

*300 Rs.*

NON JUDICIAL STAMP

MEMORANDUM OF UNDERSTANDING

A. This Memorandum of understanding is made on this day of \_\_\_\_\_  
Between \_\_\_\_\_  
\_Having office at \_\_\_\_\_. Of  
the First party (Here in after called first party) and  
\_\_\_\_\_  
Having office at \_\_\_\_\_ of the  
Second party. (Here in after called Second Party)

B. Whereas

C. If the First party is awarded the work of by Executive engineer R&B electric, surat t h e Second Party has shown his willingness to execute the electrical work only the amount as sanctioned by mutual agreed item Rates by both the party and under the same specification and conditions of which the contract will be awarded to the FirstPartyby, and hereby agree to undertake the contract under the item rates as mutually agreed in Annexure —I

**D. NOW THIS MEMORENDUM OF UNDERSTANDING WITNESS AS FOLLOWS**

1. The First party will pay to the Second party against each bill submitted as per rate and terms and conditions in attached Annexure — I of every certified bill of the Second party.
2. The Second party has to complete this work within the stipulated time limit under the same terms and conditions and rates, which have been agreed by the First party as above.
3. The First party will deduct any tax, rates and duties as per the prevailing laws and rules in force as per the Central and State Government or any other Local body and issue necessary Certificates to Second party as prescribed under the respective act or laws to enable them their necessary return with appropriate Government Authority.
4. The Second party will be responsible to employ necessary skilled and competent labours and purchase of materials and for any such acts which may require to complete the work at his own risk and cost The Second party will also be held responsible to fulfill any loss suffered as a result of accident to labours, vehicle, etc. arise from the act of Second party and will have to pay any such compensation to the affected party.
5. If either of the party wish to terminate the contract, atleast one month's notice will be issued in advance to the other party of the contract and thereafter the books of accounts will be settled within a period of one week. The Second party will provide the details and information with regards to accounts,

materials at site, measurement of the work, record of the labours and materials used, etc. In case of disputes **sole arbitrator** appointed with the mutual consent of the parties and the decision taken by the sole arbitrator will be binding to both the parties.

6. The Second party will abide by the time schedule for the execution of the contract and in case of any delay in completing the work by the Second party, the amount levied by the Executive Engineer, electrical(R&B) Division, surat Due to time extension for completing the work will be borne by the Second party.
7. The First party is not liable to repay any loan advance or debt or credit facility taken by the Second party and such credit facilities and debt should be paid by his own personal responsibility and at his own cost.
8. It is agreed that the Second party will be held responsible for the payment of any tax and duties to the Government or any local bodies as per the prevailing rates or future rates which may be changed by the Government or any local authorities.
9. The Second party hereby agrees to execute the work strictly as per specification laid down in the tender and complete the work within time limit specified in the tender. If any breach to the contrary and any reduced rate or penalty imposed by Executive Engineer, electric(R&B) Division, Surat the First party shall have the right to recover such losses or penalty from the Second party The Second party hereby also agrees to make good to the First party any losses or damages suffered by him on this account and will also be responsible for legal procedure to be done for this purpose.
10. The Second party hereby agrees that he would bring all materials, equipments, machineries, vehicles, etc. required for the purpose of work at his own risk to the site as per the tender conditions. Any scrap or bad materials or surplus materials are also to be shifted from the site of work as per the instruction of the Engineer-in-Charge. The Second party has also to carry out any such instruction and or changes as may be proposed by the Engineer-in-Charge from time to time within the scope of tender conditions.

11. The works, goods, materials, services and electrical items to be executed by you will be subject to approval and Supervision of Executive Engineer ( Electrical ).
12. The rates, quantities as measured and amount payable for electrical items of work will be certified by the Executive Engineer (Electrical) and the same will be paid in the running bills and final bill of the main.
13. The First Party and Second Party will be jointly responsible for quality of electrical portion of contract work and for rectification of defective work up to defect liability periods as per condition of contract, i.e. as in the tender document.
14. Prior approval of the Engineer in Charge will be necessary for relieving Second Party before contract work is accepted as completed and for appointment of new electrical sub contractor. The approval will be given subject to such conditions as the Engineer in Charge may consider necessary for satisfactory and timely completion of electrical portion of contract. The Engineer in Charge will have powers to reject the premature relief of Second Party if he is not satisfied with reasons for relieving the Second Party and after such refusal, the First Party shall be deemed to have committed default in performance of the contract if we do not restore the Second Party.
15. All equipments, materials and other accessories to be provided by the Second Party under the terms of this contract shall confirm to the relevant ISS samples of materials and accessories to the supplied shall be furnished for approval to the engineer in charge well before they are used on the work. The make of these shall be preferred from the approved list of material for use on works for relevant SOR or at appendix of the tender document as may apply.
16. The Installation shall also be carried out strictly in conformity with the requirement of Indian electricity act- 1910 as amended and the Indian electricity rules 1956 as well as other statutory regulations that may be relevant to such electrical installations.
17. In this electrical work, erection, testing and commissioning shall Comply with relevant Indian standards and codal practice in force.

18. Good workmanship is the essence of this contract and shall be observed during executing of work at all times.

A qualified and experience supervisor shall be engaged appropriate nature of work by you as well any defect noticed by the engineer in charge shall be rectified by you immediately free of cost.

19. After completion of works / installations necessary tests will be carried out as may require under relevant rules including:

20. Insulation resistance test with 500v/ 1000 v meger for 250 v/ 415 v system respectively and the test result should not be less than 1 mega ohm value.

21. Resistance to earth of any point in grounding system the test result should not exceed one (1) ohm.

22. You shall furnish the test certificate / test reports in prescribed Performa duly signed as may require and arrange to obtain electrical power connection from the licensee of the region on completion of this work without any delay.

23. Any other clause that may be thought proper and applicable by the Government shall be binding on the bidder.

24. The First party will deduct 2% Security Deposit from all R.A. Bills and Final bill and this be refunded to the Second party after completion of defect liability period

25. Both the parties have executed this agreement at  
After careful reading and understanding and with full  
Sense, which are acceptable to both the parties.

SIGNATURE WITH SEAL

The First Party

The Second Party

Witness