

MODEL
AGREEMENT FORM

FOR EXECUTION OF O&M & OTHER WORKS

BY

FARMERS ORGANIZATIONS
WATER USERS ASSOCIATION ETC.

..... Department

Government of

**Draft agreement Form for Execution of [O&M and other] works by Farmers
Organizations/Water Users Association etc.**

Articles of Agreement

1. This deed of agreement made in the form of agreement on _____ between the Governor of _____ (herein after referred to as the “first party”, which expression shall, where the context so admits include his successors in office and assigns) and *Water Users’ Association/Distributory Committee/Project Committee/Ayacutdar Committee ** _____ under _____ system/scheme/Project, _____ Village, _____ Mandal, _____ District. (hereinafter referred to as the second party, which expression shall include its successors and legal representatives) to execute the work of _____ (hereinafter referred to as work) on the following terms and conditions.

2. **Cost of Contract:**

 The total cost of the works (hereinafter referred to as the “total cost”) is Rs. _____ (Rupees _____) as reflected in Schedule ‘A’. *** Out of the total cost, 15% (fifteen percent) of the cost equivalent to a sum of Rs. _____ (Rupees _____) would be borne by the second party and/or other beneficiaries.

3. **Disbursement of funds:**
 - 3.1 The second party shall have a bank account opened in its name to be operated jointly by two persons (President/Chairman and one member of the Managing Committee nominated) with the branch of a nationalized/scheduled/District Cooperative Central Bank as soon as this agreement is signed and shall provide its Bank account number to the first party.
 - 3.2 The second party shall notify the first party in writing the names and address of those who will jointly operate the Bank account mentioned in Clause 3.1. Such signatories shall not be changed without the prior consent of the first party.

* Delete whichever is not applicable

** Identification name or number

*** Delete, if not applicable

3.3 The works shall be carried out as per the “_____ [State the name of the State/organization as applicable] Standard Specifications” and any other additional specifications enclosed with this agreement for the items of work at agreed rates indicated in Schedule A”.

3.4 Payment to the second party for the construction work will be released by the first party in the following manner:

Advance (Mobilization advance) on Signing : 40% of the total cost of Agreement

On completion of 50% of work : 30% of the total cost

On completion of work : 15% of the total cost

(15% of cost is the contribution of the second party)

3.5 Payment at each stage will be made by the first party on certification by the Competent authority of the Second party/chartered engineer based on measurements of the works executed.

4. **Maintenance of Accounts:**

The second party shall maintain separate accounts for all the expenditure incurred out of the payments made by the first party from time to time for execution of the work. Such accounts shall be available for inspection by the first party or its authorized representatives.

4.1 In the event of any misuse of funds, the first party shall have the right to freeze the bank account of the second party after such inquiry as may be deemed necessary.

5. **Completion time:**

The works are to be completed in _____(months/weeks/days*) from the date of conclusion of this agreement. In exceptional circumstances, the time period stated in this clause may be extended in writing by mutual consent of both the parties.

* Delete whichever is not applicable

6. **Duties and responsibilities of the first party:**

- 6.1 The first party shall be responsible for providing regular and frequent supervision and guidance to the second party for carrying out the works as per specifications. This will include written guidelines and regular site visit of the authorized personnel of the first party, for checking quality of material and construction to ensure that it is as per the norms.
- 6.2 The first party shall supply drawings, specifications and guidelines to the second party for the proposed works.
- 6.3 the Executive Engineer/Deputy Executive Engineer shall hold meeting once in a month at the division level/sub-division level where in the second party, the Competent Authority of the farmers organization will submit the latest information including progress report duly counter-signed by the President/Chairman of the Farmers' Organizations. The whole team may jointly inspect any site on a particular day to take stock of activities.
- 6.4 The first party shall have the right to instruct to stop or suspend the construction at any stage if there is any deviation from the specification or violation of any of the terms of this Agreement.

7. **Duties and responsibilities of the second party:**

- 7.1 The second party shall:
 - a) take up the works and arrange for its completion within the time period stipulated in Clause 5;
 - b) employ suitable skilled persons to carry out the works;
 - c) make labour payment as per the schedule of labour payment for different items of work;
 - d) ensure that all material required and procured for the works are of good quality (with ISI certification mark for the manufactured items where feasible and available);
 - e) regularly supervise and monitor the progress of work;
 - f) abide by the technical suggestions/directions of supervisory personnel of the first party regarding construction;
 - g) be responsible for bringing any discrepancy to the notice of the representative of the first party as soon as noticed by it;
 - h) ensure that the work is carried out in accordance with specifications, drawings, and also within the total sanctioned amount without any cost escalation;

- i) keep the general body of Farmers organization/Committee (*State the name of organizations as applicable*) informed about the progress of work;
 - j) ensure that there is no mis-utilization of the money/materials during construction;
 - k) ensure full compliance of the conditions of the comprehensive insurance policy against loss of materials/cash/workman compensation etc. taken by the _____ on behalf of the Government of _____. The premium towards the said insurance shall be paid regularly by the second party to ensure coverage for the entire period of contract. [In the event of failure of second party to pay the premium, this will be paid by the first party and adjusted against payments due to second party]. The premium amounts shall be reflected in the Bill of Quantities as a separate item and shall be paid from the advance paid;
 - l) pay all duties, taxes and other levies payable by construction agencies as per law under the contract (first party will deduct taxes at source as applicable under law in respect of such taxes).
- 7.2 In special circumstances, the second party may, after prior approval of the first party, entrust execution of the works on a piece work basis or otherwise to any appropriate non-governmental organization or a recognized construction agency with a good track record. The non-governmental organization or the agency, as the case may be, shall however assume full liability towards any insurance for loss of material/cash or disability compensation claims of the personnel deployed on the works and no part of the liability on this account shall devolve on the first party.

8. **Dispute Settlement:**

If any dispute arises between the two parties, relating to any aspects of this Agreement, the parties shall first attempt to settle the dispute through mutual and amicable consultation. If the dispute is not settled through such consultation, the matter may be referred for settlement to the *Executive Engineer, _____ Division/Superintending Engineer/ _____ Circle/Chief Engineer, _____

* Retain as appropriate for each work

Signed and delivered by Sri. _____ Chairman/President of Water Users Association/Distributory Committee/Project Committee/Ayacutdar Committee _____ for and on behalf of the Association/Committee.

In the presence of the Witness:

i)

ii)

SIGNATURE

Signed and delivered by Sri _____ Deputy Executive Engineer/Executive Engineer/Superintending Engineer _____ of _____ for an on behalf of the Government.

In the presence of the Witness:

i)

ii)

SIGNATURE

Annexure I

Schedule - A

Schedule of Rates and Approximate Quantities

Item No.	Probable Quantity *	Description of Work	Specification Number	Rate		Units words	Amount
				Words	Figures Rs. Ps.		Figures Rs. Ps.
	Lumpsum	*Insurance Premium					

* Insurance premium shall be decided by the Government and the Insurance Agency.

(Signature of President/Chairman)
_____ [Second Party]

Signature of the Competent Authority
_____ [First Party]

Format of Certificate

Certified that the works of the value of _____% of total cost in respect of construction of _____ at _____ have been executed in accordance with the approved plans and technical specifications.

Signature

**Name and Designation of
the Competent Authority/
Chartered Engineer
authorized.**

(Official Address)

Office Seal

Place:

Date:

*NR/ls
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Thursday, April 12, 2001