

# Commercial Contract

## TRAVEL SERVICES AGREEMENT



*Empowered lives.  
Resilient nations.*



### Small and Medium Enterprises Development Authority

#### Ministry of Industries & Production

#### Government of Pakistan

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January 2013

## **Travel Services Agreement**

Pro-Gole (Right to do business)

Legal services, B&SDS

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### **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 for travel services with respect to business process outsourcing. 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.

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

### 15. TRAVEL SERVICES AGREEMENT

**THIS TRAVEL SERVICES AGREEMENT** (hereinafter referred to as the "Agreement") is made at [insert place] on this \_\_\_\_ (insert date) day of \_\_\_\_\_ (insert month), 20\_\_ (insert year)

#### BY AND BETWEEN:

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 "Client", which expression shall, wherever the context so provides, include its 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 "Service Provider", which expression shall, wherever the context so provides, include its agents and successors-in-interest).

(The Client and the Service Provider are hereinafter collectively referred to as the "Parties" and individually as the "Party".)

**WHEREAS** the Service Provider is in the business of providing travel management and other travel agency services to its clients (hereinafter referred to as the "Services" and more particularly described in Clause 2 of this Agreement.

**AND WHEREAS** the Client wishes to obtain such services exclusively from the Service Provider and the Service Provider wishes to be the exclusive provider thereof to the Client, subject to the terms and conditions of this Agreement;

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**NOW THEREFORE** in consideration of the mutual promises and covenants contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

## 1. APPOINTMENT AND TERM

- (1) Subject to the terms and conditions contained herein, the Service Provider hereby agrees to provide the Client the Services with effect from date of signing of this Agreement (hereinafter referred to as the "Effective Date").
- (2) The Agreement shall continue to be in force for a term of [insert number] months, unless terminated earlier by the Parties in accordance with the terms of this Agreement.

## 2. SERVICES

- (1) The Service Provider shall perform the following Services, apart from other services as may be requested by the Client and incidental to the provision of Services under this Agreement:
  - i. Managing travel bookings for the Client and its employees, as requested from time to time;
  - ii. Providing the Client with the tickets and itineraries at least [insert number] days prior to the date of travel;
  - iii. Informing the Client of any applicable discounts, if any, for its travel routes etc.;
  - iv. Advising the Client of the most cost effective mode of travel for its intended routes;
  - v. [description of any other Services];
  - vi. [description of any other Services];
  - vii. [description of any other Services];

## 3. FEES AND EXPENSES

- (1) As consideration for the Services to be provided by the Service Provider to the Client under this Agreement, the Client agrees to pay to the Service Provider a fee of Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_) (insert amount) per month (hereinafter referred to as the "Service Fees").
- (2) The Service Fees shall be payable by the Client to the Service Provider on the [insert number] day of each month, in arrears.
- (3) The Client shall be responsible for all travel costs and charges, including without limitation ticket charges, rush ticket deliveries, invoice/ticket reprints, penalties, waivers, cancellation charges, airline service fees, void processing fees and penalty fares incurred by the client as well as the cost of lost ticket applications, ticket copies and ticket usage verifications, unless same is incurred as a result of the negligence or misconduct of the Service Provider.

## 4. TERMINATION

- (1) Either Party shall have the right to terminate or cancel, with or without reason, all or

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part of the Services contemplated by this Agreement or any request for Services on any specific task at any time by giving the other Party [insert number] days prior written notice of its intent to so terminate or cancel.

- (2) If the Client terminates this Agreement before the end of the Term, or any renewal thereof, as the case may be, it shall pay to the Service Provider only for Services satisfactorily performed and not previously paid, and any justified irrevocably obligated reasonable expenses for non-cancellable commitments, up to the effective date of termination.

## 5. DUTIES AND OBLIGATIONS OF THE SERVICE PROVIDER

(1) The Service Provider shall:

- i. use its best efforts to make available to the Client the lowest fares available for all arrangements requested by the Client, and comply with the Client's travel policies in effect from time to time;
- ii. use its best efforts to ensure that third party providers of airline, hotel or vehicle services or other third party goods or services suppliers, selected or used by the Client in the provision of Services to the Client hereunder provide high quality services; and

## 6. DUTIES AND OBLIGATIONS OF THE CLIENT

(1) The Client shall:

- i. designate the Service Provider as the Clients exclusive supplier of Services, in all relevant internal communications;
- ii. not use the corporate travel services of any other provider, unless the Service Provider is unable or unwilling to provide the Services to the Client at or below competitive rates;
- iii. instruct all of its employees to use the Service Provider for individual transient business travel, unless the Service Provider is unable or unwilling to provide the Services at or below competitive rates;
- iv. maintain and communicate a written travel policy to be used by Service Provider when making travel arrangements for the Client;
- v. designate a major credit card, to which the Service Provider shall charge all airline, hotel and car rental reservations & service fees in respect of authorized travel by the Client;
- vi. consider efficient technologies made available by or through the Service Provider, which may involve additional costs.

## 7. LIMITATION OF LIABILITY

- (1) The Service Provider in providing Services pursuant to this Agreement, shall not be responsible or liable for any acts, errors, omissions, delays, missed connections, accidents, losses, injuries, deaths, property damage, or any indirect or consequential damages resulting therefrom, which may be the result of action, inaction, default or insolvency of any airline, hotel, car supplier, other third party goods or service suppliers except in the case of negligence or misconduct by the Service Provider. The Service Provider does not give any representation or warranty with respect to any aspect of

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any third party supplier's services. In the event of a supplier's default with respect to all or any part of such supplier's services, The Client's sole recourse shall be with the supplier, and shall be subject to said supplier's own terms and conditions.

- (2) The Service Provider's liability for negligence, breach of this Agreement or any other claim in damages and losses shall not exceed the total amount owed by the Client to the Service Provider under this Agreement at the time of the breach.

### **8. INDEMNIFICATION**

- (1) The Service Provider agrees that it shall indemnify, hold harmless and defend the Client and its officers, employees, assigns, agents and representatives (hereinafter collectively referred to as the "Indemnified Parties") from and against all claims, demands, damages, costs, cause of action, losses, expenses, liabilities, judgments, suits, actions or proceedings (including but not limited to the cost of litigation) arising out of the breach of its Agreement or otherwise negligence or willful misconduct by its partners, agents or employees while engaged in activities relating to this Agreement or by reason of non-compliance with applicable laws, injury to employees and damage to property of the Service Provider or the Client, unless a loss or claim is due to the negligence or willful misconduct of the Indemnified Parties.

- (1) The Client agrees to indemnify, defend and hold harmless the Service Provider and its affiliates, their employees, directors, officers, agents and contractors, against and from any losses, claims, proceedings or investigations arising out of or in connection with a breach of this Agreement by the Service Provider including, without limitation, attorney fees, amounts paid in settlement of claims, proceedings or investigations, except to the extent that such claim is due to the negligence or willful misconduct of the Service Provider.

### **9. INDEPENDENT CONTRACTOR**

- (1) The Client and the Service Provider are independent contractors, and nothing contained in this Agreement shall be construed to be a relationship of joint venturers, partners, employer/employee, or agency between the Parties. Accordingly, the Service Provider shall be responsible for payment of all taxes arising out of the Service Provider's activities in accordance with this Agreement.
- (2) Neither Party shall have the power to bind or obligate the other, except as set forth in this Agreement.

### **10. GOVERNING LAW AND EXCLUSIVE JURISDICTION**

This Agreement in all respects be read and construed and shall operate as a contract, in conformity with the laws of Pakistan and the courts at [insert place] shall have exclusive jurisdiction for adjudicating any dispute arising hereunder.

### **11. RESOLUTION OF DISPUTES**

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

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with the Pakistan Arbitration Act, 1940, subject to the exclusive jurisdiction of the Courts of [insert place].

### **12.FORCE MAJEURE**

- (2) 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.
- (3) 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.
- (4) 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.
- (5) 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.

### **13.AMENDMENTS**

This Agreement may be modified, extended, enlarged or amended from time to time by mutual agreement and consent of the Parties.

### **14.NON WAIVER**

The failure of either Party to exercise any right provided in this Agreement shall not be construed as a waiver its right to subsequently enforce such provision or any other provision of this Agreement.

### **15.NON-ASSIGNMENT**

In no circumstances whatsoever can the Provider assign the benefit of this Agreement to any third person or to delegate to a third person the duties to be performed under this Agreement.

### **16.PARTIAL INVALIDITY**

If any provision of this Agreement is held by a Court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way. This Agreement shall not be terminated by the merger or consolidation of the Client into or with any other entity.

**IN WITNESS WHEREOF, the Parties have set their respective hands on this Agreement at the place, and on the date, mentioned hereinabove.**

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\_\_\_\_\_  
For and on behalf of  
**The Client**

\_\_\_\_\_  
For and on behalf of  
**The Service Provider**

## WITNESS NO. 1

## WITNESS NO. 2

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_