

CONTRACT AGREEMENT

This Agreement made the ten day of the month of December, 2009

Between

THE GOVERNMENT OF THE REPUBLIC OF INDONESIA (herein after called the **EMPLOYER**) as represented by

Name : I Wayan Suarjaya, ST
Title : Kepala SNVT Pembangunan Jalan dan Jembatan Provinsi Bali
Address : Jalan Achmad Yani No. 90 Denpasar 80111
Telephon 0361-228961

Being authorized to act for and on behalf of the Directorate General of Highway, Ministry of Public Works, Government of the Republic of Indonesia, in accordance with the Decree of the Minister of Public Works, No. 181/KPTS/M/2009, dated 23 Januari 2009 (hereinafter referred to as **EMPLOYER**)

and

Name : Ir. Wijaya Imam Santosa
Title : JO Representative
Address : Jalan Merdeka VIII/6 Renon - Denpasar
Telephon 0361-244722

Being authorized to act for on behalf of PT. Adhi Karya – PT.Waskita Karya (Persero) JO duly organized and existing under and virtue of the Laws of the Republic of Indonesia in accordance with the Notary Statement Anak Agung Ngurah Anom Widjaka, SH. Number 150/W/2009 dated 25 August 2009 made in Denpasar (hereinafter referred to as the **CONTRACTOR**)

for

the package number EBL-02 Tohpati Kusamba Stage 2 (hereinafter referred to as "**WORKS**"), under AusAID Loan No. AIPRD-L002 Eastern Indonesia National Roads Improvement Project (EINRIP) NOW THEREFORE, it is hereby agreed by and between the parties hereto as follows:

1. In this Agreement, words and expressions shall have the same meanings as are respectively assigned to them in the Contract documents hereinafter referred to.
2. The Contractor should execute and complete the Works and the remedying of any defects therein, namely :



**EASTERN INDONESIA NATIONAL ROADS IMPROVEMENT PROJECT
(EINRIP)**

LOAN NO. AIPRD-L002

PACKAGE NO. : EBL - 02

PACKAGE NAME : TOHPATI – KUSAMBA STAGE 2

In accordance with this Agreement and the Contract Document as hereinafter defined. The time for completion from the Commencement Date shall be seven hundred and thirty (730) calendar days, and Defects Notification Period shall be three hundred and sixty five (365) calendar days.

3. The following Documents shall be deemed to form and be read as part of this Agreement and for the purposes of interpretation the priority of the documents shall be in accordance with the following sequence:
 - b. This Contract Agreement and Addendum (if any)
 - c. The Letter of Acceptance,
 - d. The Letter of Bid/Bid Submission Sheet (without Unit Price Analysis)
 - e. The Particular Conditions
 - f. The General Conditions
 - g. The Specifications
 - h. The Drawings
 - i. The Priced of Bill of Quantities
4. In consideration of the payments to be made by the Employer to the Contractor as indicated in this Agreement, the Contractor hereby covenants with the Employer to execute the Works and to remedy defects therein in conformity in all respects with the provisions of the Contract.
5. The Employer hereby covenants to pay Contractor in consideration of the execution and completion of the Works and remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.
6. The Contract Price **including** the Value Added Tax (VAT) obtained from the price and the estimated quantities of work as indicated in the Bill of Quantities, subject to such additions thereto or deductions therefrom as may be made under the provisions of the Contract is **Rp.175,610,522,000.00 (One hundred seventy five billion six hundred ten million five hundred twenty two thousand rupiahs)**

Consisting of:

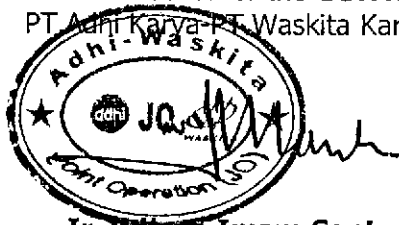
 - a. Civil Works :
 - Australian Agency for International Development (AusAID) portion (in Local Currency) as amount of 89% (eighty-nine percent) of Contract Price excluding Value Added Tax (VAT) is **Rp.142,084,876,890.91 (One hundred forty two billion eighty four million eight hundred seventy six thousand eight hundred ninety and 91/100 rupiahs)**

- Government of Indonesia (GOI) portion (in Local Currency) as amount 11% (eleven percent) of Contract Price excluding Value Added Tax (VAT) is **Rp. 17,561,052,200.00 (Seventeen billion five hundred sixty one million fifty two thousand two hundred rupiahs)**
- b. Value Added Tax (PPN) :
 - Australian Agency for International Development (AusAID) portion (in Local Currency) as amount is **Rp. 14,208,487,689.09 (Fourteen billion two hundred eight million four hundred eighty seven thousand six hundred eighty nine and 09/100 rupiahs)** which is not collected
 - Government of Indonesia (GOI) portion (in Local Currency) as amount is **Rp. 1,756,105,220.00 (One billion seven hundred fifty six million one hundred five thousand two hundred twenty two rupiahs)**

7. For the purpose of the Contract, the parties agree to waive clause 1266 of the Indonesia Civil Laws (Kitab Undang-Undang Hukum Perdata)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed with the laws of the Republic of Indonesia on the day, month and year indicated above.

For and on behalf of the **CONTACTOR**
PT Adhi Karya-PT Waskita Karya JO



Ir. Wajaya Imam Santosa
JO Representative

For and on behalf the **EMPLOYER**
Government of the Republic of Indonesia



I Wayan Suarjaya, ST
Kepala Satuan Kerja Non Vertikal Tertentu
Pembangunan Jalan dan Jembatan
Provinsi Bali