



CONTRACT

between

Peoples Housing Cell
Government of Sindh

and

Sindh Rural Support Organization
(SRSO)

for

Construction of 200 Low Cost Houses
(40 each in selected Union Council of Districts Khairpur,
Sukkur, Larkana, Shikarpur and Jacobabad)

Date: February __, 2009

CONTRACT FOR SRSO SERVICES

THIS CONTRACT, (hereinafter together with the appendices attached hereto called the Contract is made on the ___ day of February 2009, between **the Governor of Sindh** (hereinafter referred to as the **Government** which term shall include his successors in office and assigns) acting through the People's Housing Cell (PHC) of the one part, and M/s **Sindh Rural Support Organization** (hereinafter referred to as the **SRSO** having its office situated at Sukkur which expression shall include their successors in office and assigns) of the other part. The SRSO will retain full and undivided responsibility for the performance of obligations hereunder and for the satisfactory completion of the services to be performed hereunder).

WHEREAS

WHEREAS

(A) **Sindh Rural Support Organization** has offered **People's Housing Cell** to construct 200 low-cost houses in Union Councils of five districts of the province, where SRSO is already working/ in touch with the communities, completed the poverty survey and prepared Poverty Score Card Report.

(B) **People's Housing Cell** has accepted the offer of **Sindh Rural Support Organization** to construct 200 low-cost houses in Union Councils of five districts of the province.

(C) PHC's obligations to the SRSPCon are being guaranteed by the Government of Sindh (hereinafter called the **Government**);

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I Services

1.01. The Services

The SRSO shall perform the Services under this Contract in accordance with the Terms of Reference set forth in **Appendix-A** hereto, and in accordance with the arrangement and understanding as agreed upon between the PHC and SRSO on in this contract.

1.02 The project will be implemented in the Union Councils of Distrirts Khairpur, Sukkur, Shikarpur, Larkana and Jacobabad. SRSO will primarily be responsible for the implementation of the project. Under this project, 200 poor families will be selected and provided low cost houses. Each house consists one bed-room, verandah, kitchen and toilet. The house will be constructed by SRSO. The electric wiring network will be installed in each house with switches/points.

1.03 Technical features of the model house and drawings are attached as **Appendix B.**

1.04 The communities will be mobilized, sensitized and educated to shift to houses.

1.05 Since this is a pilot project and has to be completed under a deadline, it is essential that the right and feasible beneficiary Union Councils /villages as well as beneficiary households are selected. The village / beneficiary household selection criteria is as under:

- Selected village should be situated in the Union Councils of Khairpur, Sukkur , Shikarpur Larkana and Jacobabad districts, where SRSO has a presence and has organized communities and has carried out a detailed poverty survey and prepared the Poverty Score Card Report.
- In order to select beneficiary households, complete data pertaining to all families available with SRSO will be utilized.
- Only those villages will be selected where communities have been mobilized and by SRSO and formed Community Organizations (COs).
- Beneficiaries are being selected from those villages where COs are working effectively. Poor families which score zero on Poverty Score Card will be selected.
- The beneficiary will be a poor person living in a kutcha house and be willing to shift to new house.
- Preference will be given to those villages where the houses are in deplorable conditions and have been damaged due to natural disasters.

- Maximum 40 houses will be constructed in each District
- As a pilot project 200 houses will be constructed in the above five districts (40 houses in each district).
- Target date for completion of this project is fixed for 9 months with three months grace period.
- SRSO shall implement the project through their organized community organizations. The project management team will facilitate the COs and the local vendors to learn the technology and make things available to the respective COs for actual house construction.

1.06. **Commencement Date**

The SRSO will commence the physical project activities within 10 days after signing of this contract with PHC. It is presently anticipated that fieldwork will commence from February __ XX 2009 for a period of 09 months.

1.03 The PHC has agreed that Programme will be implemented in Union Councils of Districts Khairpur, Sukkur, Shikarpur, Larkana and Jacobabad, as the SRSO has a presence and is already working in these Districts.

ARTICLE II

Programme Management and Personnel

- 2.01 The Peoples Housing Cell (PHC) of the Government of Sindh will execute this project and SRSO will implement it. The Director PHC will act as the Project Director (PD) on honorary basis. The PD will be the focal point for the Government of Sindh, whereas, the Chief Executive Officer or a designated responsible official of, SRSO will be the Project Manager, responsible for day to day decision making for the project implementation and supervision. The PD will be involved for the endorsement of the work plan and progress review and monitoring. SRSO will implement this project through COs.
- 2.02 SRSO will report to the PHC as per TOR. The Services shall be carried out by SRSO through a team of professionals as mentioned in **Appendix C**, led by a Team Leader, who shall be responsible for implementation of the programme (**Appendix B**) under the overall guidance of SRSO. The CEO SRSO or his designated official will be authorized to negotiate or make amendments in any provisions of this contract.
- 2.03 The project staff of SRSO, assigned to the project, shall be governed by the SRSO's rules of business and contract. SRSO will formulate appropriate strategies for inducting personnel in the project on need basis.
- 2.04 The project management team will generate progress reports on fortnightly basis and submit to PHC in timely manner. The technical team comprising of SRSO will supervise the quality aspects of the construction both at manufacturing units and construction sites. The team will ensure rigorous field follow up with the COs.
- 2.05 The Team Leader SRSO will be overall responsible for coordination among SRSO, PHC and other government departments. The project will purchase necessary equipments and assets as per the need and will return to the PHC on completion of the activity.
- 2.06 In all matters pertaining to the project, Minister for Housing will be the final decision making authority.

ARTICLE III

Payments to the SRSO

3.01. **Cost Estimates: Ceiling Amount**

- (a) An estimate of the cost of the Services payable in local currency is set forth in **Appendix D**.
- (b) Except as may be otherwise agreed Section 3.01(c) and notwithstanding any other provisions of this Contract, payments under this Contract shall not exceed Rs. 50.400 million in local currency. The payments will be made as per schedule at 3.04(c) and **Appendix D** however these would be adjusted on the basis of costs of actual targets achieved.
- (c) The amount prescribed in Section 3.01 (b) has been fixed on the understanding that the PHC will

make available free of charge to the SRSO the assistance, services and facilities provided for in Article IV. The sums that so accrue will be utilized for programme activities.

(d) Changes can be made in the design (room, boundary wall, verandah, courtyard, size etc.), where it is so required by peculiar circumstances of the locality /cultural.

(e) Any changes in the design will be made with the approval of PHC in writing.

(f) Any changes in resulting of such changes shall be returned back to PHC.

3.02. **Currency of Payment**

Except as otherwise agreed between the PHC and the SRSO, payments in respect of all local currency expenditures incurred by the SRSO under Section 3.03 will be made in Pak Rupees.

3.03 **Payment to the SRSO.**

The PHC shall pay or reimburse to the SRSO for the expenditures incurred in respect of the Services performed by SRSO for the Programme.

3.04 **Mode of Billing and Payment**

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

- a) The PHC shall, in accordance with the schedule of payments set out below, release payment to SRSO in

Account Title	SRSO
Account Number	01-00000000000
Bank	Bank Pakistan Limited
Branch	Sukkur, Pakistan

- b) Construction cost of one house Rs. 252,000.00
Total cost of 200 houses Rs. 50,400,000.00

c) <u>PAYMENT STAGES</u>	<u>Amount(PRs.)</u>
(i) 10% upon signing of the contract (Mobilization advance)	5,040,000.00
(ii) 15% on commencing the physical activity at site	7,560,000.00
(iii) 40% on completion of the houses up to roof level	20,160,000.00
(v) 35% on completion of project	17,640,000.00

- d) All financial accounts and statements shall be expressed in Pakistani Rupees.

- e) The advance payments will be adjusted by the PHC against the statements of expenditure received from SRSO.

f) Final payment shall be made only after the final report and a final statement, shall be submitted by SRSO and approved as satisfactory by the PHC. Any amount which the PHC has paid or caused to be paid in accordance with this Section in excess of the costs actually incurred shall be reimbursed by the SRSO to the PHC within 30 days after receipt by the SRSO of notice hereof.

g) All payments under this Contract shall be made to a designated bank account of the SRSO which will be notified by SRSO to PHC.

3.05 **Additional Work**

If in the opinion of the PHC and SRSO, it is necessary to carry out any work outside of the Terms of Reference for the purposes of the Project in addition to the Services, the SRSO, with the prior authorization of the PHC in writing shall carry out such additional work and charge on the same basis as for the Services in this contract.

ARTICLE IV Undertaking of the PHC

4.01 **Other Privileges and Exemptions**

The PHC will make all out efforts to ensure:

- (a) providing basic information to enable SRSO to initiate/perform the services; and
- (b) issuance of instructions to officials, agents and representatives of the Government as may be necessary or appropriate for the prompt and effective implementation of the Services;

ARTICLE V Undertakings of the SRSO

5.01 **General Standard of Performance by the SRSO**

(a) SRSO shall carry out the Services as per terms of reference at Appendix-A and physical targets for social mobilization and implementation of support package (work plan) at (**Appendix F**) with due diligence and efficiency, and shall exercise such skill and care in the performance of the Services as is consistent with recognized professional standards.

- (i) For the purposes of social mobilization, SRSO will formulate appropriate strategies based on its experience in the project or other areas of SRSO programme according to changing conditions.
- (ii) SRSO will formulate appropriate strategies for inducting personnel in the Programme and make adjustments in position and equipment based on actual requirement of the Programme on need basis, but with prior intimation to the PHC.

(b) The SRSO shall act at all times so as to protect the interest of the PHC and will take all reasonable steps to keep all expenses to a minimum consistent with sound management practices.

5.02 **Specifications and Designs**

(a) The SRSO shall apply the RSPs social mobilization standards which are accepted and well known in Pakistan.

5.03 **Records**

(a) The SRSO shall keep accurate and systematic records and accounts in respect of the Services in such form and detail as is customary in the profession and as shall be sufficient to establish accurately that the costs and expenditures referred to in Article III have been duly incurred.

5.04 **Information**

The SRSO shall furnish to PHC such information relating to the Services and the Programme as the PHC may from time to time reasonably request.

5.06 **Confidentiality**

Except with the prior written consent of the PHC, the SRSO and the Personnel shall not at any time communicate to any person or entity any confidential information disclosed to them for the purpose of the

Services, nor shall the SRSO or the Personnel make public any information as to the recommendations formulated in the course of or as a result of the Services.

5.07 **Indemnifications**

(a) SRSO hereby indemnifies, protect and defend at SRSO's own expense, PHC, its agents and employees, from and against any and all actions, claims, losses or damages arising out of any violation committed solely by the SRSO or in the course of the services, of any legal provisions, or any rights of third parties, in respect of literary property rights, copyrights, or patents etc.

(b) In addition to any liability SRSO shall at its own cost and expense, upon request of PHC, re-perform the Services in the event of SRSO's failure to exercise the skill and care required under Section 5.01(a).

The above provisions shall mutatis mutandis be applicable to the PHC.

5.08 **Proprietary Right of the PHC in Equipment**

(a) All material procured from PHC funds shall be maintained in good condition by the SRSO.

(b) All material equipment & vehicles required by SRSO and approved by the Procurement Committee of SRSO for this project and will be procured by the SRSO following its guidelines and policy on procurement. All taxes and duties, etc, shall be payable by SRSO from Programme funds. Such material if unutilized shall be returned to PHC on completion of the project.

5.09 **Proprietary Rights of the PHC in Reports and Records**

All reports and relevant data such as maps, diagrams, plans, statistics and supporting records or materials compiled or prepared in the course of the Services shall be confidential and shall be the absolute property of the PHC. The SRSO agrees to deliver all these materials to the PHC during and upon completion of this Contract. The SRSO may retain a copy of such data but shall not use the same for purposes unrelated to this Contract without prior written approval of the PHC.

5.10 **Insurance**

(a) The SRSO shall take out and maintain adequate professional liability insurance as well as adequate insurance against third party liability and loss of or damage to equipment purchased in whole or in part with funds provided by the PHC.

(b) The PHC undertakes no responsibility in respect of any life, health, accident, travel and other insurance which may be necessary or desirable for the SRSO Personnel or sub-contractors and specialists associated with the SRSO for the purposes of the Services, nor for any members of any family of any such person.

5.11 **Reports**

SRSO shall provide fortnightly, monthly, quarterly and annual progress reports on a regular basis to the Programme Director, PHC including all technical reports.

All correspondence (general) from SRSO to the PHC and to line departments shall be in English and to communities in Sindhi.

5.12 **Audit**

SRSO shall provide annual financial report duly audited by its external auditors and approved by the BOD and accepted by the AGM.

5.13 **Third Party Monitoring**

PHC may undertake third party monitoring of the physical activities of the Programme at its own cost on the

basis of indicators to be mutually decided between the two parties.

ARTICLE VI

General Provisions

6.01 Termination of the Contract by the PHC and SRSO

- (a) Either party may by advance written notice of 90 days to the other party terminate the Contract:
- (b) In case termination notice has been served by either party, SRSO shall not incur any expenditure except essential recurring expenditures till the contract is terminated. SRSO shall return balance unspent amount to the PHC and settle all accounts within 30 days of the expiry of the termination notice period.

6.02 Settlement of Dispute

Any dispute or difference arising out of the Contract which cannot be amicably settled between the parties shall be finally settled under the Rules of Conciliation and Arbitration by one or more arbitrators appointed by mutual agreement there-under. The Arbitration shall take place in Karachi. The resulting award shall be final and binding on the parties and shall be in lieu of any other remedy.

6.03 Force Majeure

- (a) 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 Contract, and if such party gives to the other party written notice of the event within fourteen (14) 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.
- (b) Neither party shall be liable to the other party for loss or damage sustained by such other party arising from any event or delays arising from such event.
- (c) The term "force majeure", as employed herein shall mean acts of Allah (swt), strikes, lock-outs or other industrial disturbances, acts of the public enemy, wars, blockades, insurrection, riots, epidemics, landslides, earthquakes, storms, lightning, floods, washouts, civil disturbances, explosions, unwillingness of the community, 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.

6.05 Variation of Contract

The Contract may be varied by agreement between the parties. All such variations, including variations in the cost estimates and in the amount specified in Section 3.01, shall be in writing signed by the duly authorized representatives of the parties.

ARTICLE VII

Effective Date; Miscellaneous

7.01 Effectiveness

The Contract shall become effective upon the date notice is given to proceed with the Services under Section 1.02 and shall be in full force until the Services and all payments there-for have been completed and at such time the parties here to shall be mutually released from all obligations hereunder. The contract shall be for a period of nine months ending in November 2009 or which ever is earlier. The contract may be further extended for period to be mutually agreed by both the parties.

7.02 Authorized Representative

Any action required or permitted or permitted to be taken, and any document required or permitted to be executed, under this Contract, may be taken or executed on behalf of the SRSO by the Chief Executive Officer

or his designated representative and on behalf of the PHC by the Land Utilization Department or his representative.

7.03 Notice or Requests

Any notice or request required or permitted to be given or made under this Contract shall be in writing in the English language. Such notice or request shall be deemed to be duly given or made when it shall have been delivered by hand, mail or cable to the party to which it is required to be given or made at such party's address specified below, or at such other address as either party may specify in writing.

7.04 Taxes

All taxes as levied by Federal/Provincial government will be recovered at source, alternatively SRSO have to produce an exemption from CBR to that effect.

For the PHC:

Name: Peoples Housing Cell, Government of Sindh,
Address: Mezzanine Floor, Beaumont Plaza, Beaumont Road, Near PIDC House, Karachi
Phone 92-021-9204178 Fax: 021-5680117

For the SRSO:

Name: Sindh Rural Support Organization
Address: B-34 Hamdard Housing Society, Airport Road, Sukkur
Phone: 071 – 5633516, 5633657 Fax: 071- 5631791

IN WITNESS WHEREOF, the parties here to have caused this Contract to be signed in their respective names as of the day and year first above written.

FOR AND ON BEHALF OF PHC

FOR AND ON BEHALF OF SRSO

Chief Executive Officer

WITNESS

WITNESS

Coordinator, SRSPCon

List of Annexes

Appendix A	TOR
Appendix B	Technical features of house (BoQ, cost estimates, Social Mobilization – Recurring/Operational Costs etc))
Appendix C	Personnel
Appendix D	Schedule of Payments
Appendix E	Capacity building of Village Organizations (detail)
Appendix F	Work Plan and Year wise Targets

TERMS OF REFERENCE FOR SINDH RURAL SUPPORT ORGANIZATION'S SERVICES

The project of construction of 200 low cost houses will be implemented in the selected Union Councils of Districts Khairpur, Sukkur, Shikarpur, Larkana and Jacobabad (40 houses in the selected UCs of each districts). Each house consists one room measuring 16x14 with verandah, kitchen and toilet. These houses will be constructed by SRSO @ Rs. 252,000 per house. People's Housing Cell , Government of Sindh will finance the project SRSO will report to PHC and will be responsible for the following tasks:

- 1- Select beneficiaries in the Union Councils of Khairpur, Sukkur, Shikarpur Larkana and Jacobabad Districts of the province that are below the poverty-line and specially those that are houseless, with special emphasis on women
- 2- Technical features of the model house and drawings are attached as **Appendix B.**
- 3- The communities will be mobilized, sensitized and educated to shift to houses.
- 4- Selection of village in accordance with the detailed poverty survey completed by SRSO and prepared Poverty Score Card.
- 5- Selection of beneficiaries based on the data pertaining to families are available with SRSO.
- 6- Only those villages will be selected where communities have been mobilized by SRSO and formed Community Organizations (COs).
- 7- Beneficiaries are being selected from those villages where COs are working effectively. Poor families which score zero on Poverty Score Card will be selected.
- 8- Preference will be given to those villages where the houses are in deplorable conditions and have been damaged due to natural disasters.
- 9- Target date for completion of this project is fixed for 9 months.
- 10- SRSO shall implement the project through efficient local NGOs. The project management team will facilitate the NGOs and the local vendors to learn the technology and make things available to the respective NGOs for actual house construction.
- 11- Provide a total of about 117 person-months over an implementation period of 9 months, using participatory techniques for needs assessment and social mobilization of households that are below the poverty line according to the poverty score card results.
- 12- Train, motivate and build capacity of Village Organizations and create linkage with various other programmes of the Government of Sindh,
- 13- Provide technical assistance to the selected household for constructing the low cost house which would include technical support to design infrastructure improvements and guide construction; and their obligation and cost contribution, such as the provision of locally available materials and labor, and the responsibility for operation and maintenance (O&M) of completed works;
- 14- Provide periodical reporting on physical and financial progress to the Government of Sindh.

PERSONNEL

S. No	Name of Post	Qualifications	Experience
1.	Team Leader	Masters Degree/ Equivalent	8-10 years' of managerial experience in integrated rural development
3.	Professional Engineer	B.Sc. Engineering (Civil)	Three years experience in civil engineering
4.	Professional Sub- Engineer	Diploma. Engineering (Civil)	Two years experience in civil engineering
5.	Accounts and Finance Officer	Articles with a firm of Chartered Accountants or M Com with experience	Three years experience as senior accountant and internship with RSP
6.	Social Organizers (Male)	Master Degree Holder/ Equivalent	Minimum of 3 years experience in the social mobilization and 6 months internship with RSP
7.	Social Organizers (Female)	Bachelors Degree Holder/ Equivalent	Minimum of 3 years experience in the social mobilization and 6 months internship with RSP
8.	Finance & Admin Assistant	B. Com with experience	Two years experience as accountant and internship with RSP

Suggested qualifications and experience:

S. No	Name of Post	Qualifications	Experience
1.	Team Leader	MSc (Rural Development), M.A Economics or equivalent	8-10 years' of managerial experience in related field.
3.	Professional Engineer	B.E / B.Sc. Engineering (Civil)	Three years experience in related field.
4.	Professional Sub-Engineer	Diploma of Associate Engineer (DAE) Civil	Two years experience in related field.
5.	Accounts and Finance Officer	MBA (Finance), M.A Economics or M.Com	Three years experience as accountant.
6.	Social Organizers (Male)	M.A Sociology, M.A or MBA / Equivalent	Minimum 3 years experience in social mobilization.
7.	Social Organizers (Female)	M.A Sociology, M.A or MBA / Equivalent	Minimum 2 years experience in the social mobilization.
8.	Finance & Admin Assistant	BBA, B. Com or B.A	Two years experience as junior accountant and internship with any well-reputed organization.

**Cost Estimates in Service
(Programme Package & Social Mobilization Costs)**

Activity	Rate/ Low Cost House	March-August 2009		August-Nov 2009		Grand Total	
		No.	Amount	No.	Amount	No.	Amount
Amount for construction of 200 households @ Rs.252.000/- per low cost house.	252,000	100	25,200,000	100	25,200,000	200	50,400,000
Grand Total			25,200,000		25,200,000		50,400,000

SCHEDULE OF PAYMENTS

Schedule of Payments	% age	Amount/ House	No. of Houses	Total Amount Payable to SRSO
Upon signing of the contract (Mobilization advance)	10%	25,200	200	5,040,000
On commencing the physical activity at site	15%	37,800	200	7,560,000
On completion of the houses up to roof level	40%	100,800	200	20,160,000
On completion of entire project	35%	88,200	200	17,640,000
Grand Total	100 %	252,000	200	50,400,000

WORK PLAN & TARGETS

Sl. No	Activity	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09
1	Contract to be signed with PHC									
2	Bank Account to be designated and notified to PHC									
3	Funds to be released by PHC									
4	Staff to be designated									
5	Households to be identified with District Government Officials									
6	Households to be mobilized and Terms of Partnership signed									
7	Layout given for Households		100 Hhds	100 Hhds						
8	Construction work initiated		100 Hhds	100 Hhds						
9	Work completed upto Foundation level		70 Hhds	90 Hhds	40 Hhds					
10	Work completed upto Super Structure Plinth level			50 Hhds	80 Hhds	70 Hhds				
11	Work completed upto Roof level				50 Hhds	80 Hhds	70 Hhds			
12	Roof material laid				50 Hhds	80 Hhds	70 Hhds			
13	Boundary wall Constructed					50 Hhds	80 Hhds	70 Hhds		
14	Plaster work Completed						50 Hhds	80 Hhds	70 Hhds	
15	Low Cost House Completed							50 Hhds	80 Hhds	70 Hhds