

VII. FORM OF CONTRACT AGREEMENT



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PROJECT : URBAN DRAINAGE PROJECT IN THE CITY OF JAKARTA 1)
PACKAGE - 2 TANJUNGAN DRAINAGE CHANNEL, AND PIK
JUNCTION DRAINAGE CHANNEL
CONTRACT (FUND) : 2)
Contract No. 3)
Dated

CONTRACT AGREEMENT

This Contract Agreement (hereinafter together with all Appendices attached hereto and forming an integral part hereof, called the "Agreement") dated

between

THE GOVERNMENT OF THE REPUBLIC OF INDONESIA (hereinafter called the "Employer") as represented by The PROJECT DIRECTOR, URBAN DRAINAGE PROJECT IN THE CITY OF JAKARTA, DIRECTORATE GENERAL OF HUMAN SETTLEMENTS, MINISTRY OF PUBLIC WORKS4)

and

..... 5)
duly organized and existing under and by virtue of the laws of

(hereinafter referred to as the "Contractor") for Urban Drainage Project (Package - 2 Tanjungan Drainage Channel, and PIK Junction Drainage Channel..... 6)

NOW THEREFORE it is hereby agreed by and between the parties hereto as follows :

1. In this agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract hereinafter referred to.
2. The Contractor shall execute, complete and repair the Works namely :

PROJECT : URBAN DRAINAGE PROJECT IN THE CITY OF JAKARTA..... 1)
Package - 2 Tanjungan Drainage Channel, and
PIK Junction Drainage Channel

Contract No.

in accordance with this Agreement and the Contract Documents as hereinafter defined. The Time for Completion from the receipt of the Notice to Proceed/Commencement Date shall be days, and the Defects Liability Period shall be days.

3. The Contract Documents as prescribed hereunder shall be deemed to form and be read and construed as part of this Agreement namely :

VOLUME ONE

I. This Contract Agreement *Including Schedules and Attachments named in Article 8 below and attached hereto.*

II. Letter of Acceptance, *including any agreed documents referred to herein or attachments hereto.*

III. Tender and the following Appendices thereto :

- 1) Summary of Specific Provisions
- 2) General Time Schedule
- 3) Unit Price Analysis and Basic Prices
- 4) Enclosures listed at Appendix 4 7)

IV. The Priced Bill of Quantities

V. Addenda Nos. 8)

VI. Annexes :

- 1) Performance Security
- 2) *Power of Attorney*
- 3) 9)

VOLUME TWO

- I. General Conditions of Contract
- II. Special Conditions of Contract

VOLUME THREE

- I. General Specifications
- II. Technical Specifications

VOLUME FOUR

The Drawings

Any document forming a part of the Contract Documents which bears a letter date shall prevail over documents of an earlier date in the same Contract Documents.

4. The terms, conditions and requirements of the Contract Documents shall prevail except any which are expressly modified or altered by this Agreement.

5. (a) The Contractor, subject to the provisions of the Contract shall :

Execute, complete and repair the Works with due care and diligence by providing all labour including supervision thereof, Construction Plant and Equipment, transport to or from the Site and in or about the Works and all other things whether of a permanent or temporary nature required for such execution, completion and repair as specified in or reasonably to be inferred from the Contract.

(b) Except as legally or physically impossible, the Works shall be executed, completed and repaired in strict accordance with the Contract until accepted by the Engineer after consultation with the Employer.

6. The Employer shall :

(a) Provide the Contractor with access to and use of, all land and premises to the extent as indicated on the Drawings and in the Contract Documents.

(b) Pay the Contractor the Contract Price for the execution, completion and repair of the Works as measured and determined on the basis of the unit and lump sum prices set forth in the Bill of Quantities at the times and in the manner prescribed in the Contract Documents or at such prices as may otherwise be determined under the terms of the Contract.

7. The Contract Price obtained from prices and the estimated quantities of work as indicated in the Bill of Quantities, subject to such additions thereto or deductions therefrom as may be made under the provision of the Contract, consists of :

Local Currency, Rupiah 10)
(Rp.) 11)
plus Foreign Currency (ies)

..... 10)
(.....) 11)

plus Government Taxes VAT/PPN at Ten (10) Percent of Local and Foreign Currencies, Rupiah 10)
(Rp.) 11)

and which, unless otherwise agreed, shall not be exceeded, consists of :
..... 10)
..... 11)

plus Foreign Currency (ies)
..... 10)
..... 11)

8. This Contract Agreement shall include and shall be read and construed in conjunction with :

(a) The Schedules and Attachments, if any, named hereunder and attached hereto :

- (i)
- (ii)
- (iii)

(b) *The particular provisions, if any, set out below additional to or amending matters provided for in the Contract Documents :*

- (i)
- (ii)
- (iii)

9. This Contract Agreement shall be in force on the date that it is executed between the parties, subject to the proviso that the Contract shall become effective only upon the approval by the competent authorities of the Government and the Financing Agency.

The Notice to Proceed will be issued only after the Contract has become effective. The Time for Completion of the whole of the Works shall commence from the date of receipt of the Notice to Proceed (Commencement Date).

10. This Contract Agreement shall extend to and be binding upon the parties hereto, their executors, successors and permitted assigns, who shall jointly and severally be entitled to the benefits of this Contract.

11. (a) That where there is any discrepancy between the Contract Documents, they shall govern each other in the following order :

- (1) Addendum/ Amendment, if any ;
- (2) This Contract Agreement ;
- (3) Special Conditions of Contract;
- (4) General Conditions of Contract;
- (5) Drawings;
- (6) Technical Specifications;
- (7) General Specifications;
- (8) Invitation to Tender ;
- (9) Instructions to Tenderers;
- (10) Form of Tender with Appendices ; and
- (11) Bill of Quantities.

In the Drawings, dimensions in figures shall govern dimensions of scale.

(b) For the purpose of this Contract, the parties agree to waive Clause 1266 of the Indonesian Civil Law (Kitab Undang-undang Hukum Perdata).

12. Except as otherwise provided for in the Contract or agreed between the parties the addresses to which certificates, notices, orders and requests for the respective parties shall be delivered are :

For the Employer :

Directorate General of Human Settlements,

Ministry of Public Works,

Jalan Raden Patah I/1, Jakarta Selatan (12110)

13)

Cable address : 021 - 7262805

Telex/fax address : 021 - 7260769

For the Engineer :

The Local Public Works, DPU DKI Jakarta

(Special Region of Capital City Jakarta)

Urban Drainage Project Executing Agency,

Jalan Taman Jatibaru No. 1, Jakarta Pusat (10260)

14)

Cable address : 021 - 3846608

Telex/fax address : 021 - 3860690

IN WITNESS WHEREOF, the parties hereto have caused this Contract Agreement to be signed in their respective names and delivered at the principal office of the Employer as of the day and year first hereinabove written.

For and on behalf of :

..... 5) Government of the Republic of Indonesia

by 15) by 16)

GUIDE FOR FILLING

- 1) = Name of Project
- 2) = Identification Number from the Financing Agency
- 3) = Name and Number of Package/Contract implemented
- 4) = Name of Employer's Representative
- 5) = Name of Contractor
- 6) = Name of Works
- 7) = Other Appendices determined to become part of the Contract
- 8) = Only Addenda having Contractual significance shall be listed
- 9) = Any other required Annexes
- 10) = Amount in words
- 11) = Amount in Figures
- 12) = English or Indonesian as stated in Appendix 1 to the Tender
- 13) = Name and Address of Agency of the Employer's Representative
- 14) = Name and Address of the Engineer
- 15) = Authorised Representative of the Contractor
- 16) = Authorised Representative of the Employer

Remarks :

Sentences, parts of Sentences, phrases or words printed in italics are intended for the guidance of the person drawing up the Contract Agreement.

They should be appropriately added to, deleted or amended as required.

The Contract Agreement as finally issued will be in upright type and should include only those matters relevant to the specific Contract.

VIII. SPECIMENS OF SECURITIES

FORM OF TENDER GUARANTEE
(BANK GUARANTEE)

1. WHEREAS 1)
..... 2)
(hereinafter called the "Employer") has invited :
..... 3)
..... 4)
(hereinafter called the "Tenderer ") to tender for

2. AND WHEREAS the Tenderer is bound by the Instructions to Tenderers, for the above mentioned Works, to provide to the Employer a Tender Guarantee in the amount of 5) (say)

3. NOW WE THE UNDERWRITERS, responsible and representative of 6)
..... 7)
having our registered office at :
..... 8)
(hereinafter called the "Bank"), and fully authorized to sign and to incur obligations in the name of the Bank, hereby declare that the Bank guarantees the Employer the full aforesaid amount as the Tender Guarantee of the Tenderer submitting a Tender for the above mentioned Works dated

4. THE CONDITIONS of this obligation are :
 - 4.1 In the event that the Tenderer withdraws said Tender before the expiration of the validity period of the Tender, or

 - 4.2 When the Tender is accepted within the validity period of the Tender and the Tenderer fails or refuses :
 - a) to furnish the required Performance Guarantee, or
 - b) to sign the Contract, or
 - c) to execute such further contractual document as may be required by the terms of Tender,

the Bank shall deliver the full amount to the Employer, upon the Employer's first demand without delay and notwithstanding any objections of the Tenderer the aforesaid amount.

5. This Guarantee shall remain valid in full force and effect for a period of9)(.....) calendar days from the time and date of Tender Opening, or such extension of the tender validity period as may be granted by the Tenderer in writing to the Employer, notice of which extension to the Bank being hereby waived.
6. Any demand in respect hereof should reach the Bank not later than10) (.....) days after this Bank Guarantee expiry date mentioned in item 5.
7. With reference to Clause 1832 of the Indonesian Civil Law (Kitab Undang-undang Hukum Perdata), the Bank shall relinquish the special right of claim on assets belonging to the Tenderer and for the seizure and sale of such assets for the discharge of his debts as required in Clause 1831 of the Indonesian Civil Law.

As a declaration of good faith of this Guarantee, we the underwriters, the legal representative of the Bank hereby sign and seal this Guarantee on the date of

BANK SEAL

(Witness)

(Guarantor)

NOTE :

- 1) = Name of the Employer
- 2) = Name of the Tenderer
- 3) = Address of the Tenderer
- 4) = Brief description of the Works
- 5) = The amount of Guarantee in Rupiahs and/ or other currency (ies) as specified in the Documents for Tendering
- 6) = Name of the Bank
- 7) = Address of the Bank
- 8) = The date of the Tender
- 9) = Number of days not less than the validity period specified in the Documents for Tendering

-
- 10) = Besarnya tergantung kepada jangka waktu berlakunya Penawaran dan berlakunya Jaminan Penawaran

A number subject to the validity period of the Tender and the validity period of the Tender Guarantee.

FORM OF TENDER SECURITY
(BOND)

Bond No. : Amount : 1)
KNOW ALL MEN BY THESE PRESENTS, that we 2)
as Tenderer, hereinafter called "the Principal" and 3) as Surety, hereinafter
called "the Surety", are held and firmly bound unto
..... 4)
as Employer, hereinafter called "the Obligee", in the amount of.....
..... 1) (say :)
for the payment of which sum, well and truly to be made, we the Principal and the Surety
bind ourselves, our successors and assignees, jointly and severally, firmly by this presents
that if the Principal fails to fulfill his obligation as specified in the Documents for
Tendering for
for which the tender is to be held by the Obligee on 6)

NOW, THEREFORE, the conditions of this obligation are :

- (1) If the Principal withdraws his tender during the period of tender validity specified in the Form of Tender, or
- (2) If the Principal, having been notified of the acceptance of his Tender by the Obligee during the period of Tender validity :
 - (a) fails or refuses to execute the Form of Contract Agreement in accordance with the Instructions to Tenderers, if required ; or
 - (b) Fails or refuses to furnish the Performance Security in accordance with the Instruction to Tenderers

Then this obligation shall remain in full force and effect as from up to
..... , otherwise it shall be null and void.

Any claim on this Bond as a result of the default by the Principal from the Documents for Tendering shall be made in written application by the Obligee promptly after such default arises, but not later than 3 (three) months after the Bond expires.

The Surety shall pay to the Obligee the full amount of this Tender Bond within 30 (thirty) calendar day after having received a written claim on the Obligee's Decree concerning the default by the Principal.

With reference to Clause 1832 of the Indonesian Civil Law (Kitab Undang-undang Hukum Perdata) herewith reaffirm that the Surety shall relinquish the special rights of claim on assets belonging to the Principal and for seizure and sale of such assets for the discharge of his debts as required in Clause 1831 of the Indonesian Civil Law.

Signed and sealed in dated.....

Principal,

Surety,

(.....)

(.....)

NOTE :

- 1) = Amount of the Bond in Rupiahs and/or other currency (ies) as specified in the Documents for Tendering.
- 2) = Name and address of the Tenderer
- 3) = Name and address of the Insurance or Bonding Company
- 4) = Name of the Employer
- 5) = Brief description of the Works
- 6) = Date of the Tender

FORM OF PERFORMANCE SECURITY
(BANK GUARANTEE)

1. WHEREAS 1)
..... 1)
(hereinafter called the "Employer") has provided the Contract to : 2)
..... 3)
(hereinafter called the "Contractor") to tender for 4)

2. AND WHEREAS the Contractor is bound by the Contract, to provide to the Employer a Performance Security in the amount of 5) (say)

3. NOW WE THE UNDERWRITERS, responsible and representative of 6)
..... 6)
having our registered office at : 7)
..... 7)
(hereinafter called the "Bank"), and fully authorized to sign and to incur obligations in the name of the Bank, hereby declare that the Bank Guarantees the Employer the full aforesaid amount of 8)
(say)
same as 9) (.....)
the percentage from the Contract Price for the above.

4. THE CONDITIONS of this obligation are :
 - 4.1 After the Contractor a sign the Contract above with Employer, so Bank shall be pay a lot of money to the Employer upto the total mentioned above it for indemnify to the Employer about the shortcoming of the Contractor during Construction of Works.

 - 4.2 The Bank shall deliver the money required by the Employer upon the Employer's first demand without the necessity of a previous notice of judicial or administrative procedure and without it being necessary to prove to the Bank the shortcoming of the contractor.

5. This Guarantee shall remain from the date of Contract sign upto 10)
(.....) day after the date Certificate for the second Submission of Works under the Contract or the Employer given the instruction to the Bank said that this Guarantee expires.

6. The Bank undertakes to extend the validity of this Guarantee under the same conditions as aforementioned to any and all modifications, alterations, variations and extensions of time of the Contract as they may hereafter be made in accordance with the provisions of the Contract, The bank agrees to waive consent and notification of such modifications, alterations, variations and extension of time of the Contract.

7. With reference to Clause 1832 of the Indonesian Civil Law (Kitab Undang-undang Hukum Perdata), the Bank shall relinquish the special right of claim on assets belonging to the Tenderer and for the seizure and sale of such assets for the discharge of his debts as required in Clause 1831 of the Indonesian Civil Law.

As a declaration of good faith of this Guarantee, we the underwriters, the legal representative of the Bank, hereby sign and seal this Guarantee on the date of

.....

BANK SEAL

(Witness)

(Guarantor)

NOTE :

- 1) = Name of the Employer
 - 2) = Name of the Contractor
 - 3) = Address of the Contractor
 - 4) = Name and Brief description of the Works
 - 5) = Percentage as mentioned in Appendix 1 to the Tender (Summary of Specific Provisions)
 - 6) = Name of the Bank
 - 7) = Address of the Bank
 - 8) = Amount of the Guarantee in Rupiahs and/or other currency (ies) as specified in the Contract Documents
 - 9) = The amount of the Guarantee in percentage of the Contract Price,
-
- 10) = Agar ditentukan besarnya oleh Panitia Pelelangan.
The Tendering Committee should specify as appropriate.

FORM OF PERFORMANCE SECURITY
(BOND)

Bond No. : Amount : 1)
KNOW ALL MEN BY THESE PRESENTS, that we 2)
..... 2)
as Contractor, hereinafter called "the Principal" and 3) as Surety,
hereinafter called "the Surety", are held and firmly bound unto
..... 4)
as Employer, hereinafter called "the Oblige", in the maximum amount of
..... 1)
is to be paid to the said Oblige, for which payment we the Principal and the Surety to bind
ourselves, our successors and assignees, jointly and severally, firmly by this presents that if
the Principal fails to fulfill his obligation in the performance of the Contract which has been
awarded to him under the Oblige's Letter of Acceptance No.
..... 5) dated and which is to be later
confirmed by a Contract for 6)
between the Oblige and the Principal which Contract is inherent within this Bond.

NOW, THEREFORE THE CONDITION OF THIS BOND, is such that, if the Principal shall promptly and faithfully perform said Contract, or shall indemnify, make good and reimburse to the Oblige, all loss and damage which Oblige may sustain by reason of failure or default on the part of the Principal so to do, then this obligation shall be void ; otherwise to remain in full force and effect as from up to and can be extended by the application of the Principal until the completion of the Works.

Any claim on this Bond shall be made in written application by the Oblige to the Surety promptly after the Principal fails fulfill his obligation, but not later then 3 (three) months after the Bond expires, as specified in the above Contract and is not caused by a force majeure. The Surety shall pay to the Oblige in the same amount of this Bond within 30 (thirty) calendar days after having received a written claim base on the Oblige's decree concerning the default by the Principal.

With reference to Clause 1832 of the Indonesian Civil Law (Kitab Undang-undang Hukum Perdata) herewith reaffirm that the Surety shall relinquish the special rights of claim on assets belonging to the Principal and for seizure and sale of such assets for the discharge of his debts as required in Clause 1831 of the Indonesian Civil Law.

Signed and sealed in dated

Principal,

Surety,

(.....)

(.....)

NOTE :

- 1) = Amount of the Bond in Rupiahs and/or other currency (ies) as specified in the Contract Documents.
- 2) = Name and address of the Contractor.
- 3) = Name and address of the Insurance or Bonding Company
- 4) = Name of the Employer
- 5) = Number of the Letter of Acceptance
- 6) = Brief description of the Works

FORM OF ADVANCE PAYMENT SECURITY
(BANK GUARANTEE)

1. WHEREAS 1)
..... 1)
(hereinafter called the "Employer") has signed a Contract :
with 2)
(hereinafter called the "Contractor")
for 3)
on 4)
number 5)

2. AND WHEREAS the according to said Contract, an Advance Payment of not more than
..... 6) (.....) percent of the Contract Price may be
paid by the Employer to the Contractor.

3. NOW WE THE UNDERWRITERS, responsible and representative of 7)
..... 7)
having our registered office at : 8)
..... 8)
(hereinafter called the "Bank"), and fully authorized to sign and to incur obligations in
the name of the Bank, hereby declare that the Bank guarantees the Employer the full
amount of :
..... 9) (Say :.....)

4. THE CONDITIONS of this obligation are :
 - 4.1 The Bank is engaged to refund the advance Payment or the remaining Advance
Payment if the Contractor after receiving the Advance Payment should fail to
commence or continue the Works, whatsoever the reason, and the Bank shall
forthwith return to the Employer the whole or the outstanding repayment value of
the Advance Payment.

 - 4.2 The Bank shall driver the money required by the Employer upon the Employe's firs
demand without delay and without the necessity of a previous notice of judicial or
administrative procedure and without it being necessary to prove to the Bank the
shortcoming of the Contractor.

5. This Guarantee shall remain valid for the duration of the Contract or until the date that the Advance Payment is fully repaid.

6. With reference to Clause 1832 of the Indonesian Civil Law (Kitab Undang-undang Hukum Perdata), the Bank shall relinquish the special right of claim on assets belonging to the Contractor and for the seizure and sale of such assets for the discharge of his debts as required in Clause 1831 of the Indonesian Civil Law.

As a declaration of good faith of this Guarantee, we the underwriters, the legal representative of the Bank, hereby sign and seal this Guarantee, we the underwriters, the legal representatives of the Bank, hereby sign and seal this Guarantee on the date of

.....

BANK SEAL

(Witness)

(Guarantor)

NOTE :

- 1) = Name of the Employer
- 2) = Name of the Contractor
- 3) = Name and brief description of the Works
- 4) = Date of the Contract
- 5) = Number of the Contract.
- 6) = Percentage as mentioned in Appendix 1 to the Tender (Summary of Specific Provisions)
- 7) = Name of the Bank
- 8) = Address of the Bank
- 9) = Amount of the Guarantee in Rupiahs and/or other currency (ies) as specified in the Contract Documents.

FORM OF ADVANCE PAYMENT SECURITY
(BOND)

Bond No. : Amount : 1)
KNOW ALL MEN BY THESE PRESENTS, that we 2)
..... 3) as Surety, hereinafter
as Tenderer, hereinafter called "the Principal" and 3) as Surety, hereinafter
called "the Surety", are held and firmly bound unto
..... 4)
as Employer, hereinafter called "the Obligee", in the amount of
..... 1) (say :)

is to be paid to the said Obligee, for which payment the Principal and the Surety to bind ourselves, our successors and assignees, jointly and severally, firmly by this presents.

WHEREAS the Principal has by written agreement dated : 5)
entered into a Contract with the Obligee to 6)
..... 6)
at an agreed Contract Price of
..... 7) (say :)
which Contract is inherent within this Bond.

Whereas the Obligee has agreed to advance to the Principal that sum amounting to
..... 1)

as an Advance Payment under said Contract,

As a guarantee of such Advance Payment, the Surety agreed to furnish an Advance Payment Bond with the conditions as follows :

If the Principal repays in full amount of the Advance Payment due under said Contract or the remaining Advance Payment, then this Bond shall be null and void; otherwise to remain in full force and effect as for the duration of the Contract or until the date the Advance Payment is fully repaid.

Any claim on this Bond as a result of the default by the Principal from the Documents for Tendering shall be made in written application by the Obligee promptly after such default arises, but not later than 3 (three) months after the Bond expires.

The Surety shall pay to the Obligee in accordance with the Contract, the unrepaid Advance Payment by the Principal at the latest 30 (thirty) calendar day after having received a written claim on the Obligee.

With reference to Clause 1832 of the Indonesian Civil Law (Kitab Undang-undang Hukum Perdata) herewith reaffirm that the Surety shall relinquish the special rights of claim on assets belonging to the Principal and for seizure and sale of such assets for the discharge of his debts as required in Clause 1831 of the Indonesian Civil Law.

Signed and sealed in ,dated

Principal,

Surety,

(.....)

(.....)

NOTE :

- 1) = Amount of the Bond in Rupiahs and/or other currency (ies)
- 2) = Name and address of the Contractor
- 3) = Name and address of the Insurance or Bonding Company
- 4) = Name of the Employer
- 5) = Date of the Contract Agreement
- 6) = Brief description of the Works
- 7) = Contract Price in Rupiahs and/or currency (ies) as specified in the Contract Documents.











