

CONTRACT FOR CONSULTANT'S SERVICES

CONSTRUCTION SUPERVISION SERVICES FOR _____

CDR Contract No. _____

between

COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION

REPUBLIC OF LEBANON

and

Notification Date: _____

TABLE OF CONTENTS

CONTRACT FOR CONSULTANT’S SERVICES	3
1. GENERAL PROVISIONS.....	3
1.1 DEFINITIONS	3
1.2 RELATION BETWEEN THE PARTIES.....	4
1.3 LAW GOVERNING CONTRACT	4
1.4 LANGUAGE.....	4
1.5 HEADINGS	4
1.6 NOTICES.....	4
1.7 LOCATION	5
1.8 JOINT VENTURES:	5
NOT APPLICABLE	5
1.9 AUTHORISED REPRESENTATIVES.....	5
1.10 TAXES AND DUTIES	5
2. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF CONTRACT	5
2.1 EFFECTIVENESS OF CONTRACT	5
2.2 TERMINATION OF CONTRACT FOR FAILURE TO BECOME EFFECTIVE	5
2.3 CONTRACT PERIOD AND COMMENCEMENT OF SERVICES.....	5
2.4 EXPIRATION OF CONTRACT.....	6
2.5 ENTIRE AGREEMENT	6
2.6 MODIFICATION	6
2.7 FORCE MAJEURE.....	6
2.8 SUSPENSION OF PAYMENTS.....	7
2.9 TERMINATION.....	7
3. OBLIGATIONS OF THE CONSULTANT.....	8
3.1 GENERAL	8
3.2 CONFLICT OF INTERESTS	9
3.3 CONFIDENTIALITY	9
3.4 LIABILITY OF THE CONSULTANT	9
3.5 INDEMNIFICATION OF THE CLIENT BY THE CONSULTANT.....	10
3.6 INSURANCE TO BE TAKEN OUT BY THE CONSULTANT	10
3.7 CONSULTANT’S ACTIONS REQUIRING CLIENT’S PRIOR APPROVAL	10
3.8 REPORTING OBLIGATIONS.....	11
3.9 DOCUMENTS PREPARED BY THE CONSULTANT TO BE THE PROPERTY OF THE CLIENT.....	11
4. CONSULTANT’S PERSONNEL	11
4.1 GENERAL	11
4.2 DESCRIPTION OF PERSONNEL.....	11
4.3 WORKING HOURS, OVERTIME, LEAVE, ETC.	11
4.4 REMOVAL AND/OR REPLACEMENT OF PERSONNEL.....	11
4.5 RESIDENT MANAGER.....	12
5. OBLIGATIONS OF THE CLIENT	12
5.1 ASSISTANCE.....	12
5.2 ACCESS TO LAND.....	12
5.3 PAYMENT	12
6. CONTRACT PRICE AND PAYMENTS.....	12
6.1 CONTRACT PRICE	12
6.2 CURRENCY OF PAYMENT.....	12
6.3 SECURITIES	12

6.4	MODE OF BILLING AND PAYMENT	13
7.	FAIRNESS AND GOOD FAITH.....	14
8.	SETTLEMENT OF DISPUTES	14
8.1	AMICABLE SETTLEMENT	14
8.2	JURISDICTION.....	14

LIST OF APPENDICES

APPENDIX A:	Terms of Reference
APPENDIX B:	Reporting Requirements
APPENDIX C:	Consultant's personnel
APPENDIX D:	Responsibilities of the Client
APPENDIX E:	Technical Information to be submitted by Consultant
APPENDIX F:	Remuneration of the Consultant
APPENDIX G:	Specimen Bank Guarantee for Performance Security
APPENDIX H:	Specimen Bank Guarantee for Advance Payment
APPENDIX I:	Not used Power of Attorney for Consultant's Representative
APPENDIX J:	Specimen Bid Security
APPENDIX K:	VAT Procedures
APPENDIX L:	Immediate Measures to Combat Corruption & Recover the Proceeds
APPENDIX M:	Expropriation Requirements

CONTRACT FOR CONSULTANT'S SERVICES

This CONTRACT (hereinafter, together with all Appendices attached hereto and forming an integral part hereof, called the "Contract") is made the _____ day of the month of _____, 202...,

between

THE COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION (CDR) of the Republic of Lebanon (hereinafter called "the Client"), on one hand,

and

_____ (hereinafter called "the Consultant"), on the other hand,

WHEREAS

- (A) the Client intends to carry out the Project related to "The Construction of Water Works in Oudi El Delem – El Mrajat – Qabb Elias and Makseh in Bekaa Region". (hereinafter called "the Project");
- (B) the Client has requested the Consultant to provide certain consulting services required for the Project, as defined in Appendix A;
- (C) the Consultant, having represented to the Client that he has the required professional skills, personnel and technical resources, has agreed to provide the Services on the terms and conditions set forth in this Contract.

NOW THEREFORE the parties hereto hereby agree as follows:

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 Republic of Lebanon;
- (b) Not Applicable;
- (c) "Contract" means this Contract between the Client and the Consultant;
- (d) "Effective Date" means the date on which this Contract comes into force and effect pursuant to Clause 2.1 hereof;
- (e) "foreign currency" means any currency other than the currency of the Republic of Lebanon;
- (f) "Government" means the Government of the Republic of Lebanon;
- (g) "Local currency" means the currency of the Republic of Lebanon;
- (h) "Personnel" means persons hired by the Consultant or by any Subconsultants as employees and assigned to the performance of the Services or any part thereof; "foreign Personnel" means such persons who at the time of being so hired had their domicile outside the Republic of Lebanon and "local personnel" means such persons who at the time of being so hired had their domicile inside the Republic of Lebanon;

- (i) "Party" means the Client or the Consultant, as the case may be;
- (j) "Project" means the project as described in Appendix A hereto, for which the Consultant is expected to provide the Services;
- (k) "Services" means the work to be performed by the Consultant pursuant to this Contract for the purposes of the Project, as describe in Appendix A hereto;
- (l) "Starting Date" means the date referred to in Clause 2.3 hereof;
- (m) "Subconsultants" means any entity to which the Consultant subcontracts any part of the Services in accordance with the provisions of Clause 3.7 hereinafter; and
- (n) "Third Party" means any person or entity other than the Government, the Client, the Consultant or a Subconsultant;
- (o) "Construction Contract" means the contract between the Client and the Contractor for the execution of the works.

1.2 Relation between the Parties

Nothing contained herein shall be construed as establishing a relation of master and servant or of agent and principal as between the Client and the Consultant. The Consultant has complete charge of Personnel performing the Services and shall be fully responsible for the Services performed by them or on their behalf hereunder.

1.3 Law Governing Contract

The meaning and interpretation of this Contract shall be governed by the laws of the Republic of Lebanon.

1.4 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.

1.5 Headings

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

1.6 Notices

- 1.6.1** Any notice, request or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorised representative of the Party to whom the communication is addressed, or when sent by registered mail or confirmed facsimile to such Party at the following address:

For the Client: COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION
Tallet El-Serail
Beirut Central District – Lebanon
Attention: The President of CDR
Telephone: (961-1) 981431/2
Facsimile: (961-1) 981252/3

For the Consultant: _____

Attention: Mr. _____
Telephone: _____
Facsimile: _____

- 1.6.2** Notice will be deemed to be effective as follows:

- (a) in the case of personal delivery or registered mail, on delivery; and
- (b) in the case of facsimiles, twenty-four (24) hours following confirmed transmission.

1.6.3 A Party may change its address for notice hereunder by giving the other Party notice of such change pursuant to this Clause.

1.7 Location

The Services shall be performed at such locations as are specified in Appendix A hereto and, where the location of a particular task is not so specified, at such locations as the Client may approve.

1.8 Joint Ventures:

Not Applicable

1.9 Authorised Representatives

Any action required or permitted to be taken, and any document required or permitted to be executed under this Contract, may be taken or executed:

- (i) on behalf of the Client by the President of CDR or his designated representative;
- (ii) on behalf of the Consultant by Mr. _____ or his designated representative.

1.10 Taxes and Duties

The Consultant shall pay all taxes, duties and charges imposed on them under the Laws of the Republic of Lebanon.

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") when the following conditions have been met:

- (a) The Contract has been approved by the Client;
- (b) The Contract has been signed by both Parties and notified to the Consultant.

2.2 Termination of Contract for Failure to Become Effective

If this Contract has not become effective within three (3) months of the date of signing by the Consultant, either Party may, by not less than thirty (30) 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 with respect hereto.

2.3 Contract Period and Commencement of Services

The period of the Contract of works to be supervised is **16 Months**, starting from the date of issuing the notice to commence ~~of the works~~ to the contractor in charge of execution of the works, in addition to 12 Months as Defects Liability Period.

The Consultant shall begin carrying out the Services not later than the "Starting Date" which is the ~~"Effective Date" or on such later date as the Parties may agree in writing~~ date of notification of the consultant a notice to commence of the services.

The time period of the supervision contract shall be related to the implementation contract period (including defects liability period).

2.4 Expiration of Contract

Unless terminated earlier pursuant to Clause 2.9 hereof this Contract shall be completed when pursuant to the provisions hereof the Services have been completed and accepted by the Client and the payments of remuneration have been made.

2.5 Entire Agreement

This Contract contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either Party has authority to make, and the Parties shall not be bound by or be liable for any statement, representation, promise or agreement not set forth herein.

2.6 Modification

Modification of the terms and conditions of this Contract, including any modification of the scope of the Services, may only be made by written agreement between the Parties.

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 hereunder impossible or so impractical as reasonably to be considered impossible in the circumstances, and includes, but is not limited to, war (whether declared or not), riots, civil disorder, earthquake, fire, explosion, storm, flood, strikes, lockouts or other industrial action (except where such strikes, lockouts or other industrial action 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 the Contract and (B) avoid or overcome in the carrying out of its obligations hereunder.

2.7.2 No Breach of Contract

The failure of a Party to fulfil any of its obligations hereunder 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 has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms and conditions of this Contract.

2.7.3 Measures to be Taken

- (a) A Party affected by an event of Force Majeure shall take all reasonable measures to remove such Party's inability to fulfil its obligations hereunder with a minimum of delay.
- (b) A Party affected by an event of Force Majeure shall notify the other Party of such event as soon as possible, and in any event not later than fourteen (14) days following the occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give notice of the restoration of normal conditions as soon as possible.
- (c) The Parties shall take all reasonable measures to minimise the consequences of any event of Force Majeure.

2.7.4 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.

2.7.5 Suspension of Contractual Obligations

During the period of Force Majeure, the obligations of each party under this Contract shall be suspended until the situation of Force Majeure has ceased to exist or the Contract has been terminated in accordance with Clause 2.9.1 (e).

2.7.6 Consultation

Not later than thirty (30) days after the Consultant, as the result of an event of Force Majeure, has become unable to perform a material portion of the Services, the Parties shall consult together with a view to agreeing on appropriate measures to be taken in the circumstances.

2.8 Suspension of Payments

The Client has the right, by written notice of suspension to the Consultant, to suspend all payments to the Consultant hereunder if the Consultant 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 Consultant to remedy such failure within a period not exceeding thirty (30) days after receipt by the Consultant of such notice of suspension.

2.9 Termination

2.9.1 By the Client

The Client has the right to terminate this contract by giving not less than thirty (30) days' written notice of termination to the Consultant, such notice to be given after the occurrence of any of the events specified in paragraphs (a) through (f) of this Clause 2.9.1:

- (a) if the Consultant fails to remedy a failure in the performance of his obligations hereunder, as specified in a notice of suspension pursuant to Clause 2.8 herein above, within thirty (30) days of receipt of such notice of suspension or within such further period as the Client may have subsequently approved in writing;
- (b) if the Consultant 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 Consultant fails to comply with any final decision reached as a result of legal proceedings pursuant to Clause 8 hereof;
- (d) if the Consultant submits to the Client a statement which has a material effect on the rights, obligations or interests of the Client which the Consultant knows to be false;
- (e) if, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) days; or
- (f) if the Client, in its sole discretion and for any reason whatsoever, decides to terminate this Contract.

2.9.2 By the Consultant

The Consultant has the right to 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 Clause 2.9.2:

- (a) if the Client fails to pay any money due to the Consultant pursuant to this Contract and not subject to dispute pursuant to Clause 8 hereof within forty-five (45) days after receiving written notice from the Consultant 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 Consultant may have subsequently approved in writing) following the receipt by the Client of the Consultant's notice specifying such breach;
- (c) if, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) days; or
- (d) if the Client fails to comply with any decision reached as a result of legal proceedings pursuant to Clause 8 hereof.

2.9.3 Cessation of Rights and Obligations

Upon termination of this Contract pursuant to Clause 2.9 hereof, or upon expiration of this Contract pursuant to Clause 2.4 hereof, all rights and obligations of the Parties hereunder shall cease, except (i) such rights and obligations as may have accrued on the date of termination or expiration, (ii) the obligation of confidentiality set forth in Clause 3.3 hereof, and (iii) any right which a Party may have under the Applicable Law.

2.9.4 Cessation of Services

Upon termination of this Contract by notice of either Party to the other pursuant to Clauses 2.9.1 or 2.9.2 hereof, the Consultant shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall keep expenditures for this purpose to a minimum. With respect to documents prepared by the Consultant and equipment and materials furnished by the Client, the Consultant shall proceed as provided, respectively, by Clause 3.9 hereof.

2.9.5 Payment upon Termination

Upon termination of this Contract pursuant to Clauses 2.9.1 or 2.9.2 hereof, the Client shall remunerate the Consultant for the Services satisfactorily performed prior to the effective date of termination.

2.9.6 Disputes about Events of Termination

If either Party disputes whether an event specified in paragraphs (a) through (e) of Clause 2.9.1 or in 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 jurisdiction 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 judicial award.

3. OBLIGATIONS OF THE CONSULTANT

3.1 General

3.1.1 Standard of Performance

The Consultant shall perform the Services and carry out his obligations hereunder with all due diligence, efficiency and economy, in accordance with generally accepted techniques and practices used in the construction industry and with professional engineering and consulting standards recognised by international professional bodies, and shall observe sound management, and technical engineering practices, and employ appropriate advanced technology and safe and effective equipment, machinery, materials and methods. The Consultant 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 Consultant shall perform the Services in accordance with the Applicable Law and shall take all necessary steps to ensure that any Subconsultants, as well as the Personnel and agents of the Consultant and any Subconsultants, comply with the Applicable Law.

3.2 Conflict of Interests

3.2.1 Consultant not to Benefit from Commissions, Discounts, etc.

The remuneration of the Consultant pursuant to Clause 6 hereof shall constitute the Consultant's sole remuneration in connection with the Contract or the Services and the Consultant 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 hereunder, and the Consultant shall ensure that any Subconsultants, as well as the Personnel and agents of either of them, similarly shall not receive any such additional remuneration.

3.2.2 Procurement Rules of Funding Agencies:

Not Applicable.

3.2.3 Consultant and Affiliates not to be otherwise interested in Project

The Consultant agrees that, during the term of this Contract and after its termination, the Consultant and any entity affiliated with the Consultant, as well as any Subconsultant and any entity affiliated with such Subconsultant, shall be disqualified from providing goods, works, or services (other than the Services and any continuation thereof) for the Project.

3.2.4 Prohibition of Conflicting Activities

Neither the Consultant nor their Subconsultants nor the Personnel of either of them shall engage, either directly or indirectly, in any business or professional activities in the Republic of Lebanon which would conflict with the activities assigned to them under this Contract.

The Consultant shall not conduct any interest with the Contractor and/or the Supplier under pain of liability that is assessed by the Client only.

3.3 Confidentiality

The Consultant, Subconsultants and their Personnel 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 Consultant

The Consultant shall be liable to the Client for the performance of the Services in accordance with the provisions of this Contract and for any loss suffered by the Client as a result of their default in such performance, subject to the following limitations:

- (a) the Consultant shall not be liable for any damage or injury caused by or arising out of the act, neglect, default or omission of any persons other than the Consultant, Subconsultants or the Personnel of either of them; and
- (b) the Consultant shall not be liable for any loss or damage caused by or arising out of circumstances of Force Majeure.

3.5 Indemnification of the Client by the Consultant

The Consultant shall keep the Client, both during and after the term of this Contract, fully and effectively indemnified against all losses, damage, injuries, deaths, expenses, actions, proceedings, demands, costs and claims, including, but not limited to, legal fees and expenses, suffered by the Client or any Third Party, where such loss, damage, injury or death is the result of a wrongful action, negligence or breach of Contract of the Consultant or their Subconsultants, or the Personnel or agents of either of them, including the use or violation of any copyright work or literary property or patented invention, article or appliance.

3.6 Insurance to be taken out by the Consultant

The Consultant (i) shall take out and maintain at their own cost but on terms and conditions approved by the Client, insurance against the risks set forth below, and (ii) shall provide evidence to the Client showing that such insurance has been taken out and maintained with an Insurance Company licensed by the Ministry of Commerce of the Republic of Lebanon and that the current premiums therefore have been paid. Copies of the relevant policies shall be presented to the Client within 20 days after the notification date.

- (a) Third Party motor vehicle liability insurance in respect of motor vehicles operated in the Republic of Lebanon by the Consultant or their Personnel or any Subconsultants or their Personnel;
- (b) Third Party liability insurance;
- (c) employer's liability and workers' compensation insurance in respect of the Personnel of the Consultant and of any Subconsultants, in accordance with the relevant provisions of the Applicable Law, as well as, with respect to such Personnel, any such life, health, accident, travel or other insurance as may be appropriate;
- (d) insurance against loss of or damage to (i) equipment purchased in whole or in part with funds provided under this Contract, (ii) the Consultant's property used in the performance of the Services, and (iii) any documents prepared by the Consultant in the performance of the Services;

3.7 Consultant's Actions requiring Client's prior Approval

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

- (a) appointing Personnel (other than the Personnel mentioned in Appendix C) to carry out any part of the Services in Lebanon, including the terms and conditions of such appointment;
- (b) entering into a subcontract for the performance of any part of the Services, it being understood (i) that the selection of the Subconsultant 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 Consultant shall remain fully liable for the performance of the Services by the Subconsultant and its Personnel pursuant to this Contract;
- (c) modify any approved drawing or design;
- (d) taking any action in the capacity of "Engineer" with respect to construction works executed under the Project for which action, pursuant to such "Construction Contract", the written approval of the Client as "Employer" is required.

3.8 Reporting Obligations

- (a) The Consultant shall submit to the Client the reports and documents specified in the Appendices A & B hereto, in the form, in the numbers and within the time periods set forth in said Appendices.
- (b) The Consultant has to prepare a Certificate of Delivery for goods exempted from customs duties, stating clearly that these goods were especially supplied for the Project.
- (c) The Consultant shall not give to the Contractor possession of any site that includes plots owned by individuals or legally occupied, without the issuance of a relevant seizure decision.
The Consultant shall be held responsible and be charged for any right or damage resulting from the Consultant's delivery of an unseized plot or use of an unexpropriated plot. The Consultant undertakes to pay to CDR any indemnities that may fall based on court decision, in such a case.
- (d) The Consultant shall present, with the final Tender Documents, a CD-ROM containing all conducted survey data and design information related to the project covered under this Contract using the Geographic Information System (GIS) according to the "GIS Requirements" included in Appendix A. The version presented should be the latest version of ArcGIS.

3.9 Documents prepared by the Consultant to be the Property of the Client

All plans, drawings, specifications, designs, reports and other documents prepared by the Consultant in performing the Services shall become and remain the property of the Client, and the Consultant shall, not later than upon termination or expiration of this Contract, deliver all such documents (including computer disks thereof) to the Client, together with a detailed inventory thereof. The Consultant may retain a copy of such documents but shall not use them for purposes unrelated to this Contract without the prior written approval of the Client.

4. CONSULTANT'S PERSONNEL

4.1 General

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

4.2 Description of Personnel

The titles, agreed job descriptions and minimum qualifications of each of the Consultant's Personnel are described in Appendix C.

4.3 Working Hours, Overtime, Leave, etc.

The remuneration of the Consultant shall be deemed to cover any overtime, sick leave or vacation leave. Any taking of leave by Personnel shall be subject to the prior approval of the Consultant who shall ensure that absence for leave purposes will not delay the progress and adequate supervision of the Services.

4.4 Removal and/or Replacement of Personnel

- (a) Except as the Client may otherwise agree, no changes shall be made in the Personnel. If, for any reason beyond the reasonable control of the Consultant, it becomes necessary to replace any of the Personnel, the Consultant shall forthwith 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 Consultant shall, at the Client's written request specifying the grounds therefore, forthwith provide as a replacement a person with qualifications and experience acceptable to the Client.

- (c) Any of the Personnel provided as a replacement under 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 dependants) the Consultant may wish to claim as a result of such replacement, shall be subject to the prior written approval by the Client. The Consultant shall bear all additional travel and other costs arising out of any removal and/or replacement. 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.

4.5 Resident Manager

The Consultant shall ensure that at all times during the Consultant's performance of the Services a Resident manager, acceptable to the Client, shall take charge of the performance of such Services.

5. OBLIGATIONS OF THE CLIENT

5.1 Assistance

The Client shall use his best efforts to facilitate the issue by the Government of documents and permits which are necessary for the prompt and effective implementation of the Services.

5.2 Access to Land

The Client warrants that the Consultant shall have, free of charge, unimpeded access to all land in the Republic of Lebanon in respect of which access is required for the performance of the Services.

5.3 Payment

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

6. CONTRACT PRICE AND PAYMENTS

6.1 Contract Price

According to Appendix F, the Consultant's fees for the Services to be executed under this Contract at the time of signing this contract amount to a percentage of _____ (___ %) percent of the value of the executed works.

At the time of signing this Contract, the estimated value of the works **is 2,119,903.25 \$.**

Consequently, the estimated amount of the supervision services is _____, (VAT not applicable according to the terms of the law No 379 dated 14/12/2001 amended by the law No 64 dated on 26/10/2017).

This amount shall be updated according to the final value of the construction works executed.

6.2 Currency of Payment

Payments shall be made in USD.

6.3 Securities

Performance Security

The Consultant shall provide the Client with a Performance Security of ten (10 %) percent of the price of the Contract, as referred to in clause 6.1, in the form of a bank guarantee to be submitted within ten (10) days following the "effective date". The Performance Security should be from a bank located in Lebanon or from a foreign bank through its correspondent in Lebanon. A specimen of the required bank guarantee for good performance of the Contract is attached hereto as Appendix G.

This guarantee shall be finally released to the Consultant upon Final Acceptance of the Consultant's Services by the Client, which shall take place upon the issue of the Defects Liability Certificate related to the ~~construction contract of all the works of the Project~~ being supervised.

Formatted: Font: Not Bold, No underline, Complex Script
Font: Not Bold

Retention Money

A retention amounting to ten (10%) per cent of the amounts due to the Consultant shall be made by the Client from each payment (except the advance payment).

The retention money related to the supervision services ~~of the construction contract of works of the Project~~, shall be paid to the Consultant upon ~~Provisional Acceptance of the Consultant's services by the Client for the construction contract of works of the Project, and which shall take place upon~~ the issue of the Taking-Over Certificate related to the ~~construction contract of the works of the Project~~ being supervised.

Penalties

If the Consultant fails to submit to the Client the deliverable reports or other services as defined in the time schedule mentioned in Appendix A, the Client shall have the right to impose a penalty on the Consultant at a daily rate of 0.2% of the price of the delayed part of the Services. The penalties shall be limited to a cumulative amount of 10% of the total contract price. In case the delay would exceed a period of 50 days the Client shall have the right to terminate the contract for default of the Consultant in accordance with Clause 2.9.1 above.

If the delay exceeds 20% of the contractual period and does not result from a Force Majeure, or from a Contractor's act, or from a Client's request, then the Consultants fees relative to the delay shall be determined as follows:

- if the delay is due to the Consultant act, then the Consultant shall bear 50% of the supervision fees for the period exceeding 20% of the contractual construction period.
- if the delay is due to an act of both the Consultant and the Contractor, then they shall jointly bear 50% of the supervision fees for the period exceeding 20% of the contractual construction period.

6.4 Mode of Billing and Payment

As stipulated in article (5) of the banking secrecy law dated 3/9/1956 and as stipulated in the resolution of the Council of Ministries No.4 dated 28/4/2020, the Contractor/Consultant agrees to lift banking secrecy over the bank account used to deposit or transfer public funds related to this Contract.

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

- (a) Within 60 days after the Effective Date and receipt of a bank guarantee to the amount of the advance payment, the Client shall cause to be paid to the Consultant an advance payment of 10% of the Contract amount mentioned in Clause 6.1. The advance payment will be set off by the Client by percentage deduction of 20% from each payment (except the advance payment) until the advance payment has been fully set off. The bank guarantee shall be issued to the Client by a bank located in Lebanon or from a foreign bank through its correspondent in Lebanon and remain effective until

the advance payment has been completely set off as provided above. The bank guarantee shall be in a form as specified in Appendix H hereto.

- (b) The Consultant shall be paid according to the percentage stated in Clause 6.1 above, applicable on each invoice related to the Executed Works presented by the Contractors and approved by the Client (before deductions for retention and advance payment recovery).
- (c) The Client shall cause the payment of the Consultant's statements within sixty (60) days of receipt by the Client of invoice with supporting documents. Only such portion of a statement that is not satisfactorily supported may be withheld from payment. Should any discrepancy be found to exist between actual payment and cost authorized to be incurred by the Consultant; the Client may add or subtract the difference from any subsequent payments.
In the event of the failure of the Client to make payment within the time stated above, the Client shall pay to the Consultant a simple interest at annual rate of Libor + 2%.
- (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 Consultant 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)-day period, gives written notice to the Consultant specifying in detail deficiencies in the Services, the final report or final statement. The Consultant 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 Consultant to the Client within thirty (30) days after receipt by the Consultant of notice thereof. Any such claim by the Client for reimbursement must be made within twelve (12) calendar months after receipt by the Client of a final report and a final statement approved by the Client in accordance with the above.

7. FAIRNESS AND 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 realisation of the objectives of this Contract.

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 the interpretation thereof.

8.2 Jurisdiction

In the event the Parties should be unable to arrive at an amicable settlement, the dispute shall be submitted to the competent Courts of the Republic of Lebanon.

IN WITNESS WHEREOF, the Parties hereto 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 THE CLIENT
Council for Development
and Reconstruction

FOR AND ON BEHALF OF THE CONSULTANT

Council for Development and Reconstruction

Nabil A. El-JISR
Authorised Representative

Supervision of the Construction of Water Works in
Ouadi El Delem – El Mrajat – Qabb Elias and
Makse

Authorised Representative