



OMAN HOUSING BANK (S.A.O.C)

STANDARD AGREEMENT

FOR PROJECTS FINANCED
BY

OMAN HOUSING BANK

& SUPERVISED BY CONSULTANT

OMAN HOUSING BANK (S.A.O.C)

Standard Agreement Form and Technical Data

This Agreement is made on the _____ Day of _____ 20 between

The Borrower :

Whose Address is :

Tel :

And the Contractor :

Whose Address is :

Tel :

And the Consultant :

Whose Address is :

Tel :

- 1- Date of Commencement :
- 2- Date of Expiry :
- 3- Amount Of Liquidated Damage : R.O.Per Day
- 4- Borrower' file No :
- 5- Face Value Of Agreement : R.O
(In Words and Figures) :
- 6- a) Amount Of Loan : R.O
b) Amount Of Personal Stake : R.O
- Deposited With Bank : R.O
- Paid directly to the Contractor :R.O
- 7- Plot No. And Location of Plot :
- 8- Area Of Plot :
- 9- Building Permit No .& Date :
- 10- Language : English
- 11- Period of Maintenance : One Calendar Year
- 12- Amount of Payments : As Per Mode of Payments
- 13- Retention Money : 5% (Note Retention Money shall be deducted from each running bill)

Signed and Sealed By :

Borrower

Contractor

Consultant

And Whereas the Bank has agreed with the Borrower to finance the works to be rendered as described in the quotation given by the Contractor.

And whereas the Borrower has accepted the Quotation given by the Contractor above. And whereas the Consultant has agreed with the Borrower to supervise the works as described in the quotation.

Now this agreement witnesseth as follows:

Article 1) The above preamble shall be deemed to constitute an integral part of this Agreement.

Article 2) Definitions:

Except where this Agreement otherwise requires, the following expressions shall have the meanings hereby assigned to them:

"Borrower" means any person natural or juristic who has entered with the "Bank" in a contract to finance a housing project in accordance with this Agreement.

"Contractor" means any person natural or juristic under a contract with the Borrower to execute works in accordance with this Agreement.

"Consultant" means any person natural or juristic under a contract with the Borrower to supervise the "Works" in accordance with this Agreement.

"Bank" means Oman Housing Bank (SAOC).

"Works" means the task, which the Borrower has engaged the "Contractor" and the "Consultant" to accomplish in accordance with this Agreement.

"Maintenance Certificate" means the certificate issued by the Consultant stating that the Maintenance works have been attended satisfactorily in accordance with this Agreement.

"Quotation" means the Bank prescribed quotations agreed between the Contractor, the Consultant and the Borrower and accepted by the Bank.

Article 3) The following documents shall be deemed to form and be read and construed as part of this Agreement.

- a) The Quotation.
- b) Standard Documents for Building and Civil Engineering's Works September 1999.
- c) Standard Form of Agreement and Conditions of Engagement for Consultancy Services for Building and Civil Engineering works 1987.
- d) The Drawings & Specifications.
- e) Other additional documents required by the Bank (if any).

Article 4) In consideration for the payments to be made by the Borrower to the Contractor (through the Bank and upon the certificate of the Consultant) as hereinafter mentioned, and having examined the Sultanate of Oman Standard Agreement for Building and Civil Engineering Works published in September 1999 and the specifications and drawings for the execution of the works as prescribed in the above (Standard Agreement) the Contractor hereby covenants with the Borrower to execute.

Complete and maintain the works in accordance with the above documents and as stated in the Technical Data.

Article 5) The Borrower hereby agrees to pay to the Contractor (in consideration for progress out the works referred to in this Agreement) the agreed price at the times and in the manner prescribed by this Agreement and as stated in the cash flow contained in the Appendix No. (2) hereof.

Article 6) The Consultant shall ensure that the works are executed in accordance with the drawings, specifications and quotation. In case of any alterations or deviations from the drawings and/or specifications, the Consultant shall promptly report the same to the Borrower and the Bank. Failing to do this the Consultant shall be fully responsible for any extra expenses incurred for the rectification or cancellation of such alterations/deviations. The Consultant shall without delay report to the Borrower and the Bank the exact date of commencement of the works and shall (as from the commencement date of signing the Agreement up to the completion of the works) furnish the Bank with monthly written progress reports. The Consultant shall also certify completion of each stage of the works in accordance with description in schedule, quoted specifications and approved drawings and shall also exert genuine assistance to resolve any dispute that may rise between the Borrower and the Contractor. The Consultant shall also certify in writing the successful completion of the maintenance period.

Article 7) As soon as the works commence, the Contractor shall fix a sign board on the site displaying the details as per the Proforma specified in this Agreement. In case of failure, the Bank shall reserve the right to withhold payment to the Contractor.

Article 8) All structural details like R.C.C columns, footings, plinth/ground, beams, lintels, roof slab/beams, arches, staircase etc. along with plan, elevations etc. shall be constructed according to the specifications/details shown in the approved drawings. But the specifications for finishing and other additional items, fitting etc. like flooring/dadoing/skirting, painting, varnishing/polishing doors/windows, pipes, sanitary wares, services lines, electrical fittings, compound wall shall be carried out as per the Contractor's Quotation and the approval of the Borrower and Consultant.

Article 9) The Contractor shall not deviate from the drawing and specifications referred to in this Agreement except with the written sanction of the Borrower, the Consultant and the Bank. The Contractor shall be fully responsible for any such unwarranted deviation. Such liability shall include, inter alia, all expenses necessary to rectify the works as ordered by the Consultant.

Article 10) The Contractor shall secure prior approval from the Consultant for any materials intended to be used for the works with a view to ensure quality, make, colour etc., and shall supply samples of such materials for verification or testing as may be required by the Consultant.

Article 11) The Contractor shall be responsible for any error committed in respect of computing and quantifying of materials, labour required or costs involved. The contract price shall not be subjected to any adjustment for any errors caused by the Contractor's miscalculation of the contract price or due to fluctuations in the market prices of materials and/or labour.

Article 12) The Contractor shall execute, complete and maintain the works in strict accordance with the terms of this Agreement to the satisfaction of the Consultant and shall strictly comply with the letter's instructions on any matter concerning the works.

Article 13) The Contractor shall within (14 days) from the date of signing this Agreement, submit to the Consultant, for his approval a detailed programme indicating the order of procedure by which he proposes to carry out the works. The Contractor shall, whenever instructed by the Consultant, furnish him with any data required.

Article 14) The Contractor shall submit to the Consultant a monthly statement containing names of supervisory staff, number of different classes of labour employed and constructional plant used on site plus any other data prescribed by the Consultant.

Article 15) If at any time the Consultant is of the opinion that the progress of work does not conform with the approved programme, the Contractor shall submit a revised programme upon the instructions of the Consultant. The submission to and approval by the Consultant of such programme shall not absolve the Contractor of any of his obligations under the Quotation and/or this Agreement.

Article 16) The Contractor shall provide all necessary superintendence during the execution of the works and as long thereafter as the Consultant may consider necessary for proper fulfilment of the Contractor's obligations. The Contractor shall designate a permanent and authorized representative (approved by the Consultant in writing) who shall be constantly on site to superintend the works.

Article 17) The Contractor shall be fully responsible for the correct and proper setting out of works as per the data contained in the approved drawings and specifications including the correctness of the positions, levels, dimensions and alignments of all parts of the works. Should any error appear or arise in the position or levels, the Contractor shall upon being instructed by the Consultant, rectify such errors to his expense and to the satisfaction of the Consultant provided that the errors shall not be based on incorrect data supplied by the Consultant in which case the rectification costs shall be born by the Consultant. The checking of any setting out, line or level by the Consultant shall not, exonerate the Contractor, at any time, of his responsibility for the correctness thereof and the Contractor shall preserve all bench-marks, sight-rails pegs and other things used in setting out the works. The Contractor shall give the Consultant a minimum of (24 hours) notice of his intention to set-out or give levels for any part of the works so that arrangements may be made for checking or issuing of instructions.

Article 18) During the progress of the works, the Contractor shall keep the site reasonably free from any unnecessary obstructing objects and shall clear away and remove from site any debris and unrequired materials.

Article 19) The Contractor shall during the progress of the works abide with all safety rules regarding all persons on the site and shall Keep the site in an orderly manner up to completion of all the works. The Contractor shall provide/maintain at his own expense all guards fencing and sign board as per the Government of Sultanate of Oman Regulations.

Article 20) Except in Force Major circumstances the Contractor shall at, his own expenses, repair and make good, damage or loss in connection with the works however caused. Should the Consultant certify the damage or loss as a special risk pursuant to clause (65) of the standard conditions of Agreement mentioned in article (3), then the expenses referred to above shall be borne by the Borrower.

Article 21) The Contractor shall be liable for and shall indemnify the Borrower against any liability, loss, claim or proceedings whatsoever arising under any prevailing law or any legal principle applied by Sultanate of Oman competent courts in respect of personal injury or the death of any person whomsoever arising out of or in the course of or caused by the progress of the works, unless due to any act or neglect of the Borrower.

Article 22) Without prejudice to his liability to indemnify the Borrower under Article (21) hereof, the Contractor shall maintain:

a) Such insurances as are necessary to cover the liability of the Contractor in respect of personal injuries or deaths arising out of or in the course of or caused by progress of the works.

b) Such insurances are necessary to cover the liability of the Contractor in respect of injury or damage to property or personal arising out of or in the course of or by reasons of progress of the works and caused by and negligence, omission or default of the Contractor, his servants or agents.

Article 23) Except as otherwise provided in the Quotation or in this Agreement, none of the permanent works shall be carried out during the night or on official holidays, without the written consent of the concerned authorities in the Sultanate of Oman.

Article 24) To secure the Bank's rights, the Borrower and the Contractor hereby authorize the Bank to exercise full control and supervision of the works to ensure proper implementation of this Agreement. Such control shall include issuing of technical advice and instructions to the Contractor/Borrower as and when deemed necessary by the Bank. In consideration for these services, the Contractor agrees to pay to the Bank a percentage equal to 0.25% of the gross value of the Quotation mentioned in the Technical Data with a minimum of (R.O. 25.000) (Rial Omani Twenty-five). The Contractor shall not be entitled to claim such sum from the Borrower. Moreover, the same percentage (with a minimum of R.O. 25.000) shall be paid by the Contractor in case of any additional construction to the project beyond what is included in this Agreement and the technical fees which are paid by Contractor should not exceed (R.O. 300.000) (Rial Oman Three Hundred) Should the Contractor/Borrower require additional advice and site visits by the Bank's representative, extra fees shall be chargeable to the Contractor/Borrower as the case may be.

Article 25) Both the Contractor and the Borrower hereby authorize the Bank to release any of its charges due in accordance with this Agreement or other. This shall include (as may be deemed necessary by the Bank) deduction of the due charges from the loan allocated to the Borrower.

Article 26) a) To ensure that the borrower shall pay the contractor according to the Mode of Payment schedule prescribed in the Appendix No. (2) hereof, the borrower hereby irrevocable authorizes the bank to pay to the contractor all such payments from Loan Account or personal contribution if deposited in the Bank. For the this purpose the Bank may, as it deems necessary debit the borrower account, if any, or debit the loan allocated to him against a certificate of completion of works submitted by the contractor upon the completion of each stage of the works Such certificate shall be co-signed by the borrower, the consultant and the contractor.

b) In accordance with the established procedures by the Bank, the personal contribution by the borrower is to be deposited in the Bank. In the event of Contracting Parties agreed otherwise that the borrower makes the payment directly to the contractor, the amount disbursed in that case concurrently and as per established ratios for each stage of the work mentioned in the contract until the project is

completed. The amount of the Retention Money shall be deducted for the full contract value from the loan amount.

The Bank is not responsible for any legal consequences or damage may result if the borrower fails to pay the amount of the contribution to the contractor.

Article 27) Should the Borrower withhold to sign the Contractor's request for payment duly applied for to cover completion of a stage of the works, (even though the Contractor has satisfied the terms and conditions of the payment schedule/ Technical Data and the Bank Engineer's and Consultant's necessary certification) the Bank shall have the right to disburse the payment from the loan account without the signature of the Borrower.

Article 28) The Bank may inspect the house constructed for the borrower at any time it deems necessary to do so, irrespective of the expiry of the maintenance period specified in the technical data. For the purpose of ensuring the safety and accuracy of the works performed. The contractor will be eligible for refund of the retention money held by the Bank, upon completion of the maintenance period only after the consultant certifying that there no defects or complaints with respect to the works performed and the contractor produces all the necessary documents as prescribed by the Bank. Notwithstanding what is stated above, it shall be the absolute right of the Bank to extend the maintenance period or to withhold the payment of the retention money for further periods or release of the retention money in part or in full.

Article 29) Should the Borrower fail to respond with other parties of the Agreement and with the Bank with regards to the release of the retention money, the Bank reserves the right to release the amount to the Contractor without informing the client provided the Consultant has certified the release.

Article 30) The Contractor shall take full responsibility for the care of all works from the date of his possession of the site thereof upto the date of handing over the completed house. Such responsibility shall extend to any outstanding works and defects during the maintenance period as per Consultant's instructions.

If the Contractor fails to attend the maintenance works within specified period by the Bank / Consultant, the Bank shall have the right (in coordination with the Consultant & the Borrower) to appoint another Contractor. The cost of the works shall be deducted from the retention money, and the Contractor has no right to object to Bank's decision moreover, the Contractor is responsible for any additional cost in excess to the retention amount.

Article 31) Should the Contractor fail to execute the constructional work of any stage according to the stages stated in the Appendix No. (2) hereof within a maximum period of (60) days. The Bank Shall have the right in convenient with the Borrower and the Consultant to take the right decision against the Contractor. (Including changing the Contractor). The Contractor shall be responsible for any losses incurred by the Borrower due to such failure as per the above mentioned decision.

Article 32) Extra items of works executed at Borrower's own fund are going to fall under the perils of the insurance policy and do not alter the teams and conditions of the Agreement which are binding to all the parties of the Agreement.

Article 33) In case the Contractor fails to complete the works as described in the Quotation and this Agreement within the agreed period, the Contractor shall be liable to pay liquidated damages to the Borrower as per the Technical Data in the Appendix No. (1) hereof for the period of delay but shall not exceed (10%) of the total contract value. Any explanation in support of such delay in the works shall not be accepted unless it is consented by the Consultant.

All parties to this Agreement shall be deemed to have authorized the Bank to collect the amount of the liquidated damages due at the Bank's convenience.

Whenever found reasonable and justifiable, the Borrower and the Consultant may grant extension of Agreement period to the Contractor. Such extension requests shall be submitted to the Bank in the prescribed form and as per the manner described therein.

The contractor to this Agreement shall further be deemed to have authorized the Bank to deduct the agreement extension fees as per the prevailing rules of the Bank. Moreover, the Bank has the right to limit the extension period or to reject any extension of Agreement if the reasons of the extension are found not genuine. The Bank reserves the right to deduct extension fees from contractors payments even if the reason for the delay is due to extra work.

Article 34) All parties to this Agreement hereby agree to honour Consultant's report on the completed, defective and balance work for the purpose of setting the dispute latter between the Borrower and the Contractor. Henceforth the Borrower have the right to appoint another Contractor with the consent of the Bank and the out outgoing Contractor shall vacate the site within the period decided by the Consultant and the Bank. In case of objection to the Consultant's report by either of the two parties (Borrower and Contractor), the matter should be forwarded to the judicial authorities within one month from the date of the report else the report will be considered binding.

Article 35) The Contractor shall submit final payment documents within two months form the (substantial) completion date. Failure to do so, the Bank reserves the right to request for the submission of the Agreement extension request as per the prevailing rules and hence recover the necessary fee.

Article 36) The Contractor shall not assign this agreement to any other party and if such action is confirmed to the Bank, the Bank may cancel Contractor's registration for final. Also, Consultant's registration shall be cancelled if it is confirmed to the Bank his participation in such action. And if the assignment of the Contract has taken place under the knowledge/consent of the Borrower, the Bank shall have the right to cancel the unpaid loan balance and demand repayment of the total sum released at once. If there is necessity of assigning any part of the contract in regard to the works carried out by some specialists authorized to do such works, then the prior written joint acceptance of the Borrower and the Consultant shall be obtained by the Contractor. Noting that such partial assignment shall not exonerate the Contractor from any of his liabilities under this Agreement and the Contractor shall be responsible for any willful acts, defaults or negligence of the sub-Contractor.

Article 37) The Contractor shall permit other Sub-Contractor(s) appointed by the Borrower (by the approval of the Consultant and the Bank) to use any of the scaffoldings or other plant on site in consideration for other charges to be paid by Borrower as recommended by the Consultant.

Article 38) To ensure the Bank's rights, as a financier of the project, by this the Borrower and Contractor authorize the Bank to cancel the loan amount or the unpaid loan balance if any of the conditions of this Agreement is not fulfilled, including delay in construction of the project.

The above action shall be taken by the Bank after issuing a notice giving reasonable period to the concerned parties who will have to bear all the consequences thereafter.

Article 39) If any of the parties to this Agreement fails to fulfill its obligations hereunder, the Bank shall reserve the right to take whatever action it deems necessary to protect its interest.

Article 40) To secure the Bank's rights, all parties to this Agreement have authorized the Bank according to its Agreement or any previous Agreements signed for execution of this project to take whatever action it deems necessary to ensure the proper execution of this Agreement or any previous Agreements including the right to cease, withhold or stop payments from the loan as per the right given to the Bank according to this Agreement or any other concerned authority in the Sultanate of Oman without any sort of liability or responsibility towards the parties to this Agreement or any other concerned authority in the Sultanate of Oman without any sort of liability or responsibility towards the parties to this Agreement or any other party.

Article 41) All parties to this Agreement hereby covenant to resort to amicable means to settle any dispute that may arise between any party and the other should amicable settlement prove unattainable, resort shall made to the Oman competent judicial authorities whose decision shall be final and binding to all the parties.

Article 42) Whenever the works pertain to or include the construction of any structure or buildings the Constructor shall further be held responsible for the safety of the same for a period of ten years against such unsound construction, other than design defects, which may lead to failure of the structure or its collapse without any apparant cause. For this purpose the liability under the Contractor shall deemed to the operative for a period of ten years from the date of issue of last Maintenance Certificate.

Article 43) If the loan within the scope of the loans administrated by the (Oman Housing Bank S.A.O.C.) in favour of () the conditions of payment will not be achieved and the Contractor is not entitled for any due payment unless the amount being received from Borrower financier.

Article 44) The Consultant should strictly adhere to his rights and duties as stated in the Sultan Decree No. (120/94) issued 10-12-1994.

Article 45) This Agreement is deemed to be terminated if the Borrower passes away immediately upon its conclusion and before execution of the works commences. In such case none of the parties to this Agreement shall have any rights or claims whatsoever against the Bank.

Article 46) This Agreement was concluded and each party received one copy and the remaining copy received by the Bank for its internal reference and record.

In witness, hereof the parties have signed and sealed:

Borrower:

Contractor:

Consultant:

APPENDIX NO. (2)

MODE OF PAYMENT

Probable dt. of completing the stages	Secure of Finance			Amount of Payment	Percentage	Description	Bill No.
	Borrower		Bank R.O				
	Paid Directly to Contractor	Deposited In Bank					
TOTAL CONTRACT VALUE R.O							

Signed and Sealed By:

Borrower:.....

Contractor:.....

Consultant:.....

POFORMA OF SIGN BOARD

مشروع بناء منزل من بنك الإسكان العماني (ش.م.ع.م)

HOUSING PROJECT FINANCED

BY

OMAN HOUSING BANK (S.A.O.C)

Contractor: M/S...../المقاول الأفاضل/

.....

Consultant: M/S...../الإستشاري الأفاضل/

.....

...../صاحب المنزل/الفاضل/الفاضلة/

House Owner: Mr./Mrs./Miss.....

Plot No...../رقم القطعة/

Bldg. Permit No...../رقم إباحة البناء/

Signed and sealed by:

Borrower..... توقيع المقترض:

Contractor..... توقيع وختم المقاول:

Consultant..... توقيع وختم الإستشاري: