreign and local currencies is set forth in Appendices D and E respectively. Except as may be otherwise agreed under Sub-Clause 2.5 and subject to Sub-Clause 6.1 (b), payments under this Contract shall not exceed the ceilings in foreign currency in Appendix D and in local currency in Appendix E, excluding adjustments made under Sub-Clause 6.2(a) of the SC. The Consultants shall notify the Client as soon as cumulative charges incurred for the Services have reached 80% of either of these ceilings.
- (b) Notwithstanding Sub-Clause 6.1(a) hereof, if pursuant to any of the Sub-Clauses 5.3, 5.4 or 6.6 hereof, the Parties shall agree that additional payments in local and/or foreign currency, as the case may be, shall be made to the Consultants in order to cover any necessary additional expenditures relating to remuneration not envisaged in the cost estimates referred to in Sub-Clause 6.1(a) above, and the ceiling or ceilings, as the case may be, set forth in Sub-Clause 6.1(a) above shall be increased by the amount or amounts, as the case may be, of any such additional payments.
- (c) Notwithstanding Sub-Clause 6.1(b) hereof, if pursuant to any of the Sub-Clauses 5.3, 5.4 or 5.6 hereof, the Parties shall agree that additional payments in local and/or foreign currency, as the case may be, shall be made to the Consultants in order to cover any necessary additional expenditures relating to reimbursable direct cost not envisaged in the cost estimates referred to in Sub-Clause 6.1(a) above, the ceiling or ceilings, as the case may be, set forth in Sub-Clause 6.1(b) above shall be increased by the amount or amounts, as the case may be, of any such additional payments.

### **6.2 Remuneration and Reimbursable Direct Costs (Non-salary Costs)**

- (a) Subject to the ceilings specified in Sub-Clause 6.1(a) hereof, the Client shall pay to the Consultants; (i) remuneration as set forth in Sub-Clause 6.2(b); and (ii) reimbursable direct costs expenditure as set forth in Sub-Clause 6.2(c). Remuneration shall be subject to price adjustment as specified in the SC.
- (b) Remuneration for the Personnel shall be determined on the basis of time actually spent by such Personnel in the performance of the Services after the date determined in accordance with Sub-Clause SC 2.3 (including time for necessary travel via the most direct route) at the rates referred to, and subject to such additional provisions as are set forth in the SC.

- (c) Reimbursable direct costs (non-salary costs) actually and reasonably incurred by the Consultants in the performance of the Services. The reimbursable direct costs expenditure shall be for the items specified in the SC.

### **6.3 Currency of Payment**

- (a) Foreign currency payment shall be made in the currency or currencies specified as foreign currency or currencies in Appendix D, and local currency payment shall be made in Pakistani Rupees.
- (b) The SC shall specify which items of remuneration and reimbursable expenditures shall be paid, respectively, in foreign and in local currency.

### **6.4 Mode of Billing and Payment**

Billing and payments in respect of the Services shall be made as follows:

- (a) To cover payments due under Sub-Clauses 6.1 and 6.2 of this Contract, the Client shall establish a revolving fund in foreign currency and local currency accounts, each account to be separately and distinctly maintained by the Consultants, and shall deposit into the said accounts, amounts in the currencies specified above as follows:
  - (i) Not later than thirty (30) days following the signing of Contract by both the Parties amounts estimated to be the requirements in the respective currencies for the three (3) months of the Services immediately following the signing of Contract calculated on the basis of the applicable estimates set forth in Appendices D and E.
  - (ii) Not later than the 15th day of each succeeding month, the amount equal to the preceding monthly estimate in accordance with Appendices D and E shall be recouped by the Client in the revolving fund against foreign currency and local currency amounts.

Any bank interest accruing in a revolving fund shall be credited by the Consultants to the Client.

- (b) As soon as practicable and preferably within thirty (30) days after the end of each calendar month during the period of the Services, the Consultants shall submit to the Client, in duplicate, itemized statements, accompanied by copies of received invoices, vouchers and other appropriate supporting materials, of the amounts payable pursuant to Sub-Clauses 6.3 and 6.4 for such month. Separate monthly statements shall be submitted in respect of amounts payable in foreign currency and in local currency. Monthly statement shall distinguish that portion of the total eligible costs which pertains to remuneration from that portion which pertains to reimbursable direct costs expenditure.

In case of a joint venture, separate monthly statements shall be submitted in respect of amounts payable to each Member of the joint venture of the Consultants.

- (c) The Client shall cause the payment of the Consultants' monthly statements within twenty-eight (28) days for amounts in local currency and within fifty six (56) days for amounts in foreign currency after the receipt by the Client of such statements with supporting documents. Only such portion of a monthly statement that is not satisfactorily supported may be withheld from payment. Should any discrepancy be found to exist between actual payment and costs authorized to be incurred by the Consultants, the Client, after seeking clarification from the Consultants, may add or subtract the difference from any subsequent payments.
- (d) The final payment under this Clause shall be made only after the final report and a final statement, identified as such, shall have been submitted by the Consultants and approved as satisfactory by the Client. The Services shall be deemed completed and finally accepted by the Client and the final report and final statement shall be deemed approved by the Client as satisfactory ninety (90) calendar days after receipt of the final report and final statement by the Client unless the Client, within such ninety (90) days period, gives written notice to the Consultants specifying in detail deficiencies in the Services, the final report or final statement. The Consultants shall thereupon promptly make any necessary corrections, and upon completion of such corrections, the foregoing process shall be repeated. Any amount which the Client has paid or caused to be paid in accordance with this Clause in excess of the amounts actually payable in accordance with the provisions of this Contract shall be reimbursed by the Consultants to the Client within thirty (30) days after receipt by the Consultants of notice thereof. Any such claim by the Client for reimbursement must be made within fifty six (56) days after receipt by the Client of a final report and a final statement approved by the Client in accordance with the above. The Client shall cause the final payment to the Consultants within fifty six (56) days of receipt of final invoice from the Consultants, after completion of Services finally accepted alongwith the final report and statement of the Consultants by the Client.
- (e) All payments under this Contract shall be made to the bank account of the Consultants to be notified later.

## **6.5 Delayed Payments**

If the Client has delayed payments beyond the period stated in paragraph (c) of Sub-Clause 6.4, interest charges shall be paid to the Consultants for each day of delay at the rate specified in the SC.

## **6.6 Additional Services**

Additional Services means:

- (a) Services as approved by the Client outside the Scope of Services described in Appendix A;
- (b) Services to be performed during the period extended pursuant to Sub-Clause 2.6, beyond the original schedule time for completion of the Services; and
- (c) any re-doing of any part of the Services as a result of client's instructions.

If, in the opinion of the Client, it is necessary to perform Additional Services during the currency of the Contract for the purpose of the Project, the Consultants, with the prior written authorization of the Client, shall carry out such Additional Services on the basis of the billing rates set out in the Contract. In case for any reasons these rates and prices are determined by both the Parties to be not applicable for said Additional Services, then suitable billing rates and the additional time, shall be agreed upon between the Client and the Consultants.

## **6.7 Consultants' Entitlement to Suspend Services**

If the Client fails to make the payment of any of the Consultants' invoice within twenty-eight (28) days after the expiry of the time stated in paragraph (c) of Sub-Clause 6.4, within which payment is to be made, the Consultants may after giving not less than twenty-eight (28) days' prior notice to the Client, suspend the Services or reduce the rate of carrying out the Services, unless and until the Consultants have received the payment.

This action will not prejudice the Consultants' entitlement to financing charges under Sub-Clause 6.5.

# **7. FAIRNESS AND GOOD FAITH**

## **7.1 Good Faith**

The Parties undertake to act in good faith with respect to each other's rights under this Contract and to adopt all reasonable measures to ensure the realization to the objectives of this Contract.

## **7.2 Operation of the Contract**

The Parties recognize that it is impractical in this Contract to provide for every contingency which may arise during the life of the Contract, and the Parties hereby agree that it is their intention that this Contract shall operate fairly as between them, and without detriment to the interest of either of them, and that, if during the term of this Contract either Party believes that this Contract is operating unfairly, the Parties will use their best efforts to agree on such action as may be necessary to remove the

cause or causes of such unfairness, but no failure to agree on any action pursuant to this Sub-Clause shall give rise to a dispute subject to arbitration in accordance with Clause 8 hereof.

## **8. SETTLEMENT OF DISPUTES**

### **8.1 Amicable Settlement**

The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or its interpretation.

### **8.2 Dispute Settlement**

Any dispute between the Parties as to matters arising pursuant to this Contract which cannot be settled amicably within thirty (30) days after receipt by one Party of the other Party's request for such amicable settlement may be submitted by either Party for settlement in accordance with the provisions of the Arbitration Act, 1940 (Act No. X of 1940) and Rules made thereunder and any statutory modifications thereto.

Services under the Contract shall, if reasonably possible, continue during the arbitration proceedings and no payment due to or by the Client shall be withheld on account of such proceedings.

## **9. INTEGRITY PACT**

### **9.1** If the Consultant or any of his Subconsultants, agents or servants is found to have violated or involved in violation of the Integrity Pact signed by the Consultant as Appendix-G to this Form of Contract, then the Client shall be entitled to:

- (a) recover from the Consultant an amount equivalent to ten times the sum of any commission, gratification, bribe, finder's fee or kickback given by the Consultant or any of his Subconsultant, agents or servants;
- (b) terminate the Contract; and
- (c) recover from the Consultant any loss or damage to the Client as a result of such termination or of any other corrupt business practices of the Consultant or any of his Subconsultant, agents or servants.

On termination of the Contract under Sub-Para (b) of this Sub-Clause, the Consultant shall proceed in accordance with Sub-Clause 2.9.3. Payment upon such termination shall be made under Sub-Clause 2.9.4 (a) after having deducted the amounts due to the Client under Sub-Para (a) and (c) of this Sub-Clause.

### **III. SPECIAL CONDITIONS OF CONTRACT**

Clause Amendments of, and Supplements to, Clauses in the General Conditions of  
No. Contract

## 1.1 Definitions

(p) "Project" means .....

## **1.6 Authorised Representatives**

The Authorised Representatives are the following:

#### For the Client:

---

---

---

Telephone : \_\_\_\_\_  
Facsimile : \_\_\_\_\_  
E.Mail : \_\_\_\_\_

## For the Consultants:

Telephone : \_\_\_\_\_  
Facsimile : \_\_\_\_\_  
E-Mail : \_\_\_\_\_

## 1.7 Taxes

[Note: To be included in this Clause as agreed with the Client.]

#### **1.8 Leader of Joint Venture**

The leader of the Joint Venture is ..... (name of the Member of the Joint Venture).

[Note: If the Consultants do not consist of more than one entity, the Sub-Clause 1.8 should be deleted.]

*All notes should be deleted in final text. All blanks should be filled in.*

## **2.1 Effectiveness of Contract**

The date on which this Contract shall come into effect is the date when the Contract is signed by both the Parties and revolving fund is established in accordance with Sub-Clause 6.4.

## **2.2 Termination of Contract for Failure to Become Effective**

The time period shall be ..... days or such other period as the Parties may agree in writing.

[Note: Fill in the time period e.g. one hundred twenty (120) days]

## **2.3 Commencement of Services**

The Consultants shall commence the Services within twenty-one (21) days after the date of signing of Contract Agreement, or such other time period as the Parties may agree in writing.

## **2.4 Expiration of Contract**

The period of completion of Services shall be ----- days from the Commencement Date of the Services or such other period as the Parties may agree in writing. The Services are estimated to be completed before ..... 20 ...

"Completion of Services" means.....

[Note: In the blank space, the last activity (such as submission of As Built Drawings, Completion Report etc.) which declares the Contract to be completed in all respect, may be stated]

## **3.5 Insurance to be Taken out by the Consultants**

The risks and the coverages shall be as follows:

- (a) Third Party motor vehicle liability insurance in respect of motor vehicles operated in Pakistan by the Consultants or their Personnel or any Subconsultants or their Personnel, with a minimum coverage of Rs.....
- (b) Insurance against loss of or damage to equipment purchased in whole or in part with funds provided under the Contract.
- (c) Third Party liability insurance with a minimum coverage of Rs.....

### **3.6 Consultants' Actions Requiring Client's Prior Approval**

- (c) The Consultants shall also clear with the Client, before commitments on any action they propose to take under the following:
- i) Issuing Variations Orders in respect of:
    - additional items of Works as determined by the Engineer to be necessary for the execution of Works.
    - any new item of the Works not envisaged in the Contract Documents and which is determined by the Engineer to be necessary for the execution of Works.
    - any item of Works covered under Provisional Sums
  - ii) Claim from the Contractor for extra payment with full supporting details and Consultants recommendations, if any, for settlement.
  - iii) Details of any nominated sub-contracts.
  - iv) Any action under terms of Performance Guarantee or Insurance Policy.
  - v) Any action by the Consultants affecting the costs under the following clauses of Conditions of Contract of the Construction Contract.
    - Adverse Physical Conditions and Artificial Obstructions
    - Suspension of Works
    - Bonus and Liquidated Damages
    - Certificate of Completion of Works
    - Defects Liability Certificate
    - Forfeiture
    - Special Risks
    - Frustration
  - vi) Final Measurement Statement
  - vii) Release of Retention Money
  - viii) Any change in the ratios of various currencies of payment.

### **3.8 Documents Prepared by the Consultants to be the Property of the Client**

The Client and the Consultants shall not use these documents for purposes unrelated to this Contract without the prior written approval of the other Party.

#### **4.6 Resident Engineer**

[Note: Name and address of the Consultants' Resident Engineer, if applicable will be provided here]

##### **5.1.1 Assistance**

- (a) The Client shall make available within ..... days from the Commencement Date, the documents namely .....
- .....
- .....
- .....

This list if warranted shall be supplemented subsequently.

- (d) Other assistance and exemptions to be provided by the Client are .....

##### **5.1.2 Coordination**

- (a) The departments and agencies include .....
- .....

##### **5.1.3 Approvals**

The Client shall accord approval of the documents immediately but not later than fourteen (14) days from the date of their submission by the Consultants.

#### **6.2 Remuneration and Reimbursable Direct Costs (Non-Salary Costs)**

- 6.2(a) Payments for remuneration made in accordance with Sub-Clause 6.2(a) shall be adjusted as follows:

- (i) Remuneration paid in foreign currency pursuant to the rates set forth in Appendix-D shall be adjusted after every 12 months (and, the first time, with effect from the remuneration earned in the 13th calendar month after the date of the Contract) by applying the following formula:

$$Rf = Rfo \times If/Ifo$$

where Rf is the adjusted remuneration, Rfo is the remuneration payable on the basis of the rates set forth in Appendix-D for remuneration payable in foreign currency, If is the official index for salaries in the country of the foreign currency for the first month for which the adjustment is supposed to have effect, and Ifo is the official index for salaries in the country of the foreign currency for the month of the date of the Contract.

- (ii) Remuneration paid in local currency pursuant to the billing rates agreed for each person shall be adjusted in July of every year (and, for the first time, with effect from the remuneration earned in July following submission of financial proposal) by considering the following subject to maximum of prevalent CPI as per given formula plus salary revision due to statutory notification, if applicable pursuant to Sub-Clause 5.3 upon substantiation:
- annual increment
  - Increase due to promotion
  - Salary revision, if applicable pursuant to Sub-Clause 5.3 or otherwise  
or,  
to be computed with the following formula:

$$RI = RIO \times II/IIO$$

Where RI is the adjusted billing rate, RIO is the billing rate payable on the basis of the agreed billing rate in local currency as on July (i.e. the year in which the Consultants submitted its financial proposal to the Client). II is the Combined Consumer Price Index (CPI) "General" for Government employees as published by the Federal Bureau of Statistics, Government of Pakistan for the month of July for which the adjustment is to have effect, and IIO is the Consumer Price Index "General" for Government employees as published by the Federal Bureau of Statistics Government of Pakistan for the month of July (i.e. the Year in which the Consultants submitted its financial proposal to the Client).

- 6.2(b) The rates for foreign Personnel set forth in Appendix D, and the rates for local Personnel set forth in Appendix E, after adjustments, if any, pursuant to Sub-Clause 6.2(a) hereof shall be used for billing purposes.

*[Note: Use the appropriate condition.]*

It is understood that the remuneration rates shall cover salary and allowances as the Consultants shall have agreed to pay to the Personnel as well as factors for social charges and overhead based on the Consultants' average cost as represented by the financial statements of Consultants' latest three fiscal years and fee of the Consultants.

The remuneration rates have been agreed upon based on the representations made by the Consultants during finalization of this Contract with respect to the Consultants' costs and charges as referred above as such representations are evidenced by the form "Breakdown of Agreed Fixed Rates in Consultants' Contract" (A model of such form is attached at the end of these SC. The Consultants should be requested to execute this Form at the conclusion of the Contract negotiation when the Parties have agreed on the fixed rates and their breakdown).

Remuneration for periods of less than one month shall be calculated on hourly basis for the time spent by the Head Office staff or Project Office staff and directly attributable to the Services (one hour being equivalent to 1/170 of a month) and on calendar day basis for time spent by the Site Office staff (one day being equivalent to 1/30th of a month).

### 6.2(c) Reimbursable Direct Costs (Non Salary Costs)

Direct Non-salary Costs are such incurred non-salary costs which are directly allocable to specific engagements and projects. These costs include but are not limited to the following:

- (i) Provisions for office, light, heat and similar items for working space, costs or rental for furniture, drafting equipment and engineering instrument and automobile expenses identifiable to specific projects for which special facilities other than head office of the firm are arranged.
- (ii) Provision for labour or work charge establishment.
- (iii) Daily and travelling allowances/expenses of employees, partners and principals when away from home/office on business connected with the project.
- (iv) Identifiable communication expenses, such as long distance telephone, telegraph, cable, telex, express charges, and postage other than general correspondence.
- (v) Services directly applicable to the project such as special legal and accounting expenses, computer rental and programming costs, special consultants, borings, laboratory charges, perspectives, renderings, photos, model costs, commercial printing and binding and similar costs which are not applicable to the overhead costs, professional liability insurance cover in accordance with the provisions set out in Sub-Clause 3.4.
- (vi) Identifiable drafting supplies and office supplies and expenses charged to the employers work, as distinguished from such supplies and expenses applicable to several projects.
- (vii) Identifiable reproduction cost applicable to the work such as blue printing, photostating, mimeographing, printing, binding etc.

### 6.3 Currency of Payment

- 6.3(b) Remuneration for foreign personnel shall be paid in foreign currency and remuneration for local personnel shall be paid in local currency.

The reimbursable direct cost expenditures in foreign currency shall be as stated in Appendix-D.

The reimbursable direct cost expenditures in local currency shall be as stated in Appendix-E

## **6.5      Delayed Payments**

The compensation on delayed payments for local and foreign currency shall be as follows:

- (i)      for foreign currency    =      ----- percent (...%) per annum.
- (ii)     for local currency    =      eight percent (8%) per annum.

## MODEL FORM

### Breakdown of Agreed Fixed Rates in Consultants' Contract

We hereby confirm that we have agreed to pay to the staff members listed, who will be involved in this assignment, the basic salaries and field allowances (if applicable) indicated below:

Name	Position	1	2	3	4	5	6	7	8
		Basic Salary per Working Month/Day/Hour	Social Charges (% of 1)	Overhead (% of 1&2)	Subtotal	Fee (% of 4)	Overseas/field Allowance (% of 1)	Agreed Fixed Rate per Working Month/Day/Hour	Agreed Fixed Rate (% of 1)
(Expressed in _____ (name of currency)_____)									


\_\_\_\_\_  
Signature  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Date

## **IV APPENDICES**

**Appendix A**

**Description of the Services**

[Give detailed descriptions of the Services to be provided, dates for completion of various tasks, place of performance for different tasks, specific tasks to be approved by Client, etc.]

**Appendix B**

**Reporting Requirements**

[List format, frequency, and contents of reports; persons to receive them; dates of submission and the number of copies of each submittal etc. If no reports are to be submitted, state here "Not applicable".]

## **Appendix C**

### **Key Personnel and Subconsultants**

- [List under:
- C-1 Title [and names, if already available], activities of job descriptions and working hours of key Personnel to be assigned to work and staff-months for each.
  - C-2 List of approved Subconsultants (if already available); same information with respect to their Personnel as in C-1.]

## **Appendix D**

### **Breakdown of Contract Price in Foreign Currency**

[List hereunder cost estimates in foreign currency:

1. (a) Monthly rates for foreign personnel (Key Personnel and other Personnel)
- (b) Total Remuneration of Staff (on the basis of monthly rates)
2. Reimbursable direct costs (non-salary costs);

Direct Non-salary Costs are such incurred non-salary costs which are directly allocable to specific engagements and projects. These costs include but are not limited to the following:

- (i) Provisions for office, light, heat and similar items for working space, costs or rental for furniture, drafting equipment and engineering instrument and automobile expenses identifiable to specific projects for which special facilities other than head office of the firm are arranged.
- (ii) Provision for labour or work charge establishment.
- (iii) Daily and travelling allowances/expenses of employees, partners and principals when away from home/office on business connected with the project.
- (iv) Identifiable communication expenses, such as long distance telephone, telegraph, cable, telex, express charges, and postage other than general correspondence.
- (v) Services directly applicable to the project such as special legal and accounting expenses, computer rental and programming costs, special consultants, borings, laboratory charges, perspectives, renderings, photos, model costs, commercial printing and binding and similar costs which are not applicable to the overhead costs, professional liability insurance cover in accordance with the provisions set out in Sub-Clause GC 3.4.
- (vi) Identifiable drafting supplies and office supplies and expenses charged to the employers work, as distinguished from such supplies and expenses applicable to several projects.
- (vii) Identifiable reproduction cost applicable to the work such as blue printing, photostating, mimeographing, printing, binding etc.

(The detail of the cost estimates to be provided on the additional pages).

3. Sub-total, remuneration and reimbursable non-salary direct costs = (1 + 2)
4. Contingencies, if any
5. Total = (3 + 4)]

## **Appendix E**

### **Breakdown of Contract Price in Local Currency**

[List hereunder cost estimates in local currency:

1. (a) Monthly rates for local Personnel (Key Personnel and other Personnel);  
(b) Total Remuneration of staff (on the basis of monthly rates)
2. Reimbursable direct costs (non-salary costs);

Direct Non-salary Costs are such incurred non-salary costs which are directly allocable to specific engagements and projects. These costs include but are not limited to the following:

- (i) Provisions for office, light, heat and similar items for working space, costs or rental for furniture, drafting equipment and engineering instrument and automobile expenses identifiable to specific projects for which special facilities other than head office of the firm are arranged.
- (ii) Provision for labour or work charge establishment.
- (iii) Daily and travelling allowances/expenses of employees, partners and principals when away from home/office on business connected with the project.
- (iv) Identifiable communication expenses, such as long distance telephone, telegraph, cable, telex, express charges, and postage other than general correspondence.
- (v) Services directly applicable to the project such as special legal and accounting expenses, computer rental and programming costs, special consultants, borings, laboratory charges, perspectives, renderings, photos, model costs, commercial printing and binding and similar costs which are not applicable to the overhead costs, professional liability insurance cover in accordance with the provisions set out in Sub-Clause GC3.4.
- (vi) Identifiable drafting supplies and office supplies and expenses charged to the employers work, as distinguished from such supplies and expenses applicable to several projects.
- (vii) Identifiable reproduction cost applicable to the work such as blue printing, photostating, mimeographing, printing, binding etc.

(The detail of the cost estimates to be provided on the additional pages).

3. Sub-total, remunerations and reimbursable non-salary direct costs = (1 + 2).
4. Contingencies, if any
5. Total = (3 + 4)

*Notes:*

- A. *Elements of the salary costs and billing rates for the relevant salary grades shall also be included in this Appendix.*
- B. *Estimate will include the following items as applicable:*
  - (1) *Remuneration, i.e. staff costs based on monthly billing rates of the staff, and contingencies if any, excluding adjustment of billing rates.*
  - (2) *Reimbursable direct non-salary costs, contingencies, if any, excluding adjustment of billing rates for the staff covered under direct costs.*

*Each item shall be specified whether it is payable on the basis of (a) lump sum monthly rate; or (b) reimbursement of actual expenditures.*

- (3) *Payments in respect of any cost (i.e. total remuneration, and total reimbursable non-salary direct cost) which could exceed the estimates set forth in this Appendix may be chargeable to the contingency amounts provided for in the respective estimates, only if such costs are approved by the Client prior to being incurred].*

## **Appendix F**

### **Services and Facilities to be Provided by the Client**

**and**

### **Counterpart Personnel to be Made Available to the Consultants by the Client**

The Client shall make available the following Services and Facilities:

**1. Services and Facilities of the Client**

The Client shall make available to the Consultants, Subconsultants and the Personnel, for the purposes of the Services and free of any charge, the services, facilities and property described in this Clause at the times and in the manner specified hereunder:

(a)

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(b)

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(c) Rent will be charged by the Client only for the family status accommodation provided to the Personnel, in the Client's colonies, at the following rates:

<u>Type of Accommodation</u>	<u>Monthly Rent (Rs)</u>
------------------------------	--------------------------

.....	.....
.....	.....

(d) No rent will be charged for single status residences provided by the Client to the Personnel.

**2. Lodge Accommodation**

If requested by the Consultants, the Client shall provide lodge accommodation, if available, to all Personnel of the Consultants or the Subconsultants when on visit to various parts of the Project area or any other station where such facilities or the lodge accommodation of the Client exists (and provided that the Personnel of the Consultants or the Subconsultants visit that place in connection with the Project) under the same terms and conditions as the Client's staff is entitled.

3. Counterpart Personnel to be made available to the Consultants

The Client shall make available to the Consultants, free of charge, the following counterpart personnel in connection with carrying out of the Services:

.....  
.....

**Appendix-G**  
**(Integrity Pact)**

**DECLARATION OF FEES, COMMISSION AND BROKERAGE ETC.  
PAYABLE BY THE SUPPLIERS OF GOODS, SERVICES & WORKS IN  
CONTRACTS WORTH RS. 10.00 MILLION OR MORE**

Contract No. \_\_\_\_\_ Dated \_\_\_\_\_  
Contract Value: \_\_\_\_\_  
Contract Title: \_\_\_\_\_

..... [name of Supplier] hereby declares that it has not obtained or induced the procurement of any contract, right, interest, privilege or other obligation or benefit from Government of Pakistan (GoP) or any administrative subdivision or agency thereof or any other entity owned or controlled by GoP through any corrupt business practice.

Without limiting the generality of the foregoing, [name of Supplier] represents and warrants that it has fully declared the brokerage, commission, fees etc. paid or payable to anyone and not given or agreed to give and shall not give or agree to give to anyone within or outside Pakistan either directly or indirectly through any natural or juridical person, including its affiliate, agent, associate, broker, consultant, director, promoter, shareholder, sponsor or subsidiary, any commission, gratification, bribe, finder's fee or kickback, whether described as consultation fee or otherwise, with the object of obtaining or inducing the procurement of a contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoP, except that which has been expressly declared pursuant hereto.

[name of Supplier] certifies that it has made and will make full disclosure of all agreements and arrangements with all persons in respect of or related to the transaction with GoP and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty.

[name of Supplier] accepts full responsibility and strict liability for making any false declaration, not making full disclosure, misrepresenting facts or taking any action likely to defeat the purpose of this declaration, representation and warranty. It agrees that any contract, right, interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other rights and remedies available to GoP under any law, contract or other instrument, be voidable at the option of GoP.

Notwithstanding any rights and remedies exercised by GoP in this regard, [name of Supplier] agrees to indemnify GoP for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to GoP in an amount equivalent to ten times the sum of any commission, gratification, bribe, finder's fee or kickback given by [name of Supplier] as aforesaid for the purpose of obtaining or inducing the procurement of any contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoP.

Name of Buyer: .....

Name of Seller/Supplier: .....

Signature: .....

Signature: .....

[Seal]

[Seal]

**CONTRACT FOR ENGINEERING CONSULTANCY SERVICES**

**between**

---

**(NAME OF THE CLIENT)**

**and**

---

**(NAME OF THE JOINT VENTURE OF THE CONSULTANTS)**

**for**

---

**(BRIEF SCOPE OF SERVICES)**

**OF \_\_\_\_\_ (NAME OF PROJECT)**

---

**Month and Year**

---

**\_\_\_\_\_ (NAME OF THE JOINT VENTURE OF THE CONSULTANTS)**

**\_\_\_\_\_ (Name of Individual Consultants)**

**\_\_\_\_\_ (Name of Individual Consultants)**

## **FORM OF CONTRACT**

*[Note: Use this Form of Contract when the Consultants perform Services as a Joint Venture.]*

This CONTRACT (hereinafter called the "Contract") is made on the \_\_\_\_\_ day of \_\_\_\_\_ (month) of \_\_\_\_\_ (year), between, on the one hand, \_\_\_\_\_

(hereinafter called the "Client" which expression shall include the successors, legal representatives and permitted assigns) and, on the other hand, a joint venture consisting of the following entities, each of which will be jointly and severally liable to the Client for all the Consultants' obligations under this Contract, namely:

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(hereinafter collectively called the "Consultants" which expression shall include its successors, legal representatives and permitted assigns).

**WHEREAS**

- (a) the Client has requested the Consultants to provide certain consulting services as defined in the General Conditions of Contract attached to this Contract (hereinafter called the "Services"); and
- (b) the Consultants, having represented to the Client that they have the required professional skills, and personnel and technical resources, have agreed to provide the Services on the terms and conditions set forth in this Contract;

NOW THEREFORE the Parties hereby agree as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this Contract:
  - (a) the General Conditions of Contract;
  - (b) the Special Conditions of Contract;
  - (c) the following Appendices:

*[Note: If any of these Appendices are not used, the words "Not Used" should be inserted below next to the title of the Appendix and on the sheet attached hereto carrying the title of that Appendix.]*

Appendix A: Description of Services

Appendix B: Reporting Requirements  
Appendix C: Key Personnel and Sub-consultants  
Appendix D: Breakdown of Contract Price in Foreign Currency  
Appendix E: Breakdown of Contract Price in Local Currency  
Appendix F: Services & Facilities to be Provided By the Client and Counterpart Personnel to be Made Available to the Consultants by the Client.  
Appendix G: Integrity Pact (for Services above Rs. 10 Million)

2. The mutual rights and obligations of the Client and the Consultants shall be as set forth in the Contract, in particular:
  - (a) the Consultants shall carry out the Services in accordance with the provisions of the Contract; and
  - (b) the Client shall make payments to the Consultants in accordance with the provisions of the Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names in two identical parts each of which shall be deemed as the original, as of the day, month and year first above written.

For and on behalf of

---

CLIENT'S NAME

Witness

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_  
(Seal)

For and on behalf of

---

NAME OF THE JOINT VENTURE OF THE CONSULTANTS

---

---

Name of Member No. 1

Witness

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_  
(Seal)

---

Name of Member No. 2

Witness

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_  
(Seal)

---

Name of Member No. 3

Witness

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_  
(Seal)

## 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