



الجمعية اللبنانية  
للدراسات والتدريب

## WORKS CONTRACT

### Between the Undersigned:

**LOST**, THE LEBANESE ORGANIZATION OF STUDIES & TRAINING (“LOST”), a Lebanese NGO established in 1999 License No 37 AD, represented by [Dr. Rami Allakkis] Baalbeck Ras el Ein Lakkis bldg. 2nd floor

**Tel:** [08/371076]

**Email:** [r.lakkis@lost.com.lb]

**MOF no:** [295163]

hereafter „LOST “ -

AND

**[Company Name]** represented by [Mohammad Ali Alhoujiery]

**Address:** [ ]

**Tel:** [ ]

**Email:** [ ]

**MOF no:** [ ]

- hereafter „Contractor “ -

WHEREAS:

- A. LOST, in the project signed with **Deutsche Welthungerhilfe e.V.**, project number: [LBN-1005] project name:” [Supporting farmers and enhancing the agricultural environment in Baalbeck-Hermel]

The Contract will be established between LOST Baalbek Office and **Contractor Name and site Location to be mentioned here.**

By request for **Rehabilitation of open irrigation canal location:**

the Contract holder responded to Tender Ref. [A18/2021], representing that it is qualified, capable, and willing to provide the required works and constructions.

B. The both parties agree on trustful collaboration and mutual information-sharing in the event of operational difficulties or foreseeable time delays in the contract execution.

Now, therefore, based on mutual trust, LOST and Contractor have entered into the present Agreement.

## **Article 1 Preamble**

The above Preamble and the Annexes constitute an integral part of this Contract.

## **Article 2 Duration of Project Contract**

1. The present Contract shall commence on [00/00/2023] and terminate on [00/00/2023].
2. The Project shall start on the Commencement Date and be completed in accordance with the time-frame or schedule set out in the Project Document (“Time for Completion”).
3. LOST shall give the Contractor (5) five working days’ notice of the Commencement Date.
4. The Contractor is bound to mobilize to the work site immediately or by maximum the Commencement Date determined by LOST and completes the works within the Time for Completion.
5. Contractor is aware that he has no right of time extension and that LOST shall not approve requests for time extension for any reason or event except for an event of Force Majeure and as per the conditions described below (article 13).
6. If the Contractor fails to comply with the Time for Completion of the Works, the Contractor shall be subject to pay a delay penalty to LOST for default amounting 1% of the total Contract Price per day of delay and until completion of the works.

**Article 3 General Responsibilities of the Contractor**

1. The Contractor agrees to carry out his responsibilities in accordance with the provisions of the present Contract, and to undertake the Project in accordance with LOST policies and procedures.
2. The contractor has read and understood the "Supplier Declaration" as defined by LOST and commits to respect its terms by signing the "Declaration to respect LOST Good Business Regulations" attached to this Contract.
3. The Contractor shall determine and communicate to LOST the name of the person having the ultimate authority and responsibility for the Project on its behalf ("Project Manager"). The Project Manager shall be appointed by the Contractor, in consultation and with the approval of LOST.

The approval of the Contractor's personnel may at any time be withdrawn by LOST for reasons such as but not limited to:

- (a) Breach of any of the terms of contract;
- (b) Failure to respond to LOST's communications timely;
- (c) Failure to attend scheduled meetings;
- (d) Failure to act respectfully and professionally;
- (e) Failure to supervise the Works according to professional standards and good practices;
- (f) Failure to respect policies and procedures

If approval of any of the Contractor personnel is withdrawn by LOST, the Contractor shall, after receiving notice of such withdrawal, remove the relevant personnel from the Works and shall not thereafter employ him again on the Works in any capacity, and shall replace him by another person to be approved by LOST.

4. The contractor shall accept that the working area will be always accessible for LOST Project Manager and other LOST representatives and the donor.
5. The Contractor shall be fully responsible for all services performed by its personnel, agents, employees, or contractors (hereinafter referred to as "Personnel"). The Contractor personnel shall not be considered in any respect as being the employees or agents of LOST. The Contractor shall ensure that all relevant Lebanese labor laws are observed. LOST does not accept any liability for claims arising out of the activities performed under the present Contract, or any claims for death, bodily injury, disability, damage to property or other hazards that may be suffered by Contractor personnel as a result of their work pertaining to the Project. It is understood that adequate medical and life insurance for Contractor personnel, as well as insurance coverage for service

incurred illness, injury, disability or death, is the responsibility of the Contractor. The Contractor shall ensure that its personnel meet the highest standards of qualification and technical and professional competence necessary for the achievement of the Objectives of the Project, and that decisions on employment related to the Project shall be free of discrimination on the basis of race, religion or creed, ethnicity or national origin, gender, handicapped status, or other similar factors. The Contractor shall ensure that all Personnel are free from any conflicts of interest relative to the Project Activities.

6. Other obligations that the contractor must follow under this contract

6.1. The second party is committed to recruit each worker for at least 10 days.

6.2. The second party is committed to pay a minimum wage of 10 USD (fresh dollar) per day for each worker.

6.3. The second party is committed to pay workers on bi-weekly basis.

6.4. The second party is committed to ensure a safety working area, by taking all precautions, and provide workers with all necessary safety gears, as follow:

- Safety Jacket (With silver reflective tape).
- Safety Boot
- Gloves
- Mask
- Goggles

6.5. Also, the second party is committed to insure the workers by a workmen insurance policy to cover all work risk. A copy of the insurance should be presented by the winner contractor, before signing the contract.

6.6. LOST will closely monitor the payment process. Templates will be shared with the contractor.

6.7. LOST will closely monitor the working site, and the working conditions for workers on daily basis.

6.8. LOST will make a regular inspection and will survey the workers.

- 6.9. Any breach for above conditions (for the points from 6.1 until 6.9), will result in termination the contract; or Penalty of 0.2 % of the contract value is imposed for each breach recorded by LOST representative.
- 6.10. The second party is committed to apply the agreed specifications and prices that are provided in the tender document and not to change them.
- 6.11. The second party is committed to deliver all works within a period of maximum **xx** days after the date of site hand-over. A fine of 1 % of the contract value is imposed for each day of delay after the expiry of the contract.
- 6.12. The second party carries out all the works according to the specifications and drawings provided in the tender document and to the engineer's instructions/ or foreman appointed by the first party.
- 6.13. The second party is committed to all clauses on the Commitment paper attached to the tender document.

#### **Article 4 Operational Requirements**

1. Before works commence, the Contractor will need to sign a **Handing-Over Certificate** whereupon the Contractor shall take full responsibility for the LOST of the Works and materials and plant from the Commencement Date until the date of issue of the Taking-Over Certificate. The Contractor shall take full responsibility for the LOST of any outstanding Works and materials and plant which he undertakes to finish during the Defects Liability Period until such outstanding Works have been completed.
2. Within (5) five calendar days from signature of this Contract, the Contractor shall submit for LOST's review and approval the following:
  - a) **Program of the Works:** including schedule dates for preparation, submission and approval of technical drawings, submission and approval of samples, ordering and delivery of materials and plant, testing and commissioning. The Program shall show completion by the due date or earlier and shall be in sufficient detail to permit week-by-week a precise comparison between the work as programmed and the actual progress made.
  - b) **Samples of materials:** The Contractor shall supply samples of materials for testing as may be selected and required by LOST. The Contractor shall provide all such assistance at the Contractor's own cost including labor, electricity, fuels, stores, apparatus and instruments, as are normally required for examining, measuring and testing any materials or Plant.

- c) LOST reserves the right to examine, enquire and check the practicability of the Program and, if necessary, request revisions to it. Once approved the Program shall not be amended except with the written approval of LOST.
- d) Should LOST considers that the actual progress of the Works does not conform to the approved Program, the Contractor shall produce within maximum (1) one week, at the request of LOST, a catch-up program showing the modifications to the Program necessary to complete the Works within the Time for completion.
- e) The submission to and approval by LOST of the Program and any revision thereto, shall not relieve the Contractor of any of his duties, responsibilities, liabilities, or obligations under this Contract.

**3. Examination of Work before Covering Up**

No part of the Works shall be covered up or put out of view without the approval of LOST. The Contractor shall provide full opportunity for LOST to examine and measure any part of the Works which is about to be covered up or put out of view and to examine foundations before any part of the Works is placed thereon. The Contractor shall give notice to LOST whenever any such parts of the Works or foundations are ready or about to be ready for examination, and LOST shall without unreasonable delay examine and measure such parts of the Works, unless LOST considers it unnecessary and advises the Contractor accordingly.

**4. Uncovering and Making Openings**

The Contractor shall uncover any part of the Works or make openings in or through the same as LOST may instruct and shall reinstate and make good such part. If any such part has been covered up or put out of view after compliance with the requirement of the clause above and is found to be executed in accordance with the Contract, LOST shall determine the amount of the Contractor's costs in respect of such uncovering, making openings in or through, reinstating and making good the same, which shall be added to the Contract Price, and shall notify the Contractor accordingly. In any other case all costs shall be borne by the Contractor.

**5. Removal of Improper Work, Materials or Plant**

LOST shall have authority to issue instructions, and the cost to be borne by Contractor, for:

- a) the removal from the Site of any materials or Plant which, in the opinion of LOST, are not in accordance with the Contract,
- b) the substitution of proper and suitable materials or Plant, and
- c) the removal and proper re-execution of any work which is not, in the opinion of LOST, in accordance with the Contract, notwithstanding any previous test or interim payment.

## **6. Default of Contractor in Compliance**

In case of default on the part of the Contractor in carrying out such instruction within the time specified or within a reasonable time, LOST shall be entitled to employ and pay other persons to carry out the same. All resulting costs as determined by LOST will be recovered from the Contractor and be deducted from any moneys due or to become due to the Contractor. LOST shall notify the Contractor accordingly.

### **Article 5 Completion of the Works**

The Works or sections or parts thereof, shall be deemed to be completed only when the Works, sections or part thereof in the opinion of LOST is fully completed and a Taking-Over Certificate has been issued.

The Taking-Over Certificate shall not be issued until:

- a) The Works, or sections or parts thereof, are in the opinion of LOST ready to use.
- b) All services are tested and operating satisfactorily as specified and all required guarantees, indemnities and/or warranties have been handed over to LOST.
- c) Rectification of punch list items as may be required in the opinion of LOST to bring the Works, materials or Plant to completion has been carried out by the Contractor.

The Taking-Over Certificate shall state the date when the works were completed in accordance with the Contract, except for any minor outstanding work or defects which will not substantially affect the use of the Works for their intended purpose.

### **Article 6 Variations**

1. If, by reason of circumstances of the Works and their requirements, or for the purpose of completing the Works, variations in the form, quality or quantity of the Works or any part thereof, shall, in the opinion of LOST, be necessary, LOST shall have the authority to instruct the Contractor to do and the Contractor shall do any of the following:
  - a) increase or decrease the quantity of any work included in the Contract,
  - b) omit any such work,
  - c) change the character or quality or kind of any such work,
  - d) change the levels, lines, position and dimensions of any part of the Works,
  - e) execute additional work of any kind necessary for the completion of the Works,
  - f) change any specified sequence or timing of construction of any part of the Works.

No such variation shall in any way vitiate or invalidate the Contract, but the effect, if any, of all such variations shall be valued as specified below.

If the issue of an order to vary the Works is necessitated by some default of or breach of Contract by the Contractor or for which he is responsible, any additional cost attributable to such default shall be borne by the Contractor.

**2. Variation Orders**

The Contractor shall not make any such variation without an instruction of LOST in writing. For the purpose of this Clause, any increase or decrease in the quantities of any work executed in accordance with the Contract with respect to quantities shown in the Bill of Quantities shall not require the issuance of a Variation Order.

**3. Valuation of Variations**

All variations referred to above and any additions to the Contract Price which are required to be determined accordingly, shall be valued at the rates and prices set out in the Contract if, in the opinion of LOST, the same shall be applicable. If the Contract does not contain any rates or prices applicable to the varied work, the rates and prices in the Contract shall be used as the basis for valuation so far as may be reasonable, in agreement between LOST and the Contractor. In the event of disagreement LOST shall fix such rates or prices as are, in its opinion, appropriate and shall notify the Contractor accordingly. Until such time as rates or prices are agreed or fixed, LOST shall determine provisional rates or prices to enable on-account payments.

**4. Power of LOST to Fix Rates**

Provided that if the nature or amount of any varied work relative to the nature or amount of the whole of the Works or to any part thereof, is such that, in the opinion of LOST, the rate or price contained in the Contract for any item of the Works is, by reason of such varied work, rendered inappropriate or inapplicable, then, after due consultation by LOST with the Contractor, a suitable rate or price shall be agreed upon between LOST and the Contractor.

In the event of disagreement, LOST shall fix such other rate or price as is, in its opinion, appropriate and shall notify the Contractor accordingly. Until such times as rates or prices are agreed or fixed, LOST shall determine provisional rates or prices to enable on-account payments.

**Article 7 Performance Certificate**

1. Performance of the Contractor's obligations shall be considered to have been completed until LOST has issued the Performance Certificate to the Contractor, stating the date when the Contractor completed his obligations under the Contract.
2. LOST shall issue the Performance Certificate within 30 days after the latest of the expiry dates of the Defects Notification Periods, or as soon as thereafter as the Contractor has supplied all the Contractor's documents and tested all the Works, including remedying any defects.
3. Only the Performance Certificate shall be deemed to constitute acceptance of the Works.



**Article 8 Contract Price**

1. The Contract Price is [xxxx USD exl. VAT] to be paid as per the **Payment Schedule** detailed in Annex No. **3**.
2. The Contract Price is inclusive of any fees, taxes or permits or any other cost that may be imposed by any Government entity in connection with the works.
3. The Contractor shall pay taxes, duties and fees required to be paid by him under the Contract, and the Contract Price shall not be adjusted for any of these costs nor for any other costs including but not limited to increases in wages or labor costs or fluctuations in cost of materials or equipment's.

**Article 9 Warrantee**

LOST shall deduct a 10% of each payment as a guarantee of good execution of the Works (" Retention Money").

The Retention Money will be released upon issuance by LOST of the Performance Certificate as per article 7 above.

**Article 10 Responsibility for Claims & Insurance**

1. The Contractor shall indemnify, hold and save harmless, and defend at its own expense, LOST, its officials and persons performing services for LOST, from and against all suits, claims, demands and liability of any nature and kind, including their cost and expenses, arising out of the acts or omissions of the Contractor or its employees or persons hired for the management of the present Contract and the Project.
2. The Contractor shall be responsible for, and deal with all claims brought against it by its Personnel, employees, agents or subcontractors.
3. The Contractor shall effect and maintain insurance against liability for claims, damages, losses and expenses arising from injury, sickness, disease or death of any person employed by the Contractor or any other of the Contractor Personnel.
4. The insurance shall be maintained in full force and effect during the whole time that these personnel are assisting in the execution of the Works.

5. In addition, the Contractor shall insure against each party's liability for any loss, damage, death or bodily injury which may occur to any physical property or to any person (other than those employed by the Contractor) which may arise out of the Contractor's performance of the Contract and occurring before the issue of the Performance Certificate.

## **Article 11                      Suspension of Works**

1. Deficiency of Contractor: In case of deficiency of Contractor to abide with the specifications and measurements mentioned in the Bill of Quantities or any other Contract document attached hereto, LOST may suspend the Works to enforce the Contractor to revise his work.
2. In order that the works and contract document shall be in the condition required by the Contract, by the expiry date of the relevant Defects Notification Period or as soon as practicable thereafter, the Contractor shall:
  - a. Complete any work which is outstanding on the date stated in the Taking Over Certificate, within such reasonable time as instructed by LOST;
  - b. Execute all the work required to remedy defects or damage as may be notified by LOST on or before the expiry date of the Defects Notification Period for the Works.
  - c. This work shall be executed at the risk and cost of the Contractor.
3. If the Contractor fails to remedy any defect or damage within the date fixed in the Taking Over Certificate, LOST may:
  - a. Terminate the Contract and carry out the work itself or by others, in a reasonable manner and at the Contractor's cost;
  - b. Determine a reasonable reduction in the Contract Price.
4. LOST has the right to request an examination of the materials used in the implementation of the project, provided that the supplier bears all costs.

## **Article 12                      Early Termination**

### **I. Termination for cause**

1. Where any Party is in breach of any provision of this contract including Appendixes and remains in breach for a period of fourteen (14) calendar days after written notice of the said breach, then the other Party shall be entitled to terminate this contract.
2. Upon acknowledgement of receipt of a notice of termination by either Party under the present Article, the Parties shall take immediate steps to terminate activities

under the present Contract, in a prompt and orderly manner, so as to minimize losses and further expenditures.

3. LOST reserves the right to demand cancellation, by written notice, of the totality or part of works if the contractor:
  - ceases activity,
  - is in the process of correcting an irregular situation
  - is in compulsory liquidation
  - becomes subject to a bankruptcy proceeding
  - Infringes LOST's Ethics rules by taking part in one of the misbehaviour described in LOST Good Business Practices.
4. In the event of any termination by either Party under the present Article, LOST shall reimburse the Contractor only for the costs incurred to execute the project in conformity with the express terms of the present Contract. If the total amount due by LOST is less than the amounts already paid as down payments, the difference shall be a debt payable by the Contractor to LOST.

## **II. Termination for Convenience**

1. LOST reserves the right to terminate the Contract for convenience in case of occurrence of any of the following events:
  - a) Inaccessibility or limitation of LOST programs in Lebanon due to security situation,
  - b) Any attempt or threat of kidnapping or murder on LOST employees
  - c) Suspension of LOST's activities by the local Authorities
  - d) Interruption of the funding by the funding source of LOST
2. LOST may, at its option, terminate for convenience any of the work under this Contract in whole or in part by providing seven (7) days' notice to the Contractor.
3. LOST will pay the value for the already delivered and accepted items, after deduction of the advance payments.
4. Contractor will not be entitled to any other payments or damages or indemnity whatsoever.

## **Article 13 Force Majeure**

1. "*Force majeure*" shall mean acts of nature, war (whether declared or not), invasion, revolution, or other acts of a similar nature or force.
2. In the event of and as soon as possible after the occurrence of any cause constituting Force majeure, as defined in paragraph 1, above, the Party affected by the Force majeure shall give the other Party notice and full particulars in writing

of such occurrence if the affected Party is thereby rendered unable, in whole or in part, to perform its obligations or meet its responsibilities under the present Contract.

**Article 14 Non - Waiver**

No waiver by any Party of any one or more defaults by another Party in the performance of any provision of this Contract shall operate or be construed as a waiver of any future default or defaults by the same Party, whether of a like or of a different character. Except as expressly provided in this Contract no Party shall be deemed to have waived, released or modified any of its rights under this Contract unless that Party has expressly stated, in writing, that it does waive, release or modify that right.

**Article 15 Independent Relationship**

1. Each party is independent from the other and the parties shall not have the authority to bind, represent or commit the other. Nothing in this Agreement shall be deemed or construed to create a joint venture, partnership or agency relationship between the parties for any purpose.
2. The contractor shall not take advantage of and communicate publicly about their position as contractor of LOST, unless there is a prior written agreement by LOST.
3. Contractor shall not use the name of LOST or any of its logo or trademarks or slogans except with the express written approval of LOST.

**Article 16 Amendments**

The present Contract or its Annexes may be modified or amended only by written agreement between the Parties.

**Article 17 Applicable Law and Settlement of Disputes**

The Agreement shall be governed by and construed in accordance with the laws of the Republic of Lebanon.

All disputes arising in connection with the present Agreement shall be finally settled under the Rules of Conciliation and Arbitration at the Beirut Chamber of Commerce and Industry by one arbitrator appointed in accordance with the said Rules. The contracting parties declare accepting the provisions of the said Rules and undertake to abide by them.

The seat, or legal place, of arbitration shall be Beirut.

**Article 18 Order of Precedence**

The contract is made up of the following documents, in order of precedence:

1. The present contract
2. The appendixes to the present contract

**IN WITNESS WHEREOF** each Party has executed this Agreement through its respective authorized representative on the date first above written in **two (2)** original sets, one for each Party.

<b>LOST Administration</b>	<b>LOST Representative</b>	<b>Contractor</b>
Name:	Name:	Name:
Date :	Date:	Date:
Signature :	Signature:	Signature:
		Stamp:

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# ANNEXES

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ANNEX I – BILL OF QUANTITIES (BOQ)

ANNEX II – PAYMENT SCHEDULE

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**ANNEX I:  
BILL OF QUANTITIES (BOQ)**

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**ANNEX II  
PAYMENT SCHEDULE**

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In accordance with the bid submitted on [00/00/2023] and in accordance with the contract signed herewith. The below payment schedule will be adhered to between LOST and xxxx		
The below prices excluded VAT. The payment will be issued after 15 working days of site completion.		
First Payment- Completion of 20 %	10%	0.00 USD
Second Payment - completion of 50%	30%	0.00 USD
Third Payment - completion of 100%	50%	0.00 USD
Final Payment - 3 months after completion of	10%	0.00 USD
Total Contract Price	100%	0.00 USD
All payments will be made upon confirmation from LOST site engineers that the appropriate percentage of the total amount of the contract has been completed in accordance with the BOQ. To proceed to the payment, a certification of site inspection will need to show the accomplished work and will need to be signed by both parties (LOST and Contractor).		