

# AGREEMENT FOR THE PROVISION OF CONSULTANCY ENGINEERING SERVICES

This agreement is made and entered into, on ..... day the ..... of ....., 1991 by and between:

Mr/ ..... of P.O. Box ..... hereinafter referred to as the "Owner" on the First part.

Mr/ ..... of P.O. Box ..... hereinafter referred to as the "Consultant" on the second part.

The two parties agreed as follows:-

(1) Whereas the first party is desirous to have constructed, completed and ..... maintained ..... a ..... (hereinafter referred to as the "project") and has assigned the provision of Consultancy Engineering Services thereof to the second party who accepted the assignment subject to the terms and conditions of this contract agreement.

(2) The Consultancy Engineering services shall cover studies, design and supervisors works to be provided according to the following stages:-

## **STUDY & DESIGN**

### **1. PRELIMINARY REPORT AND DESIGN STAGE:**

- 1-1: Study the owners' requirements and advice as necessary.
- 1-2: Revise the site plans and owner's requirements in view of the applicable building regulations of the concerned authority.
- 1-3: Prepare the preliminary drawings & plans of the project including cross-section for the various floors and the main elevations.
- 1-4: Prepare draft specifications.

1-5: Review and update the preliminary drawings and technical reports as per the owner's instruction. The consultant shall not commence the following stage without the prior approval of the owner.

## 2. THE PRELIMINARY DESIGN STAGE:

2-1: Prepare and submit the preliminary drawings & plans in accordance with the requirements of the concerned authority.

2-2: Obtain the provisional approval of the concerned authorities for the preliminary drawings.

2-3: Prepare the finishing schedules for the project main spaces.

2-4: Invite reputable soil investigation firms to quote for the soil investigation works and assign the job to the successful bidder.

2-5: Revise the provisional cost of the project as per the above.

## 3. FINAL DESIGN STAGE:

3-1: Undertake the required topographic survey and leveling works.

3-2: Prepare the final drawing and designs of the project covering: The Architectural drawings, Construction drawings, Electrical drawings, Sanitary drawings, Air-conditioning Drawings, Fire protection and alarm system drawings and internal and external works finishing schedules in conformity with the requirements of the concerned authorities.

3-3: Submit the drawings to the Municipality and other concerned authorities for approval and obtaining the building license.

3-4: Furnish the owner with one set of the As-Built drawings of the project.

## 4. TENDER DOCUMENTS PREPARATION STAGE:

4-1: Prepare the project drawings, tender and contract documents, general and particular terms and conditions of the contract agreement and price-schedules.

4-2: Propose competent contractors suitable for the execution of the project in consultation with the owner.

4-3: Prepare a financial & technical analysis report for the received offers along with his recommendations in this regard & submit it to the owner for approval.

4-4: Upon the approval of the owner, the consultant shall place the contract with the successful tender in the presence of the owner or his representative.

4-5: Prepare the contract documents in triplicate to be signed by the owner and the contractor each of whom shall receive a copy thereof while the third copy shall be lodged with the consultant.

## **SUPERVISION WORKS**

1. Provide the owner with the required technical advice when and as necessary.
2. Manage and supervise the execution of works at site through site – visits, in order to follow up the progress of the works and ensure their conformity with the drawings, contract documents, acceptable engineering practices and the terms and conditions of the contract agreement. The consultant may issue instructions to the contractor to abide by the terms and conditions of the contract agreement and / or require him to comply with the specifications and standards.
3. Approve the detailed workshop drawings proposed by the contractor, subcontractors or suppliers before commencement of execution.
4. Provide the contractor with all necessary clarifications pertaining to the contract documents in order to ensure the satisfactorily completion of the project.
5. Approve the samples of materials supplied by the contractor for use in the project and endure their soundness and the confirmly with the standards and specifications.
6. Inspect the materials and their workmanship, and order all necessary tests to be carried on them under on his own supervision.
7. Report to the owner on the progress of the project at regular periods.
8. Prepare interim payment certificates for each stage.
9. Apply to the concerned authorities as per the applicable procedures to obtain their approval for any amendments / variations agreed upon in writing between the owner and contractor.
10. Review the contractor's claims and submit his recommendations to the owner.
11. Carryout the final inspection of the works, issue final acceptance certificates and prepare the final settlement account and contractor's due payment.
12. Carryout the final inspection of the works, issue final acceptance certificates to subcontractors and prepare the final settlement account and due payments.

### **CONSULTANT'S DUTIES & RESPONSIBILITIES:**

1. Adopt acceptable principal & practices of his trade and meet the owner's interests & requirements without prejudice to the terms and conditions and other rights of the contract parties.
2. Test the materials used for soundness and compliance with the specifications and reject defector ones. However, the consultant shall not be held responsible for any damage / defects resulting from the acts of God.
3. The consultant shall be held responsible for the correctness of his drawings and written instructions. However, the consultant shall be relieved from responsibility for any injuries resulting from the default and / or instructions of other parties.
4. The consultant shall be entitled for remuneration from the owner under this contract agreement; but he shall not be entitled to any other amounts from third parties for the same project.

### **REMUNERATION**

The consultant total remuneration for provision of his services shall be .....% of the project cost. Out of this ratio .....% shall be payable against design and the balance ratio of .....% against supervision. The due payments shall be made in installments as follows:

#### **1. FOR THE DESIGN STAGES:**

1-1: 20% of the total design fees on completion of the preliminary drawings

1-2: 60% of the total design fees on completion of the workshop drawings and approval from the licensing authorities.

1-3: 20% of the total design fees on submission of tender analysis report, draft contract documents and preparation of the contract – agreement.

#### **2. FOR THE SUPERVISION STAGE:**

The supervision - fees shall be payable in monthly installments to be calculated according to the following formula:

Total Supervision fees in Dirham

=

Original contract period in months

### 3. THE PRINCIPLES OF CALCULATION:

3-1: The project cost shall first be calculated on the basis of the provisional cost of the project and then on the basis of the accepted offer price and then the actual cost of the project on effecting the final payment to the contractor. The above ratios of fees for the various project stages shall be adjusted according to the applicable data at the time of payment.

3-2: The actual cost of the project shall consist of the total payments made to the contractor, the payments made against contractors' claims arising out of the contract agreement minus any penalty amounts deducted from the contractor & the fair evaluation to any labour, materials or machinery provided by the owner to the contractor. The following shall be excluded from the actual cost of the project.

- Administrative fees of the owner.
- Govt. prescribed fees.
- The capital interest during the completion period.
- The land price.

3-3: The fees payable to the consultant as referred to herein above shall not include the following:

- The cost of additional copies of the drawings.
- The expenses of external & internal elevations and models.
- Soft investigations required for site work and any other tests.
- Furniture layout plans and internal decorations works.
- Official licenses and documents fees.

### **THE OWNER'S OBLIGATIONS**

1. The owner undertakes not to enter any amendments on the designs or issue any technical instruction except through the consultant. In case the owner does not abide by this condition, the consultant shall relieve himself from any responsibility for the consequences of such amendments or instructions.
2. If the owner insists to appoint a supervision staff shall abide by the consultants instructions and in case of their non-abidance, the consultant shall not bear the responsibility for any technical and legal obligations arising out of the contract-agreement; provided the official authorities and the owner are kept informed accordingly.

## **AMENDMENTS**

Should the need arises for any amendment or variation on the designs or documents already prepared by the consultant at the request of the owner, the consultant shall be entitled to remuneration for such amendments and variations as agreed upon between the consultant and the owner prior to the commencement of work.

## **EXTENSION OF COMPLETION PERIOD AND SUPERVISION OF CONSULTANT'S SERVICES**

Where the need arises for the extension of the original completion period of the project as stated in the contract-agreement concluded between the owner & the contractor for any reason whatsoever in which the consultant is not involved, the consultant shall be entitled to remuneration to be calculated as follows:

The extension period X Supervision fees X 85%

The original contract period (as per the contract document)

If at any stage of consultancy work the consultant's work is partially or totally suspended by the order of the consultant. The consultant shall be entitled to remuneration for the completed stages plus the remuneration for the stage which he has just commenced as well as the reasonable remuneration for work completed for the following stages and any other proved costs and expenditures borne by the consultant in the course of the project execution.

## **OWNERSHIP OF THE DOCUMENTS**

All technical designs, specifications and other contract documents shall remain the sole property of the consultant and the owner may not dispose of the same without the prior approval of the engineer. Likewise, the engineer shall not give the same design to other clients without the express approval of the owner.

**TERMINATION OF THE CONTRACT AGREEMENT**

The owner shall have the right to terminate this contract agreement vide a written notice to the consultant provided all due payments to the consultant and a reasonable compensation is paid to the consultant within .....days.

On the other hand, the consultant may terminate this contract agreement vide a written notice to the owner if the consultant's due payments were delayed for a period of 60 days or if the owner violates any of his obligations under this agreement. Upon termination, the consultant shall be entitled to remunerate against the completed stages of work up to the date of termination in addition to a reasonable compensation for the commenced but uncompleted stages.

**SETTLEMENT OF DISPUTES**

All disputes and differences arising between the two parties shall be settled amicably and in case such an agreement could not be reached the dispute shall be referred to arbitration and each of parties shall appoint an arbitrator for this purpose. If an agreement on arbitration could not be reached within 30 days of the date of request for arbitration by either of the parties then the following measures shall apply.

Both parties shall authorize the Society of Engineers U.A.E. to appoint a sole arbitrator.

Each of the parties shall appoint an arbitrator & the 2 arbitrators so appoint the 3<sup>rd</sup> arbitrator. If no agreement is reached on the appointment of the 3<sup>rd</sup> arbitrator within 30 days of the acceptance thereof by both parties, such appointment shall be undertaken by the Society of Engineers U.A.E. or the competent court. In all cases, the appointed arbitrators shall have full competence to resolve the dispute & their award in this regard shall be final and binding upon both parties.

Dated.....

First Party

Second Party

**ASSIGNMENT ORDER**

I, \_\_\_\_\_ the \_\_\_\_\_ undersigned,  
..... owner of  
plot No. .... located  
in  
.....are  
a, do hereby appoint M/S.  
..... required  
technical studies for the construction  
of.....  
.....  
..... on the above mentioned plot, including the  
preparation of initial designs, and provisional costs of the project.

I hereby further authorized the above mentioned consultant to sign in my name & on my behalf before all Government departments all applications/documents necessary for obtaining any data for conducting such studies and obtaining building licenses.

Name & Signature

I have accepted the above assignment

Signature of the Consultant



**General Terms & Conditions & Remarks:**

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Signature of:

The OWNER

Signature of:

CONSULTANT