

**RDA/RNIP/PRP3/PHASE -1/PACKAGE - 4**



**DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA**  
**MINISTRY OF HIGHWAYS, PORTS & SHIPPING**  
**ROAD DEVELOPMENT AUTHORITY**

**CHINA DEVELOPMENT BANK FUNDED IMPROVEMENT  
 AND REHABILITATION OF  
 PRIORITY ROAD PROJECT 3 (PRP3)**

**CIVIL WORK CONTRACT NO: RDA/RNIP/PRP3/PHASE-1/PACKAGE-4**

Contract Component No.	Description
RDA/RNIP/PRP3/Phase-1/Package-4/C7	Kandy - Jaffna Road (1.65 - 3.9 km)
RDA/RNIP/PRP3/Phase-1/Package-4/C8	Marawila - Udubassawa Road (0.00 - 19.55 km)

**CONTRACTOR**

**HUNAN CONSTRUCTION ENGINEERING GROUP CORPORATION (HUNAN)**

<p><b>VOLUME 1</b></p> <p>(1) Contract Agreement</p> <p>(2) Letter of Acceptance</p> <p>(3) Letter of Tender</p> <p>(4) Appendix to Tender</p>
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**DECEMBER 2013**

**CONTRACT AGREEMENT**

*[Handwritten signature]*

## Contract Agreement

THIS AGREEMENT made on the 9<sup>th</sup> day of December 2013, between the Road Development Authority, 1<sup>st</sup> Floor, Sethsiripaya, Battaramulla, Sri Lanka (hereinafter referred to as "the Employer") represented by the Director General, Road Development Authority, 1<sup>st</sup> Floor, Sethsiripaya, Battaramulla, Sri Lanka, of the one part, and Hunan Construction Engineering Group Corporation (HUNAN), 788 Section 1, South Furong Avenue, Changsha, Hunan, P.R. China - Sri Lankan Office: No. 35, Unity Place, Colombo 03 (hereinafter referred to as "the Contractor"), of the other part:

WHEREAS the Employer desires that the Works, known as **Improvement & Rehabilitation of Contract Package No. RDA/RNIP/PRP3/Phase-1/Package-4** should be executed by the Contractor, and has accepted a Tender by the Contractor for the execution and completion of these Works and the remedying of any defects therein,

Contract Component No.	Description	Amount (Rs.)
RDA/RNIP/PRP3/Phase-1/Package-4/C7	Kandy - Jaffna Road (1.65 - 3.9 km)	1,998,034,356.76
RDA/RNIP/PRP3/Phase-1/Package-4/C8	Marawila - Udubaddawa Road (0.00 - 19.55 km)	2,546,343,137.57
<b>Total</b>		<b>4,544,377,494.33</b>

The Employer and the Contractor agree as follows:



1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Contract Documents referred to.
2. The following documents, listed in the order of priority, shall be deemed to form and be read and construed as part of this Agreement.
  - a) The Contract Agreement
  - b) The Letter of Acceptance
  - c) The Letter of Tender
  - d) Appendix to Tender
  - e) The Particular Conditions
  - f) The General Conditions of Contract
  - g) Technical Specification – Special Provisions and Appendix to Special Provisions
  - h) The Standard Specification
  - i) The Drawings
  - j) The Preamble to the Bill of Quantities
  - k) The Priced Bill of Quantities and Schedules
3. In consideration of the payments to be made by the Employer to the Contractor as indicated in this Agreement, the Contractor hereby covenants with the Employer to execute the Works and to remedy defects therein in conformity in all respects with the provisions of the Contract.

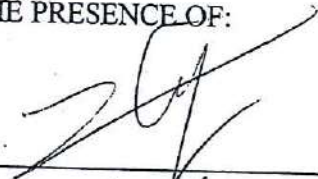
4. The Employer hereby covenants to pay the Contractor in consideration of the execution and completion of the Works and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with the laws of Sri Lanka on the day, month and year indicated above.

Signed, Sealed and Delivered

by the said:

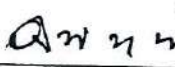
  
  
NAME: Lim Kun  
On behalf of Contractor

IN THE PRESENCE OF:  
  
G55869862  
NAME: ZHAO LIANG  
Address: No. 35. Unity Place  
Colombo 03.

by the said

  
NAME: R.W.R. Pemasiri  
Chairman, Road Development Authority

Chairman, Road Development Authority

  
NAME: O. RATHNAWEERA  
Working Director &  
Board Member  
Road Development Authority

NAME: \_\_\_\_\_

Board Member, Road Development Authority

On behalf of Employer

IN THE PRESENCE OF:

  
NAME: W A S Weerasinghe  
Director General  
Road Development Authority  
"Sethsiripaya"  
Batiaramulla.

NAME: \_\_\_\_\_

Address: \_\_\_\_\_



**LETTER OF ACCEPTANCE**

*Handwritten signature*



**මාර්ග සංවර්ධන අධිකාරිය**  
**வீதி அபிவிருத்தி அதிகாரசபை**  
**Road Development Authority**

"සෙත්සිරිපාය", වත්තරමුල්ල, ශ්‍රී ලංකාව.  
 "செத்சிரிபாய", பத்தரமுல்லை, இலங்கை.  
 "Sethsiripaya", Battaramulla, Sri Lanka

මගේ අංකය  
 எனது இல  
 My No. }  
 ඔබේ අංකය  
 உமது இல  
 Your No. }  
 දිනය  
 திகதி  
 Date }

6<sup>th</sup> December 2013.

Hunan Construction Engineering Group Corporation  
 788 Section1, South Furong Avenue,  
 Changsha, Hunan,  
 P.R. China.

Dear Sirs,

**China Development Bank Funded Priority Roads Project 3 - Phase 1**  
**Contract No. RDA/RNIP/PRP3/Phase-1/Package-4**  
**Letter of Acceptance**

1. This is to notify that your Tender dated 28<sup>th</sup> October 2013 for execution of the works in the following components under the Priority Roads Project 3 - Phase 1 as detailed below for the Accepted Contract Amount of SL Rupees 4,544,377,494.33 (SL Rupees Four Thousand Five Hundred Forty Four Million Three Hundred Seventy Seven Thousand Four Hundred Ninety Four and Cents Thirty Three only) equivalent to US Dollars 34,360,515.72 (US Dollars Thirty Four Million Three Hundred Sixty Thousand Five Hundred Fifteen and Cents Seventy Two Only) excluding VAT is hereby accepted by the Road Development Authority.

Contract Component No.	Description	Amount (Rs.)
RDA/RNIP/PRP3/Phase-1/Package-4/C7	Kandy - Jaffna Road (1.65 - 3.9 km)	1,998,034,356.76
RDA/RNIP/PRP3/Phase-1/Package-4/C8	Marawila - Udubaddawa Road (0.00 - 19.55 km)	2,546,343,137.57
<b>Total</b>		<b>4,544,377,494.33</b>

2. Pending the signing of a formal Contract Agreement, your offer referred to above together with this Letter of Acceptance shall form a binding contract between us only upon the Loan Agreement for funding this project has been executed by the Government of Sri Lanka and the Bank extending the Loan which event the RDA would inform in writing.
3. You are requested to furnish the Performance Security within 28 days of the Loan Agreement between the Government of Sri Lanka (GOSL) and the Bank extending the Loan becoming effective.

**Telephones :-**

Chairman 2862767, Director General 2862795, Working Director 2865779, General Numbers ++94-11-2871821-30  
 Additional Director Generals { Projects 2862485, AO&M 2864804, AD 2882194, P&P 2887463 }  
 Directorates { Administration 2865245, Engineering Services 2864803, Finance 2864799, Highway Designs 2874024,  
 Internal Audit 2865764, Lands 2889350, Legal 2885491, Mechanical 2872273, MM&C 2864804, Planning 2882995  
 Procurement 2787077, Rural Bridges 2623896, R&D 2632649, Training 2869342, Works 2864388 }

4. You are requested to submit a Power of Attorney effective till the expiry of the Defects Notification Period.
5. The contract/component reference numbers allocated are as given hereinabove and shall be quoted in all future correspondence on this Contract.
6. RDA will be represented by the Director General, Road Development Authority in matters connected with the Contract. Your correspondence to the Employer should be addressed to Road Development Authority, 1<sup>st</sup> Floor, Sethsiripaya, Battaramulla, Sri Lanka.
7. The Engineer for the purpose of the contract will be notified in due course.

Please acknowledge receipt of this letter and advise the date of receipt.

Yours faithfully,

  
**R.W.R. Permasiri**  
**Chairman**  
**Road Development Authority**

cc:

The Auditor General  
Secretary, Ministry of Highways, Ports & Shipping  
Director General, ERD  
Director General, RDA  
Commissioner General, Inland Revenue Department  
Chief of Sri Lanka Resident Mission, China Development Bank



**LETTER OF TENDER**

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## LETTER OF TENDER

NAME OF CONTRACT : Improvement & Rehabilitation of Contract Package No.  
RDA/RNIP/PRP3/Phase-1/Packege-4  
CONTRACT NO : RDA/RNIP/PRP3/Phase-1/Packege-4  
TO : Director General, Road Development Authority, 1<sup>st</sup> Floor,  
Sethsiripaya, Battaramulla, Sri Lanka.

Contract Component No.	Description	Amount (Rs.)
RDA/RNIP/PRP3/Phase-1/Packege-4/C7	Kandy - Jaffna Road (1.65 - 3.9 km)	1,998,034,356.76
RDA/RNIP/PRP3/Phase-1/Packege-4/C8	Marawila - Udubaddawa Road (0.00 - 19.55 km)	2,546,343,137.57
Total		4,544,377,494.33

We Hunan Construction Engineering Group Corporation (HUNAN) have examined the Conditions of Contract, Specification, Drawings, Bill of Quantities, the other Schedules and the attached Appendix to Tender for the execution of the above-named works.

Pursuant to negotiations on 23<sup>rd</sup> of October 2013 and the subsequent agreement with the Standing Cabinet Appointed Procurement Committee on 25<sup>th</sup> of October 2013, we offer to execute and complete the works and remedy any defects therein in conformity with this Tender which includes all the above named documents, for the sum of SL Rupees 4,544,377,494.33 (SL Rupees Four Billion Five Hundred Forty Four Million Three Hundred Seventy Seven Thousand Four Hundred Ninety Four Rupees Thirty Three Cents only) or such other sum as may be determined in accordance with the Conditions of Contract. This Amount is exclusive of VAT.

We acknowledge that the Appendix to Tender forms part of this Letter of Tender.

If this offer is accepted, we will provide the specified Performance Security, commence the works as soon as is reasonably practicable after the Commencement Date, and complete the works in accordance with the above named documents within the Time for Completion.

Signature ..... In the capacity of Authorized Representative duly authorized to sign tenders for and on behalf of Hunan Construction Engineering Group Corporation (HUNAN)

Address: 788 Section 1, South Furong Avenue, Changsha, Hunan, P.R. China

Sri Lankan Office: No. 35, Unity Place, Colombo 03

Date: 28<sup>th</sup> Oct., 2013



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**APPENDICES TO TENDER**

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**APPENDIX TO TENDER  
PRP3/C7**

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APPENDIX TO TENDER (PRP3/C7)

Item	Sub- Clause	Data
Employer's name and address.....	1.1.2.2 & 1.3	Name : Road Development Authority Address : 1 <sup>st</sup> Floor, "Sethsiripaya", Battaramulla.
Contractor's name and address.....	1.1.2.3 & 1.3	Hunan Construction Engineering Group Corporation (HUNAN), 788 Section 1, South Furong Avenue, Changsha, Hunan, P.R. China. Sri Lankan Office: No. 35, Unity Place, Colombo 03.
Engineer's name and address.....	1.1.2.4 & 1.3	To be notified in due course.
Time for Completion of the Works.	1.1.3.3	12 months
Defects Notification Period.....	1.1.3.7	365 days
Electronic transmission systems.....	1.3	Facsimile followed by confirmed delivery of the Original Copy of the Facsimile
Governing Law.....	1.4	The law in force is that of the Democratic Socialist Republic of Sri Lanka
Ruling Language.....	1.4	English
Language for communications.....	1.4	English
Time for access to the Site.....	2.1	07 days after the commencement date
Engineer's Duties and Authority....	3.1(b) (ii)	Variation resulting in an increase of the Accepted Contract Amount in excess of 0.01% and 2% as the aggregate of such variations shall require approval of the Employer.
Amount of Performance Security...	4.2	5% of the Accepted Contract Amount, in the currencies and proportions in which the Contract Price is payable.
		The Performance Security shall be an on-demand unconditional Bank Guarantee in the form and from a bank acceptable to the Employer. If the Performance Security is issued by a foreign bank situated outside Sri Lanka, it shall be endorsed by a bank in Sri Lanka acceptable to the Employer to make it enforceable in Sri Lanka. This

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*[Handwritten Signature]*

endorsement is unnecessary if the entity that issues the guarantee is an Export Credit Agency of any foreign government or a reputed International Financier acceptable to the Central Bank of Sri Lanka.

Normal working hours.....	6.5	7.00 a.m. to - 5.00 p.m. (Monday to Saturday)
Delay damages for the Works.....	8.7 & 14.15(b)	0.05% Per Day of the Accepted Contract Amount
Maximum amount of delay damages	8.7	10% of the Final Contract Price
<i>If there are Provisional Sums:</i>		
Percentage for adjustment of Provisional Sums	13.5(b)	15%
<i>If-Sub-Clause 13.8 applies:</i>		
Adjustments for Changes in Cost Table(s) of adjustment data.....	13.8	for payments each Month/ [YEAR] in Rupee (currency)

Source of Index (ICTAD Bulletin of Construction Statistics)

<u>Input ID</u>	<u>Input Name</u>	<u>Input PC</u>
M48	ABC Road Metal	16.0%
P02	Heavy Equipment	14.6%
M30C	Bitumen 60/70	13.9%
P01	Small Equipment	9.8%
P03	Fuel	10.0%
M07	Aggregate (Metal)	5.9%
L03	Unskilled Labour	4.6%
M13	Reinforcement Steel	4.3%
M8	Sand	3.6%
M04	Cement Weighted Average	2.4%
L02	Semiskilled Labour	1.6%
L01	Skilled Labour	1.3%
M43	Precast Items	1.1%
M06	Rubble	0.9%
	<b>Total</b>	<b><u>90.00%</u></b>

The "Non adjustable elements"	13.8(c)(i)	(i) All items of work listed in Bill No. 01(A): Preliminary and General Items. (ii) All works on Provisional Items or Sums (iii) Works done under Dayworks
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\* These values and dates confirm the definition of each index, but do not define Base Date indices.

Total advance payment	14.2	30% of the Accepted Contract Amount
Number and timing of instalments.	14.2	03 instalments as in Particular Conditions of contract
Currencies and proportions.....	14.2	70% in US\$ 30% in SLR
Start repayment of advance payment...	14.2(a)	See Provision in Sub Clause 14.2 of Particular Conditions of Contract.
Repayment amortization of advance Payment.....	14.2(b)	See Provision in Sub Clause 14.2 of Particular Conditions of Contract.
Percentage of retention.....	14.3	10%
Limit of Retention Money.....	14.3	5% of the Accepted Contract Amount
<i>If Sub-Clause 14.5 applies :</i>		
Plant and Materials for payment When shipped en route to the Site.....	14.5(b)(i)	Not applicable
Plant & Materials for payment when	14.5(c)(i)	1. Cement 2. Bitumen 3. Reinforcement Steel 4. Structural Steel 5. Processed Aggregates complying with the relevant specifications. 6. Sand 7. Pre cast items
Minimum amount of Interim Payment Certificates.....	14.6	1.5% of the Accepted Contract Amount
Currencies of payment.....	14.15	

Currency Unit	Percentage payable in the Currency	Rate of exchange: number of Local per unit of Foreign
Local: Sri Lankan Rupees (SLR)	30%	1.000
Foreign: US Dollars (US\$)	70%	The rate of exchange shall be that stipulated for the applicable foreign currency by the Central Bank of Sri Lanka as at 13/09/2013 viz. 1 US\$ = SLR 132.2558

Periods for submission of insurance :		
(a) evidence of insurance .....	18.1	within 28 days after date of receiving the notice to commence
(b) relevant policies.....	18.1	within 28 days after date of receiving the notice to commence
Maximum amount of deductibles for Insurance of the Employer's risks....	18.2(d)	Sri Lanka Rupees 10 Million
Minimum amount of third party Insurance	18.3	Sri Lankan Rupees 10 Million
Date by which the DAB shall be Appointed.....	20.2	42 days after the Commencement Date
The DAB shall be .....	20.2	Three Members
Appointment (if not agreed) to be Made by .....	20.3	The President of the Institution of Engineers, Sri Lanka