

W-6

**PROCUREMENT OF CIVIL
WORKS VALUED UPTO
Rs.5,00,000/-
THROUGH
WATER USER ASSOCIATION
ON DIRECT CONTRACTING
PROCEDURES**

OFFICE OF THE EXECUTIVE ENGINEER: IRRIGATION DIVISION

**: _____
FORWARDING SLIP ACCOMPANY ING THE AGREEMENT
NO...../200**

- 1 Name of Sub Division :
- 2 Name of the work :
- 3 Estimate amount & No. :
- 4 Estimate value of work put to tender :
- 5 Sanctioned workslip amount :
- 6 Name and address of the Contractor :
- 7 Is the agreement Original or Supplemental :
- 8 If this is supplemental, Original Agr.No. :
- 9 Approximate value of work to be done under this agreement :
- 10 If this is supplemental approximate value of work to be done under original agreement :
- 11 If tenders have been called for, is the lowest tender accepted? If not, reasons recorded :
- 12 Has the contractor signed in the copy of APDSS and its addenda volume brought up to date? :
- 13 Is data furnished for all items of work noted in the Schedule? :
- 14 Are the rates in agreement with in the estimate rates or scheduled rates which ever is less and are the lumpsum provisions sufficient or likely to be exceeded? :
- 15 Period of contract :
- 16 Defect liability period :

TECHNICAL OFFICER

DIVL.ACCOUNTS OFFICER
(Works)

EXECUTIVE ENGINEER

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Construction of Civil Works:

- (a) The works should be of the nature that they are simple, scattered and construction through community participation is essential.
- (b) The ceiling value of such works should be Rs.5,00,000.
- (c) That could be entrusted to the WUA, such as : The unskilled works are removal of Jungle: Earth work excavation in irrigation channels and feeder channels.
- (d) The WUA could Carry out the work either directly by organizing the contribution of labor from the communities.

or

The work can be executed with under price rate/unit Rate system with available local workmen

CHECKLIST FOR SELECTION OF INTERMEDIARIES

Legal or Regulatory Requirements for WUA:

- (a) The WUA is validly registered under existing regulations;
- (b) The WUA is validly registered to work in the particular geographic locality; and
- (c) The WUA articles of association or by-laws permit undertaking works under the project.

Institutional Aspects:

(a) Human and Physical Resources:

- i) There is committed leadership at the top, supported by adequate second level leadership: and
- ii) Existence of adequate staff in relation to needs for implementation of the project:
- iii) WUA has necessary Physical resources base (accessible office space, communication facilities and so on)

(b) Community Sensitivity:

- i) WUA has prior experience of working in the community where the project is to be implemented.
- ii) WUA through its personnel, has a keen understanding of, and are sensitive to issues concerning women and weaker sections of the society;

WUA President

Executive Engineer

- iii) WUA through its personnel, has a keen understanding of, and is sensitive to issues related to environment;
- iv) WUA through its personnel has a philosophy suitable for implementation of community initiated sub-projects with community participation.

Financial Aspects:

(a) Financial Capacity:

- i) WUA has required financial strength and stability;
- ii) WUA has access to other sources of financing and will not be totally dependent on sub-project financing.

(b) Account Capacity:

- iii) WUA has knowledge of, and practices sound accounting principles;
- iv) WUA has no objection to external auditing (where applicable or when acting as implementing agency).

Demonstrated Experience:

(c) Relevant Sectoral and Operational Experience:

- i) WUA has prior experience in similar works or related sectors (construction/survey etc.); and beneficiaries are satisfied.
- ii) WUA has adequate technical expertise;
- iii) WUA must have been functionary for a reasonable period of time.

WUA President

Executive Engineer

AGREEMENT FORM FOR EXECUTION OF APIAT PROJECT WORKS

BY

WATER USER ASSOCIATION THROUGH COMMUNITY

PARTICIPATION

ARTICLES OF AGREEMENT ”

1. This deed of agreement made in the form of agreement on -----
between His Excellency (Governor of A.P) or his authorized representative District Project
Director of APIATP (hereinafter referred to as the first party), and Water User Association of
_____ tank _____ Village _____
Mandal _____ District (hereinafter referred to as the second party), to execute the work
of _____ (to specify) on the following terms and conditions.

2. Cost of Contract:

The total cost of the unskilled works (hereinafter referred to as the “total cost”) as Rs, -----
reflected in Annexure - I.

3. Disbursement of funds:

3.1 The second party shall have a bank account opened in its name (to be operated by
two Persons viz., president on behalf of the WUA Managing Committee and one
AE / AEE concerned with the branch of a nationalized Bank as soon as this
Agreement has been signed and Shall provide the 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,

3.3. The works shall be carried out as per “Andhra Pradesh Standard Specifications” and any
other additional specifications enclosed with Agreement for the item of Work at agreed
rates indicated in Annexure – I.

3.4 Payment to the second party for the work shall be made in ----- work bills.

3.5 Payment at each stage will be made by the 1st party based on the measurement of works
executed by the second party and recorded in the measurement books and LF books by
the AEE/AE and check measured by DEE/EE concerned.

4. Maintenance of Accounts:

4.1. The second party shall maintain separate accounts for all the expenditures 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 of its authorized representatives.

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4.2 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 should be completed in _____(month/weeks/days) from the date 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. .

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 standards prescribed.

6.2 The first party shall supply all drawings, specifications and guidelines to the second party for the proposed works.

6.3 The District Project Director / Executive Engineer or such other person as may be authorized by the Project Authorities shall hold meeting once in a month at DPU level, where the representatives of the committees, AE / AEE in charge of the site will submit the latest information including progress report duly counter-signed by the President of WUA and difficulties if any, in the execution of the work. The whole team may jointly inspect any site on a particular day to take stock of activities. Further, the contingent expenditure including any incidental Administrative cost of WUAs will also be borne by the DPD/DPU.

6.4 The first party shall have the right to instruct to stop or to 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 Persons to carry out the works;
- (c) Make labor Payment as per schedule of labor Payment for different items of work:
- (d) Ensure that all materials required are procured for the works are of good quality (preferably with ISI certification mark where feasible and available);
- (e) Regularly supervise and monitor the progress of work:
- (f) Abide by the technical Suggestions/directions of supervisory Personnel including engineers of the 1st 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 and seek necessary clarification.

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Executive Engineer

- (h) Ensure that the work is carried out in accordance with Specifications, drawings and also within the agreed amount Without any cost escalation;
- (i) Keep the general body of WUA informed about the Progress of work
- (j) Ensure that there is no mis-utilization of the money/materials during construction;
- (k) Pay all duties, taxes and other levies payable by construction agencies as per law under the contract. (First party will deduct taxes at source in respect of such taxes as may be imposed under the Law). :

7.2 Works entrusted to WUA shall not be sub let. However 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 of undertaking community construction, The non-government organization or the construction agency as the Case may be, shall however assume full liability towards any insurance for loss of material/ cash or workman disability compensation claims of the Personnel deployed on the works as well as third party claims and no part of the liability on this account shall devolve on the first party.

7.3. Works shall be executed by WUAs after approval of the General Body and obtaining all procedures of sanction.

8. Corrupt and Fraudulent Practices

The World Bank requires compliance with its policy in regard to corrupt and fraudulent practices as set forth in Section C. In further pursuance of this policy, Contractor shall permit and shall cause its agents (whether declared or not), sub-contractors, sub-consultants, service providers, or suppliers and any personnel thereof, to permit the Bank to inspect all accounts, records and other documents relating to any prequalification process, bid submission, and contract performance (in the case of award), and to have them audited by auditors appointed by the Bank.

9. Dispute Settlement:

If over the works, 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 Superintending Engineer concerned.

Signature of the First party
 (District Project Director)
 ----- District
 -----Tanks

Signature of the Second party
 (WUA President).

 Village:
 Mandal:

Witness:

- 1.
- 2.

Section C. World Bank Policy on Corrupt and Fraudulent Practices

1. Purpose

1.1 The Bank's Anti-Corruption Guidelines and this annex apply with respect to procurement under Bank Investment Project Financing operations.

2. Requirements

2.1 The Bank requires that Borrowers (including beneficiaries of Bank financing); bidders (applicants/proposers), consultants, contractors and suppliers; any sub-contractors, sub-consultants, service providers or suppliers; any agents (whether declared or not); and any of their personnel, observe the highest standard of ethics during the procurement process, selection and contract execution of Bank-financed contracts, and refrain from Fraud and Corruption.

2.2 To this end, the Bank:

- a. Defines, for the purposes of this provision, the terms set forth below as follows:
 - i. "corrupt practice" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
 - ii. "fraudulent practice" is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;
 - iii. "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
 - iv. "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
 - v. "obstructive practice" is:
 - (a) deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or
 - (b) acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for under paragraph 2.2 e. below.
- b. Rejects a proposal for award if the Bank determines that the firm or individual recommended for award, any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/ or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;
- c. In addition to the legal remedies set out in the relevant Legal Agreement, may take other appropriate actions, including declaring misprocurement, if the Bank determines at any time that representatives of the Borrower or of a recipient of any part of the proceeds of the loan engaged

in corrupt, fraudulent, collusive, coercive, or obstructive practices during the procurement process, selection and/or execution of the contract in question, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur, including by failing to inform the Bank in a timely manner at the time they knew of the practices;

- d. Pursuant to the Bank's Anti-Corruption Guidelines and in accordance with the Bank's prevailing sanctions policies and procedures, may sanction a firm or individual, either indefinitely or for a stated period of time, including by publicly declaring such firm or individual ineligible (i) to be awarded or otherwise benefit from a Bank-financed contract, financially or in any other manner;¹ (ii) to be a nominated² sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract; and (iii) to receive the proceeds of any loan made by the Bank or otherwise to participate further in the preparation or implementation of any Bank-financed project;
- e. Requires that a clause be included in bidding/request for proposals documents and in contracts financed by a Bank loan, requiring (i) bidders (applicants/proposers), consultants, contractors, and suppliers, and their sub-contractors, sub-consultants, service providers, suppliers, agents personnel, permit the Bank to inspect³ all accounts, records and other documents relating to the procurement process, selection and/or contract execution, and to have them audited by auditors appointed by the Bank.

¹ For the avoidance of doubt, a sanctioned party's ineligibility to be awarded a contract shall include, without limitation, (i) applying for pre-qualification, expressing interest in a consultancy, and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract.

² A nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider (different names are used depending on the particular bidding document) is one which has been: (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid; or (ii) appointed by the Borrower.

³ Inspections in this context usually are investigative (i.e., forensic) in nature. They involve fact-finding activities undertaken by the Bank or persons appointed by the Bank to address specific matters related to investigations/audits, such as evaluating the veracity of an allegation of possible Fraud and Corruption, through the appropriate mechanisms. Such activity includes but is not limited to: accessing and examining a firm's or individual's financial records and information, and making copies thereof as relevant; accessing and examining any other documents, data and information (whether in hard copy or electronic format) deemed relevant for the investigation/audit, and making copies thereof as relevant; interviewing staff and other relevant individuals; performing physical inspections and site visits; and obtaining third party verification of information.

PART B

NOTES:

- Provision for GST @5% or as specified by GST authorities and Government of AP from time to time.
- Provision for NAC @0.1%
- Provision for seignorage charges.