

Commercial Contract

CONTRACT FOR TRANSPORTATION OF RAW MATERIAL / FINISHED GOODS



*Empowered lives.
Resilient nations.*



Small and Medium Enterprises Development Authority

Ministry of Industries & Production

Government of Pakistan

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Contract for Transportation of Raw Material/Finished Goods

Pro-Gole (Right to do Business)

Legal Services, B&SDS

LEGAL SERVICES, SMEDA

The Legal Services (LS) department is a part of Business & Sector Development Services Division of the Small Medium Enterprises Development Authority and plays a key role in providing an overall facilitation and support to the small businesses. The LS believes that information dissemination among the small businesses on the existing legal & regulatory environment and business to business and business to client contracting is of paramount importance and plays a pivotal role in their sustainable development.

In order to facilitate small businesses, the LS, under the Pro-GOLE (Right to do business) project, a joint SMEDA-UNDP initiative for supporting the small businesses, has developed user-friendly contract templates.

Pro-GOLE, (Right to do Business)

The UNDP has partnered with the Small and Medium Enterprises Development Authority to initiate and execute the Pillar 4 (Right to do business) component of the UNDP PRO-GOLE project which seeks to enhance the legal awareness and mobility of marginalized/ informal businesses. Under the project legal services outreach shall be extended to small businesses including home based enterprises, small shopkeepers, growers, women entrepreneurs, hawking vendors etc. In addition, small business shall be mobilized to access legal services.

The Need for Commercial Contracts Templates

In an increasingly complex and competitive industry, it is vital that suppliers and purchasers are fully protected against legal and commercial risks. To counter such risks, a viable solution; available as- of the shelf commercial contract templates- will provide the users with first class ready to use support. With obligations properly set out and liabilities accurately defined, the users will be in a far better position to look after their rights and interests and move forward from their marginalized positions to being active players of the economy. The Legal Service Providers can equally take benefit of these templates for their professional and business development.

Disclaimer

The information contained in this template is meant to facilitate the businesses in documenting transactions with reference to service matters. However, SMEDA, UNDP or any of their employees or representatives accept no responsibility and expressly disclaim any and all liabilities for any and all losses/shortfalls caused by or motivated by recommendations from the information contained within this document. Although SMEDA's ambition is to provide accurate and reliable information; yet, the document is not an alternative to expert legal advice and should ideally be used in conjunction with the same. Any person using this document and or benefiting from the information contained herein shall do so at his/her own risk and costs and be deemed to have accepted this disclaimer.

All information contained in this document may be freely used provided that relevant acknowledgement is accurately quoted with each usage.

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G1. CONTRACT FOR TRANSPORTATION OF RAW MATERIAL/FINISHED GOODS

THIS AGREEMENT FOR TRANSPORTATION OF RAW MATERIAL/FINISHED GOODS (hereinafter referred to as the "Agreement") is made and entered into at [insert place] on this _____ (insert date) day of _____ (insert month) 20__ (insert year),

BY AND BETWEEN:

Mr/Mrs/Ms [insert Name], son/wife/daughter of [insert Name], r/o [insert Address]
CNIC # [insert Number];

OR

M/s [insert Name], a public/private company incorporated under the Companies Ordinance, 1984, having its registered office at [insert Address] through its [insert Designation], Mr/Mrs/Ms [insert Name];

OR

M/s [insert Name], a partnership concern of Mr/Mrs/Ms [insert Name] and Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through its Partner, Mr/Mrs/Ms [insert Name];

OR

M/s [insert Name], a sole proprietorship concern of Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through Mr/Mrs/Ms [insert Name];

(hereinafter referred to as "the Business", which expression shall, wherever the context so permits, mean and include its heirs, assigns, nominees, agents and successors-in-interest)

AND

M/s [insert Name], a public/private company incorporated under the Companies Ordinance, 1984, having its registered office at [insert Address] through its [insert Designation], Mr/Mrs/Ms [insert Name];

OR

M/s [insert Name], a partnership concern of Mr/Mrs/Ms [insert Name] and Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through its Partner, Mr/Mrs/Ms [insert Name];

OR

M/s [insert Name], a sole proprietorship concern of Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through Mr/Mrs/Ms [insert Name];

(hereinafter referred to as "the Contractor", which expression shall, wherever the context so permits, mean and include its heirs, assigns, nominees, agents and successors-in-interest)

(The Contractor and the Business shall individually be referred to as the "Party" and collectively as the "Parties")

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WHEREAS the Business is engaged in the production and distribution of [insert products names] (hereinafter referred to as the "Products") throughout Pakistan.

AND WHEREAS the Contractor owns a fleet of prime movers/trucks equipped with state-of-the-art tracking devices (hereinafter referred to as the "Trucks") which shall be used for the transportation of the Products with respect to the requisite transportation services.

AND WHEREAS the Contractor has offered his services to the Business and the Business has agreed to accept the offer for transportation of the Products using the Trucks arranged by the Contractor (hereinafter referred to as the "Services") from the production site, [insert Address] (hereinafter referred to as the "Site") to the destination sites more particularly described in the Annexure A hereto (hereinafter collectively referred to as the "Destination"), and the Parties are desirous of recording and confirming their understanding in writing through this Agreement.

NOW, THEREFORE, in consideration of mutual benefits to be derived from this Agreement and on the terms and conditions contained herein, the Parties agree as follows:

1. APPOINTMENT

The Business hereby appoints the Contractor, non-exclusively, to provide the Services from the Site to the Destination.

2. SCOPE OF SERVICES

(1) The scope of the Services to be provided by the Contractor to the Business shall include the following:

- i. The Contractor shall be responsible for safe and complete delivery, both in terms of quality and quantity, of each consignment of the Products.
- ii. The Contractor shall ensure the transportation of the Products from the Site to the Destination at least [insert number] times a week, or as decided between the Parties in accordance with the needs of the Business.
- iii. The Contractor shall be responsible for arranging and providing a minimum of [insert number] Trucks, which shall be exclusively used for transportation of the Products only.
- iv. The Contractor shall at all times maintain the Trucks to transport the Products, and shall provide replacement(s) in an event of breakdown of any of the Trucks so as to ensure uninterrupted Services to the Business.
- v. The Contractor shall depute experienced drivers holding valid driving licenses and any other supporting staff (hereinafter collectively referred to as the

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"Employees"), who shall be competently trained to carry out the Services under this Agreement.

- vi. The Contractor shall provide the Services for the routes specified in Annexure A to this Agreement.

3. SERVICES FEE

- (1) The Contractor shall be paid a services fee, which shall comprise of transportation charges for the Trucks at the rate of Rs. _____/- (Rupees _____) (insert amount) per kilometer (hereinafter referred to as the "Services Fee"), in accordance with the scale set out in Annexure A.
- (2) The Services Fee will be inclusive of vehicle road tax, insurance, repair, servicing, maintenance, fuel, payroll and all costs related to the Employees. The Contractor may claim the octroi and toll charges at actual, which the Business shall reimburse on production of and in accordance with the original receipts.
- (3) The Services Fee, once determined, may be revised/reviewed on quarterly basis by the Business on an application by the Contractor provided that there is a substantial enhancement in fuel charges during the previous quarter. It is agreed between the Parties that a substantial increase for the purpose of this provision will be an increase of more than Rs. ____ (Rupees _____) (insert amount) per liter in the price of fuel.
- (4) The Contractor shall submit monthly bill/invoice in respect of the Services Fee within [insert number] days of the end of the billing month. The billing amount, being the sum of total monthly Services Fee, shall be paid by the Business through a cross cheque in the name of the Contractor within a period of [insert number] days of the receipt of the bill/invoice.
- (5) Should the Trucks be retained at the Destination for the reason of any delay in unloading the Products for any reason attributable to the Business, the Contractor shall be entitled to claim Rs. _____/- (Rupees _____) (insert amount) as waiting charges per [insert number] hours.
- (6) All invoices and notices to be effective shall be delivered at the respective registered offices of the Parties during the official working hours.

4. UNDERTAKINGS OF THE CONTRACTOR

- (1) The Contractor hereby undertakes that it shall obtain any and all necessary registrations, permissions and licenses from the concerned Government Departments/Authorities required for rendering the Services.

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- (2) The Contractor shall arrange and make available a minimum of [insert number] Trucks which shall not be used for any purpose at all other than transportation of the Products from the Site to the Destination.
- (3) The Contractor hereby undertakes that the Trucks provided by it would be certified by the concerned authorities as fit for road service.
- (4) The Contractor shall be responsible for maintenance and fixing/de-fixing of the Vehicles. Repair/replacement of the Vehicles in case of any damage occurring to them in the process shall be the sole responsibility of the Contractor.
- (5) The Contractor undertakes that the Vehicles shall carry appropriate warning symbols.

5. LOADING AND UNLOADING

- (1) The Parties, at the time of loading and unloading of the Products, shall verify the delivery challan and delivery notes accordingly. The delivery challan shall be in the format provided in Annexure B.
- (2) In case any discrepancies are discovered by a Party at the time of loading or unloading, the same shall be conveyed to the other Party and such discrepancies, if any, must be recorded on the delivery challan and delivery notes.
- (3) The Contractor shall depute a duly authorized person who shall be present at the time of loading and unloading of the Products and shall sign/verify the delivery challan and delivery notes on behalf of the Contractor.
- (4) The cost and expenses incurred due to any damage, destruction or loss of the Products entrusted to the Contractor during the course of the Services shall be the exclusive responsibility of the Contractor and shall be deducted by the Business from the Services Fee, or through balance account, or as a direct claim.

6. TRAINING OF THE EMPLOYEES

- (1) The Contractor, before deputing the Employees for the Services, shall ensure that they have received proper training for the carriage and delivery of the Products.
- (2) In case the Contractor fails to provide training to the Employees, the Business may arrange to provide such training to the Employees at the cost of the Contractor. The cost of training shall be determined before the commencement of the training and shall be deducted, at an agreed rate, from the monthly bills/invoices of Services Fee submitted by the Contractor.

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7. DURATION OF THE AGREEMENT

- (1) This Agreement shall be in effect for a period of [insert number] years commencing from [insert date], and is renewable with the mutual consent of the Parties.
- (2) The Parties may terminate this Agreement at any time before its expiry and without assigning any reason by giving a [insert number] days written notice to the other Party.

8. COMPLIANCE WITH LAWS

The Contractor shall comply with all the laws, orders, permits, codes and regulations applicable to its performance of the Services under this Agreement.

9. RELATIONSHIP OF THE EMPLOYEES AND THE BUSINESS

- (1) It is clearly understood and agreed that in the performance of the Services under this Agreement, the Employees act solely as employees of the Contractor. Nothing in this Agreement shall be construed or applied to create a relationship of partnership, agency, joint venture or of an employer and an employee between the Business and the Employees or between the Business and the Contractor. The Contractor is obliged to inform its Employees of this fact and to ensure that any recourse by them is against the Contractor and not the Business for any employment-related claim(s) arising while performing the Services under this Agreement.
- (2) The Business shall not be liable to pay anything to the Employees for the work done under this Agreement nor shall the Business be responsible for any other work-related claim(s) of the Employees.
- (3) The Business shall not be responsible for acts of negligence of the Employees in their course of providing the Services or otherwise. The Contractor takes full responsibility for any loss resulting from any negligence of the Employees under all circumstances and conditions.

10. INSURANCE AND INDEMNIFICATION

- (1) The Contractor shall protect, defend, unconditionally indemnify and hold the Business, its Staff, directors, officers, and agents free and harmless from and against any and all liabilities, losses, claims, liens, demands, damages, causes of action of every kind and character which may arise in the course of providing the Services to the Business. This will include without limitation judgments, penalties, interest, court costs, and any legal fees incurred in enforcing this indemnity, which the Business may at any time suffer or sustain or become liable for, by reason of any negligent act or omission of the Contractor, its Employees, agents or subagents.

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- (2) The Contractor makes no representation, covenants, warranties or guarantees, express or implied other than those expressly set forth in this Agreement. In no case shall the Contractor be liable for contingent or consequential, special or indirect damages, except as may result from Contractor's or the Employees' or their agents' or subagents' gross negligence or willful misconduct.
- (3) The Contractor shall be solely responsible for the insurance of the Vehicles. The Contractor shall also be responsible for any kind of accident or damage caused to the Vehicles. Neither the Business nor its staff shall be held liable to pay compensation to any third party claim arising out of any accident caused during the Services.

11.FORCE MAJEURE

- (1) Force Majeure shall mean any event that is beyond the reasonable control of a Party, or the effects of which adversely affect the performance by such Party of its obligations under this Agreement, including, but not limited to, acts of God, sabotage, insurrection, terrorism, riots, hostilities or war (whether declared or not), acts of the public enemy, civil disturbances, any kind of fire, explosion, flood or accidental damage, epidemics, landslides, washouts, lightening, storms, earthquakes, lockouts, blockades, shortage of labor or material, major equipment failure, or other causes beyond the control of the Party affected.
- (2) Notwithstanding anything contained hereinabove, neither Party shall be liable to the other if it is unable to perform any of its obligations under this Agreement due to the occurrence of Force Majeure.
- (3) The Party affected by the Force Majeure event shall be entitled to suspend performance of its obligations under the Agreement to the extent that such performance is impeded or made impossible by the events of Force Majeure.
- (4) Each Party shall give a notice within [insert number] days of the occurrence of the event of Force Majeure and shall promptly thereafter consult the other Party for the purpose of finding a mutually acceptable solution to the Force Majeure event.

12.SECURITY

The Business shall provide a refundable security of Rs. _____/- (Rupees _____ only) (insert amount) in favor of the Contractor for the term of the Agreement.

13.TAXES

All taxes arising from the supply of the Services by the Contractor to the Business shall be paid by the Contractor.

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14. DISPUTE RESOLUTION

Any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the Pakistan Arbitration Act, 1940, subject to the exclusive jurisdiction of the Courts of [insert place].

15. JURISDICTION

This Agreement is made at [insert place] and the Courts at [insert place] shall have sole and exclusive jurisdiction for any dispute arising out of this Agreement.

IN WITNESS WHEREOF, the Parties hereto fix their signatures on the day and year above mentioned in the presence of the witnesses.

**For and on behalf of
The Business**

**For and on behalf of
The Contractor**

WITNESS NO. 1

WITNESS NO. 2

Signature: _____

Signature: _____

Name: _____

Name: _____

Designation: _____

Designation: _____

Date: _____

Date: _____

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Annexure A

[see Clauses No. 2 and 3 of the Agreement]

Route		Distance	Fare (Rs.)
From	To		

for and on behalf of
the Contractor

for and on behalf of
the Business

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Annexure B

Format of Delivery Challan [see Clause No. 5 of the Agreement]

Delivery Challan

Name and address of the Contractor:

Emergency Contact No.:

Delivery Challan No:

Date: _____

Route: From _____ to _____

Product Code	Quantity	Fare	Advance	Balance

Other Remarks:

The Contractor acknowledges receipt of the Products in the abovementioned quantity and in proper condition. This delivery challan is subject to the terms and conditions of the Transport Services Agreement dated [insert date] between the Contractor and the Business.

for and on behalf of
the Contractor

for and on behalf of
the Business

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