

CONTRACT AGREEMENT

This agreement made on the day of ----- between---
-----Contractor R/O------(Hereinafter Called
the 1st Party) and Shri-----
,Commissioner, Municipal Corporation, Shimla on Behalf of Municipal
Corporation, Shimla (Hereinafter Called the 2nd Party) to Sign their
Agreement:

1. Whereas the Municipal Corporation, Shimla has invited the tender for work known as----- and the contractor(i.e. 1st Party) has submitted his rates in pursuance to the notice inviting tender, along with the other contractors and the rates as mentioned in the award letter No.----- dated----- of the contractor for the execution of the above work has been accepted by the Municipal Corporation, Shimla.
2. The contractor (1st Party) shall abide by all the conditions laid down in the tender form No. MW-7 and the terms & conditions mentioned in the award letter dated----- issued in connection with this work.
3. The 1st party shall observe the time allowed for carrying out the work strictly and time limit for completion of the work shall be the essence of the contract on the part of the 1st Party. The work of the contract be proceeded with all due diligence and in case of non completion of work within the stipulated period the 1st Party shall pay a penalty/Compensation of an amount equal to 1% on the tender cost for delay of each day to the 2nd party. However, if the 2nd party is satisfied that the delay is due to bonafide reasons or due to circumstances beyond the control of the First Party it may realize this

penalty at a rate less than are percent. Provided further that nothing shall prevent the 2nd party to debar the 1st Party from understating any further works/contract of M.C. Shimla in addition to the said compensation/penalty if he is satisfied that the delay is attributable to the negligence, carelessness or incompetence of the 1st party.

4. The 2nd Party i.e., Commissioner, Municipal Corporation, Shimla shall have a right to rescind the contract in respect of any delay or inferior workmanship or other-wise for any breach of the contract. Upon such rescinding, the earnest money of the contractors i.e., 1st Party shall be liable to be forfeited in favour of Municipal Corporation, Shimla.

5. If the contractor, desires the extension of time for completion of the work due to bonafide reasons he shall apply in written to Municipal Engineer, Municipal Corporation, Shimla under whose supervision the work is being executed. The Municipal Engineer shall grant extension up to a period one month in his opinion it is necessary, provided that any extension of the contracted time limit beyond the period of one month can only be granted with the permission of the 2nd party.

6. The Contractor shall execute every part of work in the most substantial and work-man like manner and materials be used strictly in accordance with the HPPWD specifications given by the 2nd party. The Contractor shall also conform to the designs, drawings and instructions in respect of the work approved by Municipal Corporation, Shimla from time to time.

7. The 2nd party shall take every measure to ensure timely payment for the work done including running payment if admissible to

the 1st Party. However in case this payment is delayed after it is due, this factor will be taken in to consideration by the 2nd party while granting extension of time for completion of work as well as while calculating the compensation penalty in paras 3 & 5 of this Agreement.

In witness whereof the Contractor and Commissioner have here into set and subscribe their signatures in the presence of the witnesses on this day of -----
----- at Shimla.

In witness whereof.

1st Party
Witnesses
Contractor

1 -----

2nd Party
Commissioner,
Municipal Corporation, Shimla

2-----
