



DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA
MINISTRY OF HIGHWAYS, PORTS & SHIPPING

ROAD DEVELOPMENT AUTHORITY

CONSTRUCTION OF
EXTENSION OF SOUTHERN EXPRESSWAY FROM MATARA
TO HAMBANTOTA

SECTION 2 FROM BELIATTA TO WETIYA

CONTRACT AWARDED TO
CHINA STATE CONSTRUCTION ENGINEERING CORPORATION LTD

CIVIL WORK CONTRACT NO: RDA/SEEP/CONT-S2

VOLUME 1

CONTRACT AGREEMENT
LETTER OF ACCEPTANCE
LETTER OF TENDER
APPENDIX TO TENDER

SEPTEMBER 2014

Handwritten initials/signature

VOLUME 1

- (a) The Contract Agreement
- (b) The Letter of Acceptance
- (c) The Letter of Tender
- (d) Appendix to Tender

VOLUME 2

- (a) The Particular Conditions
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VOLUME 1

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(b) Letter of Acceptance.....

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CONTRACT AGREEMENT

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Contract Agreement

THIS AGREEMENT made on the 29th day of September 2014, between the Road Development Authority (RDA), (an authority incorporated under the Road Development Authority Act No.73 of 1981 as amended through Act No.37 of 2009 of Sri Lanka and having its Head Office on the 1st Floor, "Sethsiripaya", Battaramulla, Sri Lanka (hereinafter called "The Employer") which term means and includes the said RDA, its successors, assigns and liquidators represented by the Director General, Road Development Authority of the one part, and China State Construction Engineering Corporation Ltd, having its Head Office at No.15 Sanlihe Road, Haidian District, Beijing, China, and a Branch Office in Sri Lanka at No. 445A 7/1 Galle Road, Colombo 3. (hereinafter referred to as "the Contractor"), of the other part:

WHERE AS the Employer desires that the Works, known as, Construction of Extension of Southern Expressway, Section 2 - Beliatta to Wetiya Contract Package No. RDA/SEEP/CONT/S2 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.

Component Reference No.	Description	Section (km)	Amount (SLR)
RDA/SEEP/CONT/S2	Construction of Extension of Southern Expressway Section 2 - Beliatta to Wetiya	26	55,200,000,000.00

The Employer and the Contractor agree as follows:

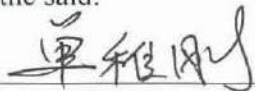
1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Contract Documents referred to hereunder.
2. The following documents, listed in the order of priority, shall be deemed to form and be read and construed as part of this Agreement.
 - a) 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) Scope of Work
 - k) The Preamble to the Bill of Quantities
 - l) The Priced Bill of Quantities

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.
5. The Employer in the event a Loan Agreement is not entered into between the GOSL and the EXIM Bank would compensate China State Construction Engineering Corporation Ltd in respect of works executed by China State Construction Engineering Corporation Ltd upon signing of this Agreement supported by proper and adequate documentary evidence etc.

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: SHAN ZHIGANG -
CHINA STATE CONSTRUCTION
ENGINEERING CORPORATION LIMITED
On behalf of Contractor

P00761654

SHAN ZHIGANG
Authorised Representative



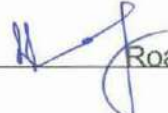
IN THE PRESENCE OF:



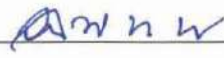
NAME: ALEXANDER SAMUEL
DUCKWORTH

Address: 155, DHARMAPALA MAWATHA
COLOMBO 7

by the said

R. W. R. PEMASIRI
Actg. Chairman
Road Development Authority


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

 O. RATHNAWEERA
Working Director &
Board Member
Road Development Authority

Board Member
Road Development Authority

On behalf of Employer

IN THE PRESENCE OF:

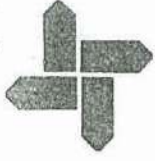

DIRECTOR GENERAL
ROAD DEVELOPMENT AUTHORITY
"SETHSIRIPAYA"
BATTARAMULLA

Address: _____

LETTER OF ACCEPTANCE

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வீதி அபிவிருத்தி அதிகாரசபை
Road Development Authority

"සෙත්සිරිපාය", බත්තරමුල්ල, ශ්‍රී ලංකාව.
"செத்சிறிபாய", பத்தரமுல்லை, இலங்கை.
"Sethsiripaya", Battaramulla, Sri Lanka.

මගේ අංකය } RDA/RNIP/SEEP/NP/S2/1
எனது இல }
My No. }
ඔබේ අංකය }
உமது இல }
Your No. } 6th September 2014.
දිනය }
திகதி }
Date }

China State Construction Engineering Corporation Ltd
No.15 Sanlihe Road
Haidian District
Beijing
China

Dear Sir,

CONTRACT PACKAGE NO : RDA/SEEP/CONT/S2
Construction of Extension of Southern Expressway, Sri Lanka
Section 2 - Beliatta to Wetiya
Letter of Acceptance

1. This is to notify you that your Tender dated 30th August 2014 for execution of the Construction of Extension of Southern Expressway, Sri Lanka, Section 2 - Beliatta to Wetiya as detailed below (Contract No. RDA/SEEP/CONT/S2) for the Accepted Contract Amount of SL Rupees 55,200,000,000.00 (SL Rupee Fifty Five Thousand Two Hundred Million only) equivalent to US Dollars 423,875,233.25 (US Dollars Four Hundred Twenty Three Million Eight Hundred Seventy Five Thousand Two Hundred Thirty Three and Cents Twenty Five only.) is hereby accepted by the Road Development Authority. This Amount is exclusive of VAT.
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.
4. You are requested to submit a Power of Attorney effective till the expiry of the Defects Liability Period.
5. The contract reference number allocated is as given above and shall be quoted in all future correspondence on the Contract.

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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, NP 2887463}
Directorates {Administration 2865245, Engineering Services 2864803, ESD 2868470, Finance 2864799, Highway Designs 2874024,
Internal Audit 2865764, Lands 2889350, Legal 2885491, Mechanical 2872273, MM&C 2882196, Planning 2882995
Procurement 2884790, R&D 2632649, Rural Bridges 2623896, Training 2869342, Works 2864388}

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, 1st 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. Pemasiri
Chairman
Road Development Authority

- cc. The Auditor General.
Secretary, Ministry of Highways, Ports & Shipping
Director General, ERD
Director General, RDA
Commissioner General of Inland Revenue
Chief, Exim Bank of China

RWRP/RMG/m

AP/SE/S2/NP

THE LETTER OF TENDER

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LETTER OF TENDER

NAME OF CONTRACT : Construction of Extension of Southern Expressway, Sri Lanka
Section 2 - Beliatta to Wetiya

CONTRACT NO : RDA/SEEP/CONT/S2

TO : Director General, Road Development Authority, 1st Floor,
Sethsiripaya, Battaramulla, Sri Lanka.

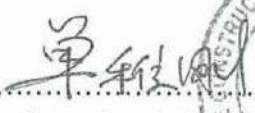
Component Reference No.	Description	Section (km)	Amount (SLR)
RDA/SEEP/CONT/S2	Construction of Extension of Southern Expressway Section 2 - Beliatta to Wetiya	26	55,200,000,000.00

We **China State Construction Engineering Corporation Ltd** 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 29th August 2014 and the subsequent agreement with the Standing Cabinet Appointed Procurement Committee on 29th August 2014, 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 55,200,000,000.00 (SL Rupee Fifty Five Thousand Two Hundred Million only) equivalent to US Dollars 423,875,233.25 (US Dollars Four Hundred Twenty Three Million Eight Hundred Seventy Five Thousand Two Hundred Thirty Three and Cents Twenty Five 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 **China State Construction Engineering Corporation Ltd**, having its Head Office at No.15 Sanlihe Road, Haidian District, Beijing, China, and a Branch Office in Sri Lanka at No. 445A 7/1 Galle Road, Colombo 3.

Date: 30th August 2014.

APPENDIX TO TENDER

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APPENDIX TO TENDER

<u>Item</u>	<u>Sub- Clause</u>	<u>Data</u>
Employer's name and address.....	1.1.2.2 & 1.3	Name : Road Development Authority Address : 1 st Floor, "Sethsiripaya", Battaramulla.
Contractor's name and address.....	1.1.2.3 & 1.3	China State Construction Engineering Corporation Ltd. No.15, Sanlihe Road, Haidian District, Beijing, China. Sri Lankan Office: No.455A 7/1, Galle Road, Colombo 03, Sri Lanka.
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	36 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	Access to site for purposes of carrying out surveys and investigations will be given to the contractor 14 days after signing the contract agreement. Access to site for purpose of commencing civil work construction will be given in stages as and when possession of site is legally available to the Employer.
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 0.2% 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 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 Friday)

7.00a.m. to 1.30pm (Saturday)
(If the contractor needs to work outside the normal working hours, he shall obtain the consent of the Engineer by giving notice not less than 12 hours prior to the Engineer to arrange adequate supervision.)

Delay damages for the Works.....

8.7 &
14.15(b)

0.05% Per Day of Accepted Contract Amount

Maximum amount of delay damages

8.7

05% of the Final Contract Price

Percentage for adjustment of Provisional Sums

13.5(a)

for works 30% on actual cost unless otherwise stipulated in the Specifications

for supplies 15% on actual cost unless otherwise stipulated in the Specifications

Percentage for adjustment of Provisional Sums

13.5(b)

For Nominated Subcontractor 15% of work on actual cost

Adjustments for Changes in Cost
Table(s) of adjustment data.....

13.8 I

Table of Input Percentages

Inputs		Percentages
P1	Small Equipment	05
P2	Heavy Equipment	18
P3	Fuel	09
M30C	Bitumen 60/70	10
L1	Skilled Labour	08
L3	Unskilled Labour	04
M13	Reinforcement Steel	07
M4	Cement	07
M8	Sand	04
M7	Metal	07
M48	ABC Road Metal	08
M6	Rubble	02
M21	Formwork Timber	01
	Total	90

The "Non adjustable elements"	13.8(c)(i)	(i) All items of work listed in Bill No. 100(A): Preliminary and General Items. (ii) All works on Provisional Items or Sums (iii) Day work
Total advance payment	14.2	20% of the Accepted Contract Amount
Number and timing of instalments.	14.2	03 instalment as in Particular Conditions of contract
Currencies and proportions.....	14.2	Fifteen percent (15%) of the Advance Payment shall be made in SLRs. Balance 5% of the Advance Payment shall be made in US Dollars (50%) and SL Rupees (50%).(If the Loan is from RMB, the currency proportion will be 50% in SLR and 50% in RMB)
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	6%
Limit of Retention Money.....	14.3	5% of the Accepted Contract Amount

If Sub-Clause 14.5 applies :

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.
Minimum amount of Interim Payment Certificates.....	14.6	1.0% of the Accepted Contract Amount
Delayed Payment	14.8	Foreign Currency LIBOR +0.5% per annum Local Currency –interest rate publish by the Central Bank of Sri Lanka (CBSL)+2% per annum

If some payments are to be made in a currency/ currencies not named on the first page of the Letter of Tender:

Currencies of payment..... 14.15

Currency Unit	Percentage payable in the Currency	Rate of exchange: number of Local per unit of Foreign
Foreign : US Dollars (US\$)	50%	The rate of Exchange shall be weighted average rate published by the Central Bank of Sri Lanka as at 28 th July 2014 is 1 US\$ = SLR 130.2270
Local Rupees (SLR)	50%	1.000

(Conversion of local currency
component shall be buying rate
published by the Central Bank of
Sri Lanka on the date of
certification of the respective
payments by the Engineer).

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 without limit to number of occurrences
Date by which the DAB shall be Appointed.....	20.2	42 days after the Commencement Date
The DAB shall be	20.2	Sole Member
Appointment (if not agreed) to be Made by	20.3	The President of the Institution of Engineers, Sri Lanka

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