

**THE UNIVERSAL COMMUNICATIONS SERVICE ACCESS FUND**



**AGREEMENT**

*BETWEEN*

**UNIVERSAL COMMUNICATIONS SERVICE ACCESS FUND  
OF P.O BOX 1957  
DODOMA**

*AND*

**M/S VIETTEL TANZANIA PLC  
OF P.O. BOX 34716,  
DAR ES SALAAM.**

*FOR*

**PROVISION OF TELECOMMUNICATION SERVICE TO BORDER AND SPECIAL  
ZONES/AREAS, PHASE 6 PROJECT.**

**CONTRACT NO. IE/037/2020-2021/HQ/NC/20**

**APRIL, 2022**



## FORM OF CONTRACT

This CONTRACT (hereinafter called the "Contract") is made this 08<sup>th</sup> day of April, 2022.

between

**UNIVERSAL COMMUNICATIONS SERVICE ACCESS FUND** of P.O. Box 1957, Dodoma  
(hereinafter called "*the Employer*") on the one hand,

and

**M/S VIETTEL TANZANIA PLC** of P.O. Box 34716, Dar es Salaam (hereinafter called "*the Service Provider*") on the other hand.

### WHEREAS

- (a) the Employer has requested the Service Provider to provide telecommunication services to 13 Wards as per the activity schedule and as defined in the General Conditions of Contract attached to this Contract (hereinafter called the "Services");
- (b) the Service Provider, having presented to the Employer that they have the required professional skills, and personnel and technical resources, have agreed to provide the Services on the terms and conditions set forth in this Contract;
- (c) the Employer has set aside funds towards the cost of the services and intends to apply a portion of the proceeds of these funds to eligible payments under this Contract, it being understood that such payments will be subject, in all respects, to the terms and conditions of the Contract providing for the funds and that no party other than the Employer shall derive any rights from the Contract providing for the funds or have any claim to the funds proceeds;

### DEFINITIONS

In this Contract, the following words shall have the meaning assigned below: -

Subsidy:	Means agreed amount paid to the Service Provider by the Employer as support towards implementation of the Project.
Provision of data communication:	Means construction or deployment of physical communication equipment to the designated areas for provision of Mandatory Service.
Mandatory Service:	Mean services which the Service Provider is required to give upon meeting technical specifications under the subsidy for quality assurance.

**NOW THEREFORE** the parties hereto hereby agree as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this Contract:
  - A. The General Conditions of Contract;
  - B. The Special Conditions of Contract;

- C. Performance Specifications;
- D. Service Availability and Quality;
- E. Activity Schedule;
- F. Letter of Acceptance;
- G. Annexes:

*at lot 13 village (check with Haruna duplicate 400 village)*

Annex A- Coverage Data for 22 Wards, Population and Land Scan Data for Villages

Annex B- Description of the Services

Annex C- Service Availability and Quality Specifications

Annex D- Schedule of Payments

Annex E- Reporting Requirements of the Service Provider

Annex F- Service Provider Responsibilities

Annex G- Subsidy Invoice to be submitted by Service Providers

Annex H- UCSAF Signboard Specifications

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2. The mutual rights and obligations of the Employer and the Service Provider shall be as set forth in the Contract, in particular:

- a) The Service Provider shall carry out the Services in accordance with the provisions of the Contract;
- b) The Employer shall make payments to the Service Provider in accordance with the provisions of the Contract at a contract price **TZS 2,145,000,000/- VAT inclusive [Say TZS Two Billion One Hundred Forty-Five Million Only] for Provision of Telecommunication Service for Border and Special Zones/Areas, Phase 6 Project to 13 wards/lots, Tender No.IE/037/2020-2021/HQ/NC/20.**

*Cancelled X* The Service Provider shall not construct Telecommunication Towers to the designated Ward/Lot if found to have communication services from another Operator and shall immediately inform the Employer for an approval to change the Ward/Lot in terms of Clause 13 and 23.1(d) of SCC and GCC respectively;

*- Halotel will deploy to all locations in the lot given by UCSAF.*

- d) The Service Provider shall not dispose or sell any of the telecommunication equipment subsidized by the Employer before obtaining a consent from the Employer;
- e) The Service Provider is free to apply for additional license to provide other communication services in accordance with the existing licensing procedures; and
- X* f) Pursuant to Clause (e) above, the Service Provider's telecommunication infrastructure subsidized by the Employer in the designated area shall also be used by other licensed Service Provider for the provision of addition services subject to negotiations. *- must have Halotel permission conditions*
- Not write X* g) The Service Provider shall allow the Employer and other public authorities access to the facilities of the Service Provider used to supply the Mandatory Services in accordance with the schedule of requirements.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Contract to be signed in their respective

names as of the day and year first above written.

For and on behalf of **THE UNIVERSAL COMMUNICATIONS SERVICE ACCESS FUND**



**CHIEF EXECUTIVE OFFICER**

In the presence of

Name: KITANGU PAULO UGULA

Address: P. O BOX 1957 DODOMA

Qualification: COMMISSIONER FOR OATITS

Signature: 

For and on behalf of **M/s VIETTEL TANZANIA PLC**

**MANAGING DIRECTOR**

In the presence of:

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

Address: **P. O BOX 34716 DAR ES SALAAM**

Qualification: \_\_\_\_\_

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

## A. GENERAL CONDITIONS OF CONTRACT:

### i. General Provisions

#### 1. Definitions

- 1.1 Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:
- a) "Adjudicator" is the person appointed jointly by the Employer and the Service Provider to resolve disputes in the first instance, as provided for in Clauses 1 (1.1) a and 24 (43.3 hereunder);
  - b) "Activity Schedule" is the priced and completed list of items of Services to be performed by the Service Provider forming part of his Bid;
  - c) "Completion Date" means the date of completion of the Services by the Service Provider as certified by the Employer;
  - d) "Contract" means the Contract signed by the Parties, to which these General Conditions of Contract (GCC) are attached, together with all the documents listed in Clause 2.1 of such signed Contract;
  - e) "Contract Price" means the price to be paid for the performance of the Services, in accordance with Clause 33.1;
  - f) "Corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the selection process or in contract execution.
  - g) "Day works" means varied work inputs subject to payment on a time basis for the Service Provider's employees and equipment, in addition to payments for associated materials and administration;
  - h) "Employer" means the party who employs the Service Provider;
  - i) "Foreign Currency" means any currency other than the currency of the country of the Employer;
  - j) "Force Majeure" means an event which is beyond the reasonable control of a Party and which makes a Party's performance of its obligations under the Contract impossible or so impractical as to be considered impossible under the circumstances.
  - k) "fraudulent practice" means a misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of the Employer, and includes collusive practice among Service Provider (prior to or after submission of proposals) designed to establish prices at artificial non-competitive levels and to deprive the Employer of the benefits of free and open competition.
  - l) "GCC" means these General Conditions of Contract;
  - m) "Government" means the Government of the United Republic of Tanzania;
  - n) "Local Currency" means the currency of the United Republic of Tanzania;

- o) "Member," in case the Service Provider consist of a joint venture of more than one Entity, means any of these entities; "Members" means all these entities, and "Member in Charge" meansthe Entity specified in the SC to act on their behalf in exercising all the Service Provider' rights and obligations towards the Employer under this Contract;
- p) "Party" means the Employer or the Service Provider, as the case may be, and "Parties" means both of them;
- q) "Personnel" means persons hired by the Service Provider or by any Subcontractor as employees and assigned to the performance of the Services or any part thereof;
- r) "Service Provider" is a person or corporate body whose Bid to provide the Services has been accepted by the Employer;
- s) "Service Provider's Bid" means the completed bidding document submitted by the Service Provider to the Employer
- t) "SCC" means the Special Conditions of Contract by which the GCC may be amended or supplemented;
- u) "Specifications" means the specifications of the service included in the bidding document submitted by the Service Provider to the Employer
- v) "Services" means the work to be performed by the Service Provider pursuant to this Contract, as described in Appendix A; and in the Specifications and Schedule of Activities included in the Service Provider's Bid.
- w) "Subcontractor" means any Entity to which the Service Provider subcontracts any part of the Services in accordance with the provisions of Clauses 7.1 and 8.1.
- x) "Site" means the place(s) named in SCC.

- 2. Applicable Law and Interpretation**
- 2.1 The Contract shall be interpreted in accordance with the laws of the United Republic of Tanzania, unless otherwise **specified in the SCC**. The documents forming the Contract shall be interpreted in the following order of priority:
- A. The Special Conditions of Contract;
  - B. The General Conditions of Contract;
  - C. Performance Specifications;
  - D. Service Availability and Quality;
  - E. Activity Schedule;
  - F. Letter of Acceptance;
  - G. Annexes:
    - Annex A- Coverage Data for 13 Wards, Population and Land Scan Data for Villages
    - Annex B- Description of the Services
    - Annex C- Service Availability and Quality Specifications
    - Annex D-Schedule of Payments
    - Annex E-Reporting Requirements of the Service Provider
    - Annex F-Service Provider Responsibilities
    - Annex G-Subsidy Invoice to be submitted by Service Providers
    - Annex H- UCSAF Signboard Specifications
- 3. Language**
- 3.1 This Contract has been executed in the language specified in the **SCC**, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.
- 4. Communications**
- 4.1 Any notice, request, or consent made pursuant to this Contract shall be in writing and shall be deemed to have been made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent by registered mail, telex, telegram, or facsimile to such Party at the address specified in the **SCC**.
- 5. Location**
- 5.1 The Services shall be performed at such locations as are specified in Appendix A, in the specifications and, where the location of a particular task is not so specified, at such locations, as the Employer may approve.
- 6. Authorized Representatives**
- 6.1 Any action required or permitted to be taken, and any document required or permitted to be executed, under this Contract by the Employer or the Service Provider may be taken or executed by the officials specified in the **SCC**.
- 7. Subcontracting**
- 7.1 The Service Provider may subcontract with the approval of the Employer's Representative, but may not assign the Contract without the approval of the Employer in writing. Subcontracting shall not alter the Service Provider's obligations.

**8. Other Service Providers**

8.1 The Service Provider shall cooperate and share the Site with other Service Providers, public authorities, utilities, and the Employer between the dates given in the Schedule of Other Service Providers, as referred to in the SCC. The Service Provider shall also provide facilities and services for them as described in the Schedule. The Employer may modify the Schedule of Other Service Providers, and shall notify the Service Provider of any such modification.

**9. Taxes and Duties**

9.1 The Service Provider, Subcontractors, and their Personnel shall pay such taxes, duties, fees, and other impositions as may be levied under the Applicable Law, the amount of which is deemed to have been included in the Contract Price.

**ii. Commencement, Completion, Modification, and Termination of Contract**

<b>10. Effectiveness of Contract</b>	10.1	This Contract shall come into effect on the date the Contract is signed by both parties and such other later date as may be stated in the SCC.
<b>11. Commencement of Services</b>		
<b>Program</b>	11.1	Before commencement of the Services, the Service Provider shall submit to the Employer for approval a Program showing the general methods, arrangements, order and timing for all activities. The Services shall be carried out in accordance with the approved Program as updated.
<b>Starting Date</b>	11.2	The Service Provider shall start carrying out the Services within thirty (30) days after the date the Contract becomes effective, or at such other date as maybe specified in the SCC.
<b>12. Intended Completion Date</b>	12.1	Unless terminated earlier pursuant to Clause 15, the Service Provider shall complete the activities by the Intended Completion Date, as is specified in the SCC. If the Service Provider does not complete the activities by the Intended Completion Date, it shall be liable to pay liquidated damage as per Clause 26. In this case, the Completion Date will be the date of completion of all activities.
<b>13. Modification</b>	13.1	Modification of the terms and conditions of this Contract, including any modification of the scope of the Services or of the Contract Price, may only be made by written Contract between the Parties and shall not be effective until the consent of the appropriate Tender Board, as the case may be, has been obtained.
<b>14. Force Majeure</b>		
<b>No Breach of Contract</b>	14.1	The failure of a Party to fulfil any of its obligations under the contract shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event (a) has taken all reasonable precautions, due care and reasonable alternative measures in order to carry out the terms and conditions of this Contract, and (b) has informed the other Party as soon as possible about the occurrence of such an event.
<b>Extension of Time</b>	14.2	Any period within which a Party shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.
<b>Payments</b>	14.3	During the period of their inability to perform the Services as a result of an event of Force Majeure, the Service Provider shall be entitled to continue to be paid under the terms of this Contract, as well as to be

reimbursed for additional costs reasonably and necessarily incurred by them during such period for the purposes of the Services and in reactivating the Service after the end of such period.

- 14.4 Payments shall be made promptly by the Employer, within sixty (60) days after submission of an invoice or claim by the Service Provider. If the Employer makes a late payment, the Service Provider shall be paid interest on the late payment. Interest shall be calculated from the date by which the payment should have been made up to the date when the late payment is made at the rate as specified in the SCC.

## 15. Termination

### By the Employer 15.1

The Employer may terminate this Contract, by not less than thirty (30) days' written notice of termination to the Service Provider, to be given after the occurrence of any of the events specified in paragraphs (a) through (f) of this Clause and sixty (60) days' in the case of the event referred to in (g):

- a) if the Service Providers do not remedy a failure in the performance of their obligations under the Contract, within thirty (30) days after being notified or within any further period as the Employer may have subsequently approved in writing;
- b) if the Service Provider become insolvent or bankrupt;
- c) if, as the result of Force Majeure, the Service Provider/s are unable to perform a material portion of the Services for a period of not less than sixty (60) days; or
- d) if the Service Provider/s, in the judgment of the Employer has engaged in corrupt or fraudulent practices in competing for or in executing the Contract.
- e) if the Service Provider does not maintain a Performance Security in accordance with Clause 27;
- f) if the Service Provider has delayed the completion of the Services by the number of days for which the maximum amount of liquidated damages can be paid in accordance with Clause 26.1 and the SCC.;
- g) if the Employer, in its sole discretion, decides to terminate this Contract.

### By the Service Provider 15.2

The Service Provider may terminate this Contract, by not less than thirty (30) days' written notice to the Employer, such notice to be given after the occurrence of any of the events specified in paragraphs (a) and (b)

of this Clause:

- (a) if the Employer fails to pay any monies due to the Service Provider pursuant to this Contract and not subject to dispute pursuant to Clause 43 within forty-five (45) days after receiving written notice from the Service Provider that such payment is overdue; or
- (b) if, as the result of Force Majeure, the Service Provider are unable to perform a material portion of the Services for a period of not less than sixty (60) days.

**Payment upon Termination**

- 15.3 Upon termination of this Contract pursuant to sub- Clauses 15.1 or 15.2, the Employer shall make the following payments to the Service Provider:
- (a) remuneration pursuant to Clause 33 for Services satisfactorily performed prior to the effective date of termination;
  - (b) except in the case of termination pursuant to paragraphs (a), (b), (d), (e), (f) of Clause 15.1, reimbursement of any reasonable cost incident to the prompt and orderly termination of the Contract, including the cost of the return travel of the Personnel.

**Limitation of Liability**

- 15.4 Except in cases of criminal negligence or wilful conduct, and in the case of infringement pursuant to GCC Clause 8:
- (a) The Service Provider shall not be liable to the Employer, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the Service Provider to pay liquidated damages to the Employer and
  - (b) The aggregate liability of the Service Provider to the Employer, whether under the Contract, in tort or otherwise, shall not exceed the total Contract Price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment or to any obligation of the Service Provider to indemnify the Employer with respect to patent infringement.



<b>18. Confidentiality</b>	18.1	The Service Providers, their Subcontractors, and the Personnel of either of them shall not disclose any proprietary or confidential information relating to the Project, the Services, this Contract, or the Employer's business or operations without the prior written consent of the Employer.
<b>19. Insurance to be Taken out by the Service Providers</b>	19.1	The Service Providers (a) shall take out and maintain, and shall cause any Subcontractors to take out and maintain, at their (or the Subcontractors', as the case may be) own cost but on terms and conditions approved by the Employer, insurance against the risks, and for the coverage, as shall be specified in the SCC; and (b) at the Employer's request, shall provide evidence to the Employer showing that such insurance has been taken out and maintained and that the current premiums have been paid.
<b>20. Protection of the environment</b>	20.1	The Service Provider shall take all reasonable steps to protect the environment and to limit damage and nuisance to people and property resulting from pollution, noise and other results of his operations.
	20.2	The Service Provider shall ensure that emissions, surface discharges and effluent from his activities shall not exceed values prescribed in relevant environmental laws.
<b>21. Labour Laws</b>	21.1	The Service Provider shall comply with all the relevant labour laws applicable in the Country, including laws relating to worker's employment, working hours, health, safety, welfare, immigration and shall allow them all their legal rights.
	21.2	The Service Provider shall require his employees to obey all applicable laws, including those concerning safety at work.
<b>22. Health and Safety</b>	22.1	The Service Provider shall at all times take all reasonable precautions to maintain the health and safety of his personnel.
	22.2	The Service Provider shall ensure that first aid facilities are available at all times at the site and that suitable arrangements are made for all necessary welfare and hygiene requirements and for the prevention of epidemics
	22.3	The Service Provider shall notify the Employer details of any accident as soon as practicable after its occurrence. The Service Provider shall maintain records and make reports concerning health, safety, and welfare of persons, and damage to the property, as the Employer may reasonably require.
	22.4	The Service Provider shall conduct an HIV-Aids awareness programme, and shall take other such measures as specified in the SCC to reduce the risk of transfer of HIV virus between and among Service Provider's personnel, the Employers Staff and the surrounding community.

<b>23. Service Providers' Actions Requiring Employer's Prior Approval</b>	23.1	The Service Provider shall obtain the Employer's prior approval in writing before taking any of the following actions: (a) entering into a subcontract for the performance of any part of the Services, (b) appointing such members of the Personnel not listed by name in Appendix C ("Key Personnel and Subcontractors"), (c) changing the Program of activities; and (d) Any other action that may be specified in the SCC.
<b>24. Reporting Obligations</b>	24.1	The Service Providers shall submit to the Employer the reports and documents specified in Appendix B in the form, in the numbers, and within the periods set forth in the said Appendix.
<b>25. Documents Prepared by the Service Providers to be the Property of the Employer</b>	25.1	All plans, drawings, specifications, designs, reports, and other documents and software submitted by the Service Providers in accordance with this Clause shall become and remain the property of the Employer, and the Service Providers shall, not later than 14 days upon termination or expiration of this Contract, deliver all such documents and software to the Employer, together with a detailed inventory thereof. The Service Providers may retain a copy of such documents and software. Restrictions about the future use of these documents, if any, shall be specified in the SCC.
<b>26. Liquidated Damages</b>		
<b>Payments of Liquidated Damages</b>	26.1	The Service Provider shall pay liquidated damages to the Employer at the rate per day stated in the SCC for each day that the Completion Date is later than the Intended Completion Date. The total amount of liquidated damages shall not exceed the amount defined in the SCC. The Employer may deduct liquidated damages from payments due to the Service Provider. Payment of liquidated damages shall not affect the Service Provider's liabilities.
<b>Correction for Overpayment</b>	26.2	If the Intended Completion Date is extended after liquidated damages have been paid, the Employer shall correct any overpayment of liquidated damages by the Service Provider by adjusting the next payment certificate. The Service Provider shall be paid interest on the overpayment, calculated from the date of payment to the date of repayment, at the rates specified in Clause 36.
<b>Lack of Performance Penalty</b>	26.3	If the Service Provider has not corrected a Defect within the time specified in the Employer's notice, a penalty for Lack of performance will be paid by the Service Provider. The amount to be paid will be calculated as a percentage of the cost of having the Defect corrected, assessed as described in Clause 41.1
<b>27. Performance Security</b>	27.1	The Service Provider shall provide the Performance Security to the Employer no later than the date specified in the Letter of Acceptance. The Performance Security shall be issued in an amount and form and by a bank or surety acceptable to the Employer, and denominated in the types and proportions of the currencies in which the Contract Price is payable. The performance Security shall be valid until a date 28 days from the Completion Date of the Contract, unless otherwise specified in the SCC.

#### iv. Service Provider's Personnel

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|--|------|--|
| <b>28. Description of Personnel</b>                | 28.1 | The titles, agreed job descriptions, minimum qualifications, and estimated periods of engagement in the carrying out of the Services of the Service Provider's Key Personnel are described in Appendix C. The Key Personnel and Subcontractors listed by title as well as by name in Appendix C are hereby approved by the Employer.   |
| <b>29. Removal and/or Replacement of Personnel</b> | 29.1 | Except as the Employer may otherwise agree, no changes shall be made in the Key Personnel. If, for any reason beyond the reasonable control of the Service Provider, it becomes necessary to replace any of the Key Personnel, the Service Provider shall provide as a replacement a person of equivalent or better qualifications.  |
|  | 29.2 | If the Employer finds (i) that any of the Personnel have committed serious misconduct or have been charged with having committed a criminal action, or (ii) have reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Service Provider shall, at the Employer's written request specifying the grounds thereof, provide as a replacement a person with qualifications and experience acceptable to the Employer. |
|  | 29.3 | The Service Provider shall have no claim for additional costs arising out of or incidental to any removal and/or replacement of Personnel  |

*Considered*

## v. Obligations of the Employer

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|---|------|--|
| <b>30. Assistance and Exemptions</b>    | 30.1 | The Employer shall use its best efforts to provide the Service Provider such assistance and exemptions as specified in the SCC.  |
| <b>31. Change in the Applicable Law</b> | 31.1 | If, after the date of this Contract, there is any change in the Applicable Law with respect to taxes and duties which increases or decreases the cost of the Services rendered by the Service Provider, then the remuneration and reimbursable expenses otherwise payable to the Service Provider under this Contract shall be increased or decreased accordingly by Contract between the Parties, and corresponding adjustments shall be made to the amounts referred to in Clauses 34(a) or (b), as the case may be. |
| <b>32. Services and Facilities</b>      | 32.1 | The Employer shall make available to the Service Provider the Services and Facilities listed under Appendix F.   |

## vi. Payments to the Service Provider

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|--|------|--|
| <b>33. Lump-Sum Remuneration</b>           | 33.1 | The Service Provider's remuneration shall not exceed the Contract Price and shall be a fixed lump-sum including all Subcontractors' costs, and all other costs incurred by the Service Providers in carrying out the Services described in Appendix A. Except as provided in Clause 34.1, the Contract Price may only be increased above the amounts stated in Clause 33 if the Parties have agreed to additional payments in accordance with Clause 35.1.   |
| <b>34. Contract Price</b>                  | 34.1 | a) The price payable in local currency is set forth in the SCC.<br>b) The price payable in foreign currency is set forth in the SCC.   |
| <b>35. Payment for Additional Services</b> | 35.1 | For the purpose of determining the remuneration due for additional Services as may be agreed under Clause 13, a breakdown of the lump-sum price is provided in Appendices D and E.   |
| <b>36. Terms and Conditions of Payment</b> | 36.1 | Payments will be made to the Service Provider and according to the payment schedule stated in the SCC. Unless otherwise stated in the SCC, advance payment shall be made against the provision by the Service Provider of a bank guarantee or insurance bond for the same amount, and shall be valid for the period stated in the SCC. Any other payment shall be made after the conditions listed in the SCC for such payment have been met, and the Service Provider has submitted an invoice to the Employer specifying the amount due. |
| <b>37. Interest on Delayed Payments</b>    | 37.1 | If the Employer has delayed payments beyond twenty-eight (28) days after the due date stated in the SCC, interest shall be paid to the Service Provider for each day   |

### 38. Price Adjustment

of delay at the rate stated in the SCC

- 38.1 a) Prices shall be adjusted for fluctuations in the cost of inputs only if provided for in the SCC. If so provided, the amounts certified in each payment certificate, after deducting for Advance Payment, shall be adjusted by applying the respective price adjustment factor to the payment amounts due in each currency. A separate formula of the type indicated below applies to each Contract currency:

$$P_c = A_c + B_c L_{mc}/L_{oc} + C_c I_{mc}/I_{oc}$$

Where:

$P_c$  is the adjustment factor for the portion of the Contract Price payable in a specific currency "c".

$A_c$ ,  $B_c$  and  $C_c$  are coefficients specified in the SCC, representing:  $A_c$  the nonadjustable portion;  $B_c$  the adjustable portion relative to labor costs and  $C_c$  the adjustable portion for other inputs, of the Contract Price payable in that specific currency "c"; and

$L_{mc}$  is the index prevailing at the first day of the month of the corresponding invoice date and

$L_{oc}$  is the index prevailing 28 days before Bid opening for labor; both in the specific currency "c".

$I_{mc}$  is the index prevailing at the first day of the month of the corresponding invoice date and  $I_{oc}$  is the index prevailing 28 days before Bid opening for other inputs payable; both in the specific currency "c".

- b) If the value of the index is changed after it has been used in a calculation, the calculation shall be corrected and an adjustment made in the next payment certificate. The index value shall be deemed to take account of all changes in cost due to fluctuations in costs.

### 39. Day works

- 39.1 If applicable, the Day work rates in the Service Provider's Bid shall be used for small additional amounts of Services only when the Employer has given written instructions in advance for additional services to be paid in that way.
- 39.2 All work to be paid for as Day works shall be recorded by the Service Provider on forms approved by the Employer. Each completed form shall be verified and signed by the Employer representative as indicated in Clause 6 within two days of the Services being performed.
- 39.3 The Service Provider shall be paid for Day works subject to obtaining signed Day works forms as indicated in Clause 39.

## vii. Quality Control

- 40. Identifying Defects** 40.1 The Employer shall check the Service Provider's performance and notify him of any Defects that are found. Such checking shall not affect the Service Provider's responsibilities. The Employer may instruct the Service Provider to search for a Defect and to uncover and test any service that the Employer considers may have a Defect.
- 41. Correction of Defects and Lack of Performance Penalty** 41.1 a) The Employer shall give notice to the Service Provider of any Defects before the end of the Contract. The Defects liability period shall be extended for as long as Defects remain to be corrected.
- b) Every time a notice of Defect is given, the Service Provider shall correct the notified Defect within the length of time specified by the Employer's notice.
- c) If the Service Provider has not corrected a Defect within the time specified in the Employer's notice, the Employer will assess the cost of having the Defect corrected, the Service Provider will pay this amount, and a Penalty for Lack of Performance calculated as described in Clause 26.3.

## H: Settlement of Disputes

- 42. Amicable Settlement** 42.1 The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or its interpretation.
- 43. Dispute Settlement** 43.1 If any dispute arises between the Employer and the Service Provider in connection with, or arising out of, the Contract or the provision of the Services, whether during carrying out the Services or after their completion, the matter shall be referred to the Adjudicator within 14 days of the notification of disagreement of one party to the other.
- 43.2 The Adjudicator shall give a decision in writing within 28 days of receipt of a notification of a dispute.
- 43.3 The Adjudicator shall be paid by the hour at the rate specified in the SCC, together with reimbursable expenses of the types specified in the SCC, and the cost shall be divided equally between the Employer and the Service Provider, whatever decision is reached by the Adjudicator. Either party may refer a decision of the Adjudicator to an Arbitrator within 28 days of the Adjudicator's written decision. If neither party refers the dispute to arbitration within the above 28 days, the Adjudicator's decision will be final and binding.
- 43.4 The arbitration shall be conducted in accordance with the arbitration procedure published by the institution named

and in the place shown in the **SCC**.

- 43.5 Should the Adjudicator resign or die, or should the Employer and the Service Provider agree that the Adjudicator is not functioning in accordance with the provisions of the Contract, a new Adjudicator will be jointly appointed by the Employer and the Service Provider. In case of disagreement between the Employer and the Service Provider, within 30 days, the Adjudicator shall be designated by the Appointing Authority designated in the **SCC** at the request of either party, within 14 days of receipt of such request.

## B. SPECIAL CONDITIONS OF CONTRACT:

The following Special Conditions of Contract shall supplement the General Conditions of Contract. Whenever there is a conflict, the provisions herein shall prevail over those in the General Conditions of Contract.

SCC Clau se Num ber	G C C	<b>Amendments of, and Supplements to, Clauses in the General Conditions of Contract</b>
<b>A. General Provisions</b>		
1.	1.1(a)	The Adjudicator will be appointed by National Construction Council.
	1.1(b)	Activity schedule: <b>As per Section VII of this document</b>
	1.1(c)	The completion date is <b>Nine (09) Months from the date of signing the contract.</b>
	1.1(d)	The contract name is <b>Provision of Telecommunication Service for Border and Special Zones/Areas, Phase 6 Project to 13 wards/lots, Tender No. IE/037/2020-2021/HQ/NC/20.</b>
	1.1(h)	The Employer is <b>UNIVERSAL COMMUNICATIONS SERVICE ACCESS FUND</b>
	1.1(o)	The Member in Charge is N/A
	1.1(r)	The Service Provider is MIC (T) Limited
	1.1(v)	The works to be performed by the service provider is to provide <b>Telecommunication Service to 13 Wards for Border and Special Zones/Areas, Phase 6 Project.</b>
2.	2.1	The law that applies to the Contract is the <i>Laws of Tanzania</i>
3.	3.1	The language is <i>English</i>

4.	4.1	<p>The addresses are:</p> <p>Employer: <b>UNIVERSAL COMMUNICATIONS SERVICE ACCESS FUND</b></p> <p>Attention: <b>CHIEF EXECUTIVE OFFICER</b></p> <p><b>Phone:</b> +255 26 29765771</p> <p><b>Fax No:</b> +255 26 296 5770</p> <p>Service Provider: <b>VIETTEL TANZANIA PLC</b></p> <p>Attention: <b>MANAGING DIRECTOR</b></p> <p>Telex: +255 (0) 22 .....</p> <p>Facsimile: :+255 (0) 22 .....</p>
5.	6.1	<p>The Authorized Representatives are:</p> <p>For the Employer : <b>CHIEF EXECUTIVE OFFICER</b></p>
		For the Service Provider : <b>MANAGING DIRECTOR</b>
<b>B. Commencement, Completion, Modification, and Termination of Contract</b>		
6.	8.1	Schedule of other Service Providers ( <i>insert the list of otherproviders</i> ): <b>NONE</b>
7.	10.1	The date on which this Contract shall come into effect will be after <b>contract signing</b>
8.	11.2	The Service Provider shall start carrying out the Services within 30 days after contract signing. The contract may be reviewed from time to time for the purpose of improving the performance of the service
9.	12.1	The Intended Completion Date is Nine (9) months from the date of contract signing. The last subsidy payment will be made after nine (9) months of service provisioning in all the designated areas (lots/wards).
<b>C. Obligations of the Service Provider</b>		
10.	17.3 (c)	Give the list of other activities which the personnel of serviceproviders should not engage in. <b>NONE</b>
11.	19.1	<b>NONE</b>
12.	22.4	<b>N/A</b>
13.	23.1(d)	The other actions requiring the employer's prior approval are: <b>Changing of the site with its respective Subsidy</b>
14.	25.1	Restrictions about future use of documents submitted by ServiceProviders: <b>N/A</b>

15.	26.1	<p>The liquidated damages rate is one-tenth of one percent (0.1%) of the final contract subsidy per day.</p> <p>The maximum amount of liquidated damages for the whole contract is ten percent (10%) of the final Contract Subsidy. The percentage of the cost of having a defect corrected to be used for the calculation of lack of performance penalty (ies) is five percent (5%).</p> <p>The defects liability period is 12 months</p>
16.	27.1	<p>Performance security shall be valid for <b>9 months</b></p> <p>The amount of performance security, as a percentage of the Contract Price shall be <b>ten (10%) percent of the contract price</b></p>
<b>E. Obligations of the Employer</b>		
17.	30.1	<p><i>[Note: List here any assistance or exemptions that the Employer may provide under Clause 27. If there is no such assistance or exemptions, state "not applicable.N/A</i></p>
<b>F. Payments to the Service Provider</b>		
18.	34.1(a)	<p>The amount in local currency is: <b>TZS 2,145,000,000/- VAT inclusive [Say TZS Two Billion One Hundred Forty-Five Million Only] for Provision of Telecommunication Service for Border and Special Zones/Areas, Phase 6 Project to 13 wards/lots, Tender No.IE/037/2020-2021/HQ/NC/20.</b></p>
19.	34.1(b)	<p>The amount in foreign currency or currencies is: N/A</p>

20.	36.1 ✓	<p>Payments shall be made for each lot according to the following schedule:</p> <ul style="list-style-type: none"> <li>• Advance: Forty percent (<sup>50%</sup>40%) of the Subsidy shall be paid on the contract signature date against the submission of an acceptable subsidy invoice [in accordance with the form included in Annex G of this document] and bank guarantee or insurance bond for the same;</li> </ul> <p>Progress payments below, in accordance with the milestones established as follows, subject to the issuance of Acceptance Certificates by the Technical Auditor;</p> <ul style="list-style-type: none"> <li>• Forty percent (40%) of the Subsidy shall be paid upon provision of network coverage in designated areas (lots/wards) constituting all (100%) of the contractor's total subsidy amount for service obligations under the contract, against receipt of an acceptable invoice, and certification by the Technical Auditor that the equipment installations called for by the Technical Plan have been successfully completed and that signal quality measurements meet or exceed the agreed minimum signal quality requirements;</li> <li>• Twenty percent (<sup>10%</sup>20%) of the Subsidy after nine months of service provisioning in all the designated areas (lots/wards) and certification by the Technical Auditor that the equipment installations called for by the Technical plan have continued to operate successfully and that signal quality measurements have met or exceeded the agreed minimum signal quality requirements.</li> </ul> <p>Should the certification not be provided or refused in writing by the employer within two months of the date of the milestone, or of the date of receipt of the corresponding subsidy invoice, the certification will be deemed to be provided, and the progress payment will be released at such date.</p> <p>The bank guarantee for the advance payment shall be released when the advance payment has been fully amortized.</p>
21.	37.1	<p>Payment shall be made within forty-five (45) days of receipt of the subsidy invoice and the relevant documents specified in Sub-Clause 42.2, and within ninety (90) days in the case of the final payment.</p> <p>The interest rate is [rate].N/A</p>
22.	38.1	<p>Price adjustment is NOT to be applied in accordance with Sub-Clause 38.1: N/A</p>

<p>23.</p>	<p>The principle and modalities of inspection of the Services by the Employer are as follows:  Within 90 days following the Effective Date, UCSAF may <i>appoint an Independent Verification Agent; and execute an agreement (the Independent Verification Agent Agreement) with the Independent Verification Agent.</i></p> <p>UCSAF and Independent Verification Agent Agreement will:</p> <ol style="list-style-type: none"> <li>a) <i>define the role of the Independent Verification Agent in accordance with this Agreement;</i></li> <li>b) <i>prescribe the methodology, tests and reporting structure to be used by the Independent Verification Agent in performing his or her role; set out the fees to be payable, and expenses to be reimbursable, to the Technical Auditor; and</i></li> <li>c) <i>contain all other provisions that UCSAF determines necessary to give effect to the Technical Auditor Agreement.</i></li> </ol> <p>UCSAF will be responsible for the fees to be payable, and expenses to be reimbursable, to the Technical Auditor in accordance with the Technical Auditor Agreement.</p> <p>UCSAF will make a copy of the Technical Auditor Agreement available to the Service Provider upon its execution.</p> <p>If the Technical Auditor resigns or dies or is otherwise removed from his or her position in accordance with the terms of the Technical Auditor Agreement (e.g., breach of contract/incompetence, illness) before the end of this Agreement, or UCSAF decides to replace the Technical Auditor at any time, UCSAF will, as soon as practicable, appoint a replacement Technical Auditor who, for all purposes of this Agreement, will from and after such appointment be the Technical Auditor under this Agreement. The replacement Technical Auditor will not re-open any Acceptance Certificate issued by the replaced Technical Auditor unless s/he can demonstrate the need to do so to the satisfaction of UCSAF (e.g., compelling indications or evidence that a Acceptance Certificate was wrongly issued). In this latter event, any network or service deficiencies will be corrected by the Service Provider to the satisfaction of the replacement Technical Auditor before a relevant Acceptance Certificate is reissued.</p> <p>The Technical Auditor will perform certain functions in accordance with this Agreement, including:</p> <ol style="list-style-type: none"> <li>(a) Making a determination as to whether or not the agreed Rollout Schedule has been met, which may include, but is not limited to, one or more of the following: <ol style="list-style-type: none"> <li>i. <i>making a determination as to whether or not any of the Mandatory Services meet the Service Availability and Quality Specifications;</i></li> <li>ii. <i>making a determination as to whether or not the facilities used to supply the Mandatory Services meet the Network Specifications;</i></li> <li>iii. <i>issuing an Acceptance Certification to the Parties; and</i></li> <li>iv. <i>issuing an indication in writing to the Parties that a Mandatory Service has not met the Acceptance Tests; and</i></li> </ol> </li> <li>(b) Ensuring ongoing compliance with the Service Availability and Quality Specifications for the Term;</li> </ol> <p>When performing his or her functions in accordance with this</p>
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		<p>Agreement, the Technical Auditor will use the methodology, tests and reporting structure set out in the Technical Auditor Agreement.</p> <p>UCSAF may conduct verification on its own without involving an Independent Verification Agent.</p> <p>The Defects Liability Period is <b>12 months</b></p>
<b>Settlement of Disputes</b>		
<b>24.</b>	<b>43.3</b>	<p>The designated Appointing Authority for a new Adjudicator shall be the National Construction Council (NCC). Arbitration shall take place in Dar es Salaam.</p> <p>The Adjudicator will be paid a rate to be agreed between the parties per hour of work. The following reimbursable expenses are recognized: Transport costs, accommodation outside work station, per-diem, communication expenses.</p> <p>The arbitration shall be conducted in accordance with the arbitration procedures in Tanzania.</p>

## C. PERFORMANCE SPECIFICATIONS AND DOCUMENTS

### Network Description, Service Requirements and Regulatory Conditions

The applicant must provide a concise description of the proposed networks, which shall include: (a) a demonstration that the proposed equipment, software and other facilities have been sufficiently field-proven and capable of providing the communications services proposed by the applicant and the technical requirements of the Tender; (b) specification on the minimum signal strength in dBm that will be maintained during the different phases in the designated areas and, in any event, must be maintained for each of the first five (5) years of Service Activities Program.

The network description also shall include a map or set of maps illustrating the intended network infrastructure and an identification of all transmission, switching, routing and interface technologies the applicant proposes to use. The description shall summarize the Activities Program and service coverage plans, including estimated dates for installation and initiation of the proposed service.

This description should disclose any information regarding: radio spectrum uses, the total bandwidth capacity, use of existing network capacity, any current and available rights of way as well as a description of those rights that will be deemed necessary, and any and all proposed service interconnection points for the applicant's network with existing service networks.

The network that shall provide the Basic Voice and Data Communications Service must meet the following minimum criteria:

- i) 2G and 3G or 2G and 4G supported technology which are well established and supported in Tanzania (for example, GSM/UMTS/LTE in the case of wireless services);
- ii) Configured as three sector site <sup>cancel</sup> which provides the 360° coverage           
<sub>cancel</sub>
- iii) the network must be designed to have a high availability which includes a requirement that relevant network element have diesel generator, battery and/or solar panel power and that adequate cooling is provided (either by using air conditioning or by passive air flow design);
- iv) the network element must have appropriate physical security mechanism consistent with good practice in Tanzania (which may, for example, include razor wire fences around facilities such as base station/site);
- v) the network site must have a Guard Hut and a Toilet;
- ✓ vi) the network must use Standard Steel Towers that support sharing (active and passive network infrastructure) and the Operator must submit the structure of the tower to be deployed for verification by Employer; *—The tower used for this project, please check the attached annex*
- vii) UCSAF signboard should be installed/fixe at the tower upon completion of the construction (Design to be provided by the Employer); and
- viii) in case of wireless provided services, base station towers must be constructed in an appropriate manner (including allowance for infrastructure sharing and passive and active network infrastructure) to provide the Mandatory Services and in accordance with the Laws and Regulations of the United Republic of Tanzania.

### Designated Areas

The Service Provider shall provide the Mandatory Services in each of the following Designated Areas/wards (as described in schedule 1 below) for which it wins a subsidy award.

Maps are provided in Annex A for a selection of Lots, to identify the wards, to indicate the names of all villages, and to show existing coverage, if any, in each ward.

### Schedule 1

Note: \*See service requirement in the Quality of Service sub-section below.

## TELECOMMUNICATION SERVICE FOR BORDER AND SPECIAL ZONES/AREAS, PHASE 6 PROJECT

S/N	REGION	DISTRICT	WARD	VIL.	VILLAGE	Subsidy (TZS)
1	Kigoma	Kakonko	Nyabibuye	1	Nyabibuye	165,000,000
2	Kigoma	Kigoma DC	Ziwani	3	Kalalangabo, Kigalye, Mtanga	165,000,000
3	Kilimanjaro	Rombo	Tarakea Kitende	2	Kamwanga, Rongai	165,000,000
4	Kilimanjaro	Rombo	Tarakea Motamburu	1	Kikelelwa	165,000,000
5	Mara	Rorya	Bukura	1	Kirongwe	165,000,000
6	Mara	Serengeti	Ikoma	1	Kogaja	165,000,000
7	Mtwara	Nanyumbu	Nandete	2	Chivikikiti, Nakole	165,000,000
8	Mtwara	Newala	Chitekete	1	Chitekete	165,000,000
9	Mwanza	Ilemela	Sengabuye	1	Sengabuye Health Centre	165,000,000
10	Mwanza	Kwimba	Lyoma		Lyoma, Busile, Nkungulu,	165,000,000
11	Pwani	Pwani	Chumbi		Chumbi "A", Chumbi "B", Chumbi "C"	165,000,000
12	Pwani	Rufiji	Mahoro	6	Kiwanga, Marendego	165,000,000
13	Pwani	Rufiji	Ngorongo	3	Ngorongo Magharibi, Ngorongo Mashariki, Ndundunyikanza Village	165,000,000
<b>Total subsidy</b>						<b>2,145,000,000/-</b>

### Activity Schedule

The Service Provider will provide the Mandatory Services in the Designated Areas covered by its Service Contract in accordance with the Activity Schedule that shall form part of its bid. The Activity Schedule shall be incorporated into the Contract.

### Mandatory Services

The Service Provider shall provide:

Basic Voice and Data Communications Services in the Designated Areas in accordance with the Service Contract (for fixed line operators this would involve meeting all of the demand in the designated areas) at retail tariffs identical with the operator's retail tariffs in other parts of Tanzania.

**Other Licensed Services**

In addition to the Mandatory Services, the Service Provider may provide certain other services where the Service Provider is authorized to provide such services by the License or other authorization issued by UCSAF.

**Other Services**

The Service Provider is free to apply for additional license(s) to provide other telecommunications services in accordance with the existing licensing procedures which apply in Tanzania.

**No Exclusivity**

The Service Provider shall not have any exclusive rights to provide the Mandatory Services in the Designated Areas.

## D. Service Availability and Quality

### Basic Voice Communications Service

For the Basic Voice Communications Service, the following outputs are expected and will be measured:

- a) Volume of incoming and outgoing call minutes per month (based on network traffic measurement)
- b) Demonstration of network coverage in Designated Areas, namely by submission of lists of locations covered to date. This list will be verified (Technical Auditor) by matching the locations list and populations with signal test results demonstrating coverage in accordance with the requirements of this Section 8;
- c) Provision of service at a quality (with respect to network congestion and dropped calls) similar to the rest of their network coverage.
- d) Provision of service at the same prices as in other locations (e.g. Dar es Salaam).

### Quality of Service

The Basic Voice and Data Communications Service must be supplied on the basis that the probability of the call connecting to the network exceeds ninety-eight (98%) per cent (that is, a 2% Grade of Service using normal traffic planning criteria), within the required coverage boundaries as defined below.

Coverage of the villages shall be in accordance with the Universal Communications Service Act of 2006 of the United Republic of Tanzania, the Regulations of 2009 pertaining to the Act (Government Notice No. 109), any other relevant coverage regulations issued under the Act by a relevant regulatory authority, and the specific coverage required under the UCSAF Service Contract.

The signal coverage requirement of UCSAF shall be to meet the following:

- ✓ a) Useable rural signal of minimum <sup>-we put -95dBm at village center</sup> -95dBm in all village centres (and/or population concentrations above 500 persons, within the areas of the Ward which are uncovered today, according to the signal coverage mapping provided in Annex A.
- b) Signal strength of minimum -100 dBm to cover 50% of the geographic area of all villages not including population centres above 500 persons.

\*Note: Annex A of the Service Contract shall list the villages in each ward which are not already covered to the above service level; these shall be the villages for which the bidder is required to meet the specifications under the subsidized construction. Those villages which are already demonstrated to be covered within -95dBm service contours shall also be listed and shall not be under the subsidized obligation of the service provider.

UCSAF or its Technical Auditor shall verify the service quality achievements of the currently underserved villages by means of a "drive out test" which involves access being tested at a number of geographic points in the designated area(s) in which the contracted provider is required to provide access.

These geographic points shall be within the villages which are served by the subsidized network. Access will be deemed to be provided as long as access is obtained from at least ninety-eight (98%) percent of the geographic points within the coverage boundaries as defined above, in the drive out test.

## Technology Deployment

The Service Provider shall be free to choose whichever technology it wishes to deploy, as long as the technology is permitted by the service provider's existing license.

The Service Provider's performance will be measured on an output-basis, as described above. The Service Provider will not be required to deploy any particular amount/quantity or type of equipment (e.g., base stations) in order to achieve this output, subject to compliance with the Network Specifications and the Service Availability and Quality Specifications, as set out in this Section VI and in Annex D.

The Service Provider is free to design its network in the most efficient way it considers possible. However, it is the Service Provider's responsibility to achieve the outputs and failure to achieve the required outputs may result in the Service Provider incurring additional costs to deploy more equipment or termination of the Contract, and other remedies specified in the Contract.

## Land Access and Environmental Laws and Regulations

Bidders shall be required to fully comply with the Land Access and Environmental Laws and Regulations.

## Regulation of Operators

### Existing laws and regulations in Tanzania

The Service Provider will be regulated under the existing laws and regulations applicable to telecommunications services in Tanzania.

## E. ACTIVITY SCHEDULE

The Bidder shall submit an Activity Schedule for all Lots (wards) for which it is submitting a subsidy bid as part of the Bid document. This Schedule will be considered an integral part of the Contract ("Service Agreement –SA"), when signed and shall regulate the progress of the infrastructure installation as well as the project, in accordance with Annex C.

It should be noted that all the requirements defined in the Performance Specifications (Section VI) and Service Availability & Quality Specifications (Annex D) must be met under the subsidy agreement (service contract). A partial response will not be acceptable.

\*The Bidder shall list the villages in each ward which are *not* already covered to the service level specified in Section VI in its Technical Plan. These shall be the villages for which the bidder is required to meet the specifications under the subsidy. Those villages which are already covered to the required level stipulated in Section VI shall also be listed but shall not be under the subsidized obligation of the service provider. The list of uncovered villages shall ultimately become Annex A of the Contract; however, this list shall be finalized at the time of contract signature.

⇒ We use 3G technology taken from other markets / from other sites