

## **CNG BUS SERVICES AGREEMENT**

THIS CNG BUS SERVICES AGREEMENT is made this \_\_\_ day of \_\_\_\_\_ 2007

**BETWEEN:**

THE CITY DISTRICT GOVERNMENT KARACHI ("CDGK")

AND

[XYZ] of [Address] ("Operator")

**RECITALS:**

A. By the Local Government Ordinance, 2001, the CDGK is authorised to enter into a contract with any person or body for the provision by that person or body of public transport services.

B. The CDGK and the Operator are entering into this Agreement for the purpose of facilitating:

(a) the provision of a high quality, CNG based environmentally friendly regular public passenger bus service by the Operator;

(b) the provision of that service in a competent, courteous, safe and reliable manner;

(c) the recognition and obligation by the Operator, in the provision of that service, to cater to the present and future needs of users of the service;

(d) the provision by the Operator of that service in a way that represents a fair return to the CDGK for the facilities provided to the Operator under this Agreement;

(e) the opportunity to the Operator of providing that service in a way that, based on competitive industry standards, is economically viable to the Operator; and

(f) the provision of the service as part of the integrated Karachi public transport system provided by the CDGK.

THE PARTIES AGREE as follows:

### **1. DEFINITIONS AND INTERPRETATIONS**

1.1 In this Agreement, unless a contrary intention appears:

"Authorised Officer" means the CDGK and any other person authorised by the CDGK as an Authorised Officer for the purposes of this Agreement.

"Business Day" means a day upon which trading banks are open for the transaction of general banking business in Karachi.

"CNG" means compressed natural gas.

"Commencement Date" means \_\_\_\_\_ 200[7]

"Commercial Fares" means the scale of fares set out in Schedule X as adjusted from time to time in accordance with Schedule X.

"Financial Year" means a period of twelve months commencing on 1 July and terminating on the following 30 June.

"Franchise Route" means a route of operation set out in Schedule X.

"Government" means Federal Government acting through Ministry of Environment.

"Level of Service" means the days, hours and frequency of operation of each Service required to be provided by the Operator as a minimum in accordance with Clause 6.

"Maximum Carrying Capacity" means the maximum carrying capacity specified for or applicable to a particular bus as determined by the appropriate Government Department or Authority.

"Services" means the regular passenger bus services required to be provided by the Operator under this Agreement and "Service" means any one of those Services.

"Timetable" means a chronological list of each Service to be provided by the Operator, on each day, including the times for arrival and departure and the times for arrival at each intermediate stopping point.

**1.2** In this Agreement, words and expressions defined in the Local Government Ordinance, 2001 and in the Provincial Motor Vehicles Ordinance, 1965 will, unless a contrary intention appears or unless the same word or expression is defined in this Agreement, have the same meaning where used in this Agreement.

**1.3** In this Agreement, unless the context otherwise requires:

(a) the singular includes the plural and vice versa and a reference to any gender includes the other genders;

(b) a reference to a clause, schedule or annexure is to a clause, schedule or annexure of or to this Agreement;

(c) a reference to a contract, agreement or document is to that contract, agreement or document as amended, novated, supplemented or replaced from time to time;

(d) a reference to a person includes a corporation, firm, partnership, association, trust, joint venture, authority, State or Government or other legal entity and vice versa;

(e) a reference to any legislation or legislative provision is to that legislation or provision as amended, modified, re-enacted, consolidated or replaced from time to time and includes any regulation or other instrument issued under that legislation or provision; and

(f) a reference to a party or person includes the successors and permitted assigns of that party or person.

**1.4** If any amount is payable under this Agreement on a day which is not a Business Day, that amount will be paid on the next day that is a Business Day.

**1.5** In this Agreement headings and sub-headings are for convenience and do not affect interpretation.

**1.6** Nothing contained or implied in this Agreement confers upon the Operator:

(a) any ownership of or property or proprietary right in or over any Line of Route or any Region, or

(b) except as expressly provided for in this Agreement, any other right or interest to operate any bus service or other transport service.

**1.7** This Agreement does not constitute or give rise to any employment relationship between the parties.

## **2. TERM OF AGREEMENT**

### **2.1 Commencement**

This Agreement commences on, and takes effect, from the Commencement Date.

## **2.2 Period**

Subject to the provisions contained later in this Agreement for earlier termination, this Agreement will continue for a period of Ten (10) years from the Commencement Date.

## **3. CONDITIONS**

### **3.1 Franchise and Insurance**

The entitlement of the Operator to provide any Service, and the obligations of the CDGK under this Agreement, do not start until the receipt by the CDGK of evidence (in a form and substance reasonably satisfactory to the CDGK) that:

- (a) the Operator has been granted a Franchise; and
- (b) the insurances required by Clause 12 have been taken out by the Operator in conformity with that Clause.

## **4. PROVISION OF SERVICES**

### **4.1 Commencement of Service**

The Operator will provide each Service on and from the Commencement Date in accordance with this Agreement.

### **4.2 Franchise**

Subject to this Agreement (including, without limitation, Clause 2.2) the Operator has been granted a Franchise to operate a Service on a Route as shown in Schedule X in relation to a road transport passenger service operated along a fixed route on a regular basis.

## **5. STANDARDS AND NATURE OF SERVICES**

The Operator will, at all times during the currency of this Agreement, implement and observe the following provisions of this Clause 5.

### **5.1 Services**

The Operator must operate each Service to a Timetable that maintains at least the Level of Service and must use the best endeavours of the Operator to conform to the following standards:

(a) No Service will operate early at any point on its route (but a Service that passes or leaves the last intermediate stopping point shown in the Timetable on time and arrives at its ultimate destination not more than \_\_\_ minutes early will be deemed to be on time).

(b) As a maximum, no more than:

- (i) X % of all the Services provided by the Operator on any day, and,
- (ii) X % of the Services provided by the Operator on any Line of Route on any day, will operate more than X minutes late at any point shown in the Timetable

(c) Ensure that, as a minimum, X % of all Services, scheduled to operate on any day, operate and are completed.

## **5.2 Standards - General**

In providing a Service, the Operator must:

- (a) Provide each Service in a competent, courteous, safe and reliable manner.
- (b) Provide each Service only as a road transport passenger service operated along a fixed route on a regular basis.
- (c) Provide each Service having primary regard to the needs and interests of passengers and potential passengers and, accordingly, ensure that each Service is provided with a strong orientation towards customer satisfaction.
- (d) Comply with all requirements of law from time to time applicable to the provision of the Services and the business and operations of the Operator.
- (e) Comply with all safe working standards and practices from time to time reasonably required by the CDGK.
- (h) Operate each Service only upon roads that are approved or designated by the appropriate authority for use by the relevant class of bus traffic.

## **5.3 Standards - Vehicles**

Each vehicle used in the provision of a Service must be:

- (a) Clean and tidy when performing that Service.
- (b) In a safe operating condition at all times (and, without limiting that requirement, in determining whether a vehicle is in a safe operating condition, the Operator must have regard to all requirements of law from time to time imposed upon the Operator in respect of that vehicle and, also, the relevant vehicle manufacturer's specifications, recommendations and service standards).
- (c) To the extent from time to time required by law, registered and licensed in the correct category applicable to the Service.
- (f) A vehicle that displays, on the front of the vehicle, an illuminated destination sign stating the destination and the route number.

(g) In a livery which clearly identifies the Operator (but that does not preclude advertising, including “all over advertising”, on a vehicle nor any other exceptions approved in writing by the CDGK).

(h) A vehicle that meets or exceeds the standards relating to vehicle design and specifications as specified in Schedule X.

#### **5.4 Standards -Vehicle Loading**

The Operator shall ensure that there is no overloading of passengers on any of the buses and that the passengers do not exceed the maximum number as specified for any particular model specified in Schedule X.

#### **5.5 Standards - Drivers and Conductors**

Each driver and conductor engaged in the provision of a Service must:

(a) In the case of a driver, hold the necessary licence, or other qualification, approval or certification from time to time required by law, to lawfully drive the vehicle used in the provision of that Service.

(b) In the case of a conductor, have a thorough and detailed knowledge of the fares, routes and Timetables.

(c) Be provided with customer service training and,

(d) Be attired in a clean, well maintained uniform provided or designated by the Operator.

#### **5.6 Customer Service Information**

The Operator must:

(a) Display a clearly legible Timetable in at least 30% of all bus stops, showing times for departures from that stop.

(b) Ensure that there is available at all times for distribution to the public, a Timetable leaflet in a format which clearly identifies times at each terminus for each journey, intermediate times at major points a telephone number for lost property and complaints and any other relevant information.

(c) Give adequate public notice of, and publicity for, any significant variation to a route or Timetable.

(e) Maintain an office located conveniently to the routes serviced together with a telephone service between the hours of 8.00 am and 6.00 pm weekdays for the purpose of answering lost property enquiries and receiving any customer enquiries.

(h) Prominently display in each vehicle used in the provision of a Service, the Standard Fares and Concession Fares applicable to that Service and the fare scale applicable.

### **6. LEVEL OF SERVICE**

## **6.1 Level of Service**

The Level of Service that must be provided by the Operator from the Commencement Date in respect of each Service is as shown at Schedule X. That Level of Service will continue to apply as a minimum and shall be modified every six (6) months by the Review Committee.

## **6.2 Modification**

The minimum Level of Service as modified from time to time will represent the minimum Level of Service to be operated for the purposes of this Agreement until subsequently replaced. In the absence of agreement between the parties to a replacement Level of Service, the last agreed Level of Service (including the initial Level of Service if there is no mutual agreement for its replacement) will continue to apply as the minimum.

## **6.3 Service Reviews**

The Operator will conduct regular reviews of the Level of Service in order to ensure that market demand is being adequately catered for and that the fundamental purposes of this Agreement (as stated in Recital B and clauses 5, 6 and 7) are being achieved.

## **6.4 Service Plan**

If the CDGK has reason to believe that there has been or is likely to be substantial demographic or economic changes affecting a Line of Route or Region, the CDGK may require the Operator to provide to the CDGK a service plan containing an assessment by the Operator of current and future market demand and detailing a plan for the Operator for the following six (6) month period to meet estimated market demand and to achieve the purposes of this Agreement (as stated in Recital B and Clauses 5, 6 and 7).

## **7. INTEGRATION WITH PUBLIC TRANSPORT SYSTEM**

### **7.1 Co-Ordination**

The Operator will use his best endeavours to accomplish, on a consistent basis, the timetabled co-ordination of each Service with all other relevant services forming part of the Karachi transport system

## **8. RECORDS**

### **8.1 Management Information System**

The Operator will maintain, in a form approved by the CDGK (such approval not to be unreasonably withheld), a management information system that enables the Operator to monitor compliance with the requirements of Clauses 5, 6 and 7.

## **8.2 Operations**

Without limiting Clause 8.1, the Operator will keep a proper record of any Service that does not operate for any reason and of any circumstances that result in the Level of Service not being achieved at any time.

## **9. FARES**

The maximum fare to be charged by the Operator for the Services on the franchise route shall be in accordance with Schedule X. Any increase in the operational costs of the Services shall entitle the Operator to seek a corresponding increase in the fares in accordance with Clause 10 and the formula set out in Schedule X.

## **10. REVIEW COMMITTEE**

### **10.1 Review Committee Meetings**

As soon as possible after signing of this Agreement, the Review Committee comprising of the authorized representatives of the Operator and the CDGK shall meet to appoint the Independent Expert. Thereafter, the Review Committee shall meet at least once every six (6) months, and in addition, it shall meet on fourteen (14) days written notice of either the CDGK or the Operator.

### **10.2 Matters to be Considered**

The Review Committee may consider any matter pertaining to this Agreement, the Level of Service and the fares and to recommend any changes to them.

### **10.3 Resolution of Disputes**

If any dispute arises between the CDGK and the Operator pertaining to this Agreement and the same is not resolved by the Review Committee, or by the Nazim of CDGK and the Chief Executive or equivalent of the Operator, either Party may refer the dispute for Fast Track Dispute Resolution in accordance with this Agreement.

## **11. STATUS OF OPERATOR**

The Operator is an independent contractor. The Operator is not an employee or agent of the CDGK. No employee, agent or contractor of the Operator is an employee, agent or contractor of the CDGK. The Operator will not represent or hold out that the Operator is an employee, agent or representative of the CDGK. The Operator will not permit any employee, agent or contractor of the Operator to represent or hold out that any such person is an employee, agent or contractor of the CDGK.

## **12. INSURANCE AND INDEMNITY**

The Operator shall be responsible for, and shall indemnify the CDGK against all claims and liabilities for death or personal injury or loss of or damage to property, which may arise out of or in consequence of the performance or non-performance of this Agreement by the Operator. Without prejudice to its liability under this Clause, the Operator shall, at its own expense insure, as per law, against any liability for death or personal injury or loss of or damage to any property which may arise out of or in consequence of the performance or non-performance of this Agreement.

## **13. FACILITIES TO BE PROVIDED BY CDGK**

The CDGK agrees to arrange, either on its own or through the relevant agencies/concerned departments, the provision and maintenance of CNG filling station(s), pick and drop points, that is Bus Stops and terminal points and/or bus depots required on the Franchise route.

## **14. SUBSIDY ON FINANCING**

14.1 The Government has agreed to provide and allocate a sum of Rs. 677,181.00 (Rupees Six Hundred Seventy Seven Thousand One Hundred Eighty One Only) as subsidy to be provided to the Operator against the purchase of each CNG bus in the following manner:

- i) Upfront payment of Rs. 300,000.00 (Rupees Three Hundred Thousand Only); and
- ii) Payment of Rs. 377,181.00 (Rupees Three Hundred Seventy Seven Thousand One Hundred Eighty One Only) as interest subsidy payable in 60 (Sixty) equal installments in five years.

14.2 Subject to the provisions of sub-Clause 14.3, the subsidy to be provided in pursuance of sub-Clause 14.1 shall be paid directly to the financial institution sanctioning the loan to the Operator provided that the finances are obtained by the Operator on a maximum of 80:20 debt to equity ratio and that the terms and conditions of the finance agreement are at all times complied with by the Operator.

14.3 The subsidy to be provided by the Government under sub-Clause 14.1 shall be subject to the following conditions:

- i) The Operator is providing the Services in accordance with the terms of this Agreement;
- ii) The Operator has a pool of minimum of 25 CNG buses at its disposal plying regularly the concession route;
- iii) The Operator is not in breach of finance agreement(s); and
- iv) The Operator and the financial institution(s) ensure the lien of the Government on each CNG bus.

## **15. FORCE MAJEURE**

15.1 “Force Majeure” means any of the following events to the extent that they are uninsurable:

- (a) war, civil war, armed conflicts or terrorism; or
- (b) nuclear contamination unless the Operator and/or any Subcontractor is the source or cause of the contamination; or
- (c) chemical or biological contamination of any of the facilities related to the Route from any of the events referred to in Clause (i) above, which directly causes either Party to be unable to comply with all or a material part of its obligations under this Agreement.

### **15.2 Consequences of Force Majeure**

- (a) Subject to Clauses (b)(i) and (ii) the Party claiming relief shall be relieved from liability under this Agreement to the extent that by reason of the Force Majeure event it is not able to perform all or a material part of its obligations under this Agreement.
- (b) Where a Party is (or claims to be) affected by an event of Force Majeure:
  - (i) it shall take all reasonable steps to mitigate the consequences of such an event upon the performance of its obligations under this Agreement, resume performance of its obligations affected by the event of Force Majeure as soon as practicable and use all reasonable endeavours to remedy its failure to perform; and

- (ii) it shall not be relieved from liability under this Agreement to the extent that it is not able to perform, or has not in fact performed, its obligations under this Agreement due to its failure to comply with its obligations under sub-Clause (b)(i).
- (c) The Party claiming relief shall serve written notice on the other Party within two (2) Business Days of it becoming aware of the relevant event of Force Majeure. Such initial notice shall give sufficient details to identify the particular event claimed to be an event of Force Majeure.
- (d) A subsequent written notice shall be served by the Party claiming relief on the other Party within a further five (5) Business Days which shall contain such relevant information relating to the failure to perform (or delay in performing) as is available, including (without limitation) the effect of the event of Force Majeure on the ability of the Party to perform, the action being taken in accordance with Clause (b)(i), the date of the occurrence of the event of Force Majeure and an estimate of the period of time required to overcome it (and/or its effects).
- (e) The Party claiming relief shall notify the other as soon as the consequences of the event of Force Majeure have ceased and when performance of its affected obligations can be resumed.
- (f) If, following the issue of any notice referred to in Clause (d), the Party claiming relief receives or becomes aware of any further information relating to the event of Force Majeure (and/or any failure to perform), it shall submit such further information to the other Party as soon as reasonably possible.
- (g) During the continuance of any event of Force Majeure which occurs on or after the Service Commencement Date the Unitary Payment payable in respect of such period shall be reduced to an amount equivalent to the Unitary Payments payable in respect of those Services that are available to the Institution during such period after taking account of the effects of such event of Force Majeure.
- (h) The Parties shall endeavour to agree any modifications to this Agreement which may be equitable having regard to the nature of an event or events of Force Majeure. The Fast-track Dispute Resolution Clause shall not apply to a failure of the CDGK and the Operator to reach agreement pursuant to this sub-Clause.

## **16. TERMINATION**

### **16.1 Immediate Termination by CDGK**

The CDGK may immediately terminate this Agreement by notice in writing to the Operator if:

(a) The Operator assigns or purports to assign this Agreement or any part of it contrary to the provisions of this Agreement;

(b) The Operator sub-contracts or purports to sub-contract the whole or any part of any Service without the prior written consent of the CDGK, but nothing in this clause prevents the Operator from utilising the services of any other appropriately accredited operator to ensure services are maintained in the case only of an emergency or any unusual non regular period of high demand as long as the use of such other operator does not exceed a period of one week or such longer period as may be agreed in writing by the CDGK;

(c) The Operator goes into liquidation, either voluntarily or compulsorily, or is dissolved or has a receiver appointed in respect of all or any part of its assets or income or has a provisional liquidator, controller or administrator appointed with respect to it or enters into any composition or arrangement with its creditors or if by operation of law any form of compulsory administration or control of its business and affairs is imposed upon the Operator (but the CDGK will, without any binding legal commitment and without prejudice to the CDGK's rights of termination, give favourable consideration to any request for the permanent or temporary continuation of this Agreement in any case where the CDGK considers that the happening of an event referred to in this sub-clause will not preclude the Operator from continuing to furnish the Services and continuing to comply with all of its obligations under this Agreement);

(d) The Operator becomes insolvent within the meaning of the Companies Ordinance, 1984;

(e) The Operator fails to provide the Services, or a substantial part of the Services, on [five] or more consecutive days unless the failure is as a result of Force Majeure.

### **16.2 By Either Party**

Either party may terminate this Agreement by notice in writing to the other party if the other party is in breach of this Agreement and fails to remedy that breach within thirty days after the first mentioned party gives written notice requiring the breach to be remedied (but this provision does not apply in the case of any termination entitlement referred to in, or arising by virtue of Clause 16.1 or Clause 16.3).

### **16.3 By CDGK on Notice**

(a) Without limiting Clause 16.2, if the CDGK forms the good faith opinion, at any time during the currency of this Agreement, that any Service being provided by the Operator is not meeting any one or more of the standards stipulated in Clauses 5, 6 or 7, the CDGK may give notice in writing to the Operator requiring the Operator to demonstrate to the satisfaction of the CDGK within fourteen days (or such longer period as may be determined by the CDGK) after receipt of that notice by the Operator that the Service being provided by the Operator either does meet the relevant standard or that the failure of the Operator to meet the relevant standard is due to temporary circumstances beyond the control of the Operator. (b) If, upon expiry of that fourteen day period, the CDGK is not satisfied after having:

(i) given the Operator the opportunity to make representations;

(ii) fairly considered such representations and evidence as are submitted by the Operator; and

(iii) given due regard to the purposes of this Agreement stated in Recital B and the standards and obligations imposed by Clauses 5, 6 and 7; as to the adequacy of the extent to which the relevant standard is being met by the Services being provided by the Operator or that the failure of the Operator to meet that standard is due to temporary circumstances beyond the control of the Operator, the CDGK is entitled by further notice in writing to the Operator to immediately terminate this Agreement.

### **16.4 Accrued Rights**

Any expiry or termination of this Agreement is without prejudice to and does not affect the accrued rights of any of the parties arising in any way out of this Agreement up to the date of expiry or termination.

## **17. GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws from time to time in force in the Islamic Republic of Pakistan. The parties respectively submit to the exclusive jurisdiction of the Courts of Karachi and all Courts having appellate jurisdiction therefrom respectively.

## **18. INVALIDITY**

The invalidity or unenforceability of any one or more of the provisions of this Agreement does not invalidate or render unenforceable the remaining provisions of this Agreement.

## **19. WAIVER**

Failure to enforce any provision hereof does not constitute a waiver of a party's rights thereafter to enforce each and every such provision or any other provision of this Agreement.

## **20. ENTIRE AGREEMENT**

This Agreement sets forth the entire and final agreement of the parties with regard to the subject matter of this Agreement. All prior agreements, understandings or arrangements concerning that subject matter, if any, between the parties are hereby terminated.

## **21. OTHER TERMS NEGATIVED**

There are no promises, terms, conditions, obligations, warranties or representations, oral or written, expressed or implied, by one party to another with regard to the subject matter of this Agreement other than those contained in this Agreement.

## **22. ENDUREMENT**

The provisions of this Agreement will, subject as provided in this Agreement, endure for the benefit of and be binding upon the parties and their respective successors and permitted assigns.

## **23. FURTHER ASSURANCES**

The parties will sign and deliver all documents and will do all things for the complete performance of their respective obligations under this Agreement as may from time to time be reasonably requested by the other party.

## **24. VARIATION**

The parties acknowledge that there may, in addition to the reviews provided for in Clause 10, be changes to the conditions and requirements applying to a Service or otherwise to this Agreement during the term of this Agreement. The parties agree to meet, discuss and endeavour to negotiate in good faith any changes which are proposed by either party. Any changes that are mutually agreed will be placed in writing and signed by or on behalf of each party.

## **25. DISPUTE RESOLUTION**

### **25.1**

#### **(a) Referable Disputes**

The provisions of this Clause 25 shall, save where expressly provided otherwise, apply to any dispute arising in relation to or in connection with any aspect of this Agreement between the Parties.

(b) Internal Referral

(i) If a dispute arises in relation to any aspect of this PPP, the Parties shall attempt in good faith to come to an agreement in relation to the disputed matter, in accordance with the following informal process:

(aa) all disputes shall first be referred to a meeting of the Review Committee and

(bb) if the Parties have been unable to resolve the dispute within five (5) days of referral to the Review Committee, either Party may refer the dispute for a decision by the Nazim of the CDGK and the Chief Executive or equivalent of the Operator.

(ii) In attempting to resolve the dispute in accordance with the provisions of this Clause (b), the Parties shall (and shall procure that their employees and representatives shall) use reasonable endeavours to resolve such dispute without delay by negotiations or any other informal procedure which the relevant representatives may adopt. Those attempts shall be conducted in good faith in an effort to resolve the dispute without necessity for formal proceedings.

(iii) Any dispute which has not been resolved by the Nazim of CDGK and the Chief Executive or equivalent of the Operator within five (5) days of the dispute being referred to them (or any longer period agreed between the Parties) shall be treated as a dispute in respect of which informal resolution has failed.

(c) Performance to Continue

No reference of any dispute to any resolution process in terms of this Clause shall relieve either Party from any liability for the due and punctual performance of its obligations under this Agreement.

(d) Litigation

(i) Save where any dispute has been expressly referred for determination in terms of Clause 25.2, if informal resolution of any dispute has failed, then the dispute may be referred to litigation in the courts by either Party.

(ii) Neither Party is limited in any proceedings before the court to the information, evidence or arguments used in the informal attempts to resolve the dispute.

## 25.2 Fast-track Dispute Resolution

(a) Disputes expressly referred for determination pursuant to this Clause 25.2 shall be determined by the Independent Expert.

(b) Within [five] Business Days after a dispute has been referred by either Party to the appropriate Independent Expert, the Independent Expert shall require the Parties to submit in writing their respective arguments. The Independent Expert shall, in his/her absolute discretion, consider whether a hearing is necessary in order to resolve the dispute.

(c) It shall be entirely within the power and competence of the Independent Expert to decide upon any matters related to the proper preparation of the dispute for hearing and in that regard the Independent Expert shall direct the Parties accordingly.

(d) The Independent Expert shall set the date for the hearing, choose the venue (which must be a venue in Pakistan) for the hearing and determine all matters regarding any aspect of the hearing. Moreover, the Independent Expert can decide whether at the hearing the Parties are to give oral evidence or confine themselves to presenting their cases in writing or by some other appropriate procedure. In this regard, the Independent Expert must be guided by considerations of fairness, the cost-effective resolution of the dispute, and the need to resolve the dispute quickly.

(e) The Independent Expert shall provide both Parties with his/her written decision on the dispute, within fifteen (15) Business Days of the referral (or such other period as the Parties may agree after the referral). The Independent Expert shall give his/her reasons for the award, if so requested by either Party.

(f) The Independent Expert's costs of any referral shall be borne as the Independent Expert shall specify or, if not specified, equally by the Parties. Each Party shall bear its own costs arising out of the referral, including its legal costs and the costs and expenses of any witnesses.

(g) The Independent Expert shall act impartially and may take the initiative in ascertaining the facts and the law. The Independent Expert need not strictly observe the principles of law and may decide the matter submitted to him/her in accordance with what he/she considers equitable in the circumstances.

(h) Should the need arise for either Party to seek interim or temporary relief before the adjudication is finalised, that Party may apply to the Civil Court having jurisdiction in the matter for interlocutory relief.

(i) The proceedings shall be confidential and all information, data or documentation disclosed or delivered by either Party to the Independent Expert in consequence of or in connection with his/her appointment as Independent Expert shall be treated as confidential. Neither the Parties nor the Independent Expert shall, save as required by law, disclose to any person any such information, data or documentation unless the Parties otherwise agree in writing, and all such information, data or documentation shall remain the property of the Party disclosing or delivering the same and all copies shall be returned to such Party on completion of the Independent Expert's work.

(j) The Independent Expert is not liable for anything done or omitted in the discharge or purported discharge of his/her functions as Independent Expert, unless the act or omission is grossly negligent or in bad faith. Any employee or agent of the Independent Expert is similarly protected from liability.

(k) Should any Party fail to co-operate with the Independent Expert with the result that in the view of the Independent Expert such default or omission prejudices the adjudication process, then the Independent Expert can either:

(i) give that Party written notice that unless it remedies the default or omission within a given time, it will forfeit the right to continue to participate in the adjudication; or

(ii) warn the Party in writing that its default or omission may make it liable to a punitive order of costs, and the Parties hereby acknowledge their obligation to pay such punitive costs as a debt.

(l) The Independent Expert shall be deemed not to be an arbitrator but shall render his/her decision as an expert and the provisions of the Arbitration Act, 1940 and any other law relating to arbitration shall not apply to the Independent Expert or his/her determination or the procedure by which he/she reaches his/her determination. The Independent Expert's decision shall be final and binding on the Parties.

## **26. NOTICES**

### **26.1 Service**

A notice or other communication required or permitted to be given by a party to another party shall be in writing and:

(a) delivered personally to the address of the recipient stated below;

(b) properly addressed to the recipient as stated below and posted, postage pre-paid; or

(c) sent by facsimile transmission, to the facsimile number of the recipient set out below.

## **26.2 Time of Service**

A notice or other communication is deemed given if:

- (a) personally delivered, upon delivery;
- (b) posted to an address in Pakistan, two Business Days after the date of posting; or
- (c) sent by facsimile, on the next Business Day after being sent if following transmission the sender received a transmission confirmation report. If the sender facsimile machine is not equipped to issue a transmission confirmation report then upon the sender receiving acknowledgment of receipt.

## **26.3 Details**

Each party's details for service of notices is:

In the case of the CDGK:

Address: [ ]

Attention: [ ]

Fax No: [ ]

In the case of the Operator:

Address: [ ]

Attention: [ ]

Fax No: [ ]

## **26.4 Changes in Details**

A party may change its details for service by giving written notice of that change to each other party.

**SIGNATURES**

**CDGK:**

**OPERATOR:**

**WITNESS:**

Schedule: " X "

**FRANCHISE ROUTE**

<b>Route #</b>	<b>Route Terminals</b>	<b>Complete Route Alignment</b>	<b>Route Length (K.M)</b>
X			
x			



Schedule: " X "

## NUMBER AND SPECIFICATIONS OF BUSES

### 1. BUSES INDUCTION PLAN

The operation shall induct total forty two (42) brand new buses run on Compressed Natural Gas (CNG according to the following plan.

Sr. No.	Month and Year	Number of Buses	
			Buses
1	December 2007		20
2	January 2008		12
3	February 2008		10
Grand Total			42

### 2. BUS REPLACEMENT PLAN

The operator shall replace the buses inducted as per (1) above with new buses after 5 years from the date of induction of those buses.

### 3. BUS SPECIFICATIONS

Type of Buses	Manufacturer	Make and Model	Passenger Capacity				Total
			Sitting		Standing		
			Men	Women	Men	Women	

(Specification Attached)

Note:

- (I) The operator will attach detailed bus specifications prepared by manufacturing company giving all dimensions with type of material used.
- (II) These specification shall be examined by the Government in following respect:

- A. Major Specifications, External and Internal dimensions, Frame, Body Paneling, Seats, Floor/Door Steps, Windscreen and Windows, Electrical Equipment's. Exterior and Interior Fitting etc.
  - B. Engine, Performance, Axle, Clutch, Propeller Shaft, Breaks, Steering, Radiator, Tyres and Wheels etc.
- (III) The air-conditioned buses shall have factory fitted air conditioners are part of the original purchase.
  - (IV) There shall be two hydraulically/pneumatically-controlled doors fitted at the front and rear portions of every bus.
  - (V) The specifications shall include details about the facilities such as passenger's seats with individual backrests, or hand poles and roof hand rails with hanging straps for standing passengers.

#### 4. ENVIRONMENTAL SAFEGUARDS

- (I) The Operator shall display "No Smoking" signs in English and Urdu in every bus.
- (II) The Operator shall be responsible for quarterly inspection of every bus by Motor Vehicle Examiner and Environmental Protection Department, Sindh to ensure compliance with the Motor Vehicle Rules and National Environmental Quality Standards (NEQS).

Schedule: " X "

## I. SCHEDULE OF BUS SERVICE

Sr. No.	Routes	No. of Buses	House of Operation		Bus Headways		
					Working Day		Sunday/ Holiday
			From  (A.M)	To  (P.M)	Peak Hrs Am to Am Pm to Pm	Off Peak Hrs Am to Am Pm to Pm	
1	X	42	5:30 AM 5:30 AM	12:30 PM 12:30 PM	After every 3 ~ 5 minutes departure	After 5 ~ 8 minutes departure	After 10 minutes departure
2	X	42	5:30 AM 5:30 AM	12:30 PM 12:30 PM	After every 3 ~ 5 minutes departure	After 5 ~ 8 minutes departure	After 10 minutes departure

## II. TIME TABLE OF SERVICE

Schedule: “ X ”

## Fare Structure/Rate

### STAGE FARE

Sr. No.	From	To	Rs.
1	0.0 K.M	4 K.M	(x.00)
2	Above 4 K.M	Up To 8 K.M	(x.00)
3	Above 8 K.M	Up To 12 K.M	(x.00)
4	Above 12 K.M	Up To 16 K.M	(x.00)
5	Above 16 K.M	Up To 20 K.M	(x.00)
6	Above 20 K.M	Up To 24 K.M	(x.00)

Note:

The Operator may offer lesser/discounted fares for promotional purpose or otherwise or for any class of society including students, senior citizens etc.

Schedule: "X"

## **ALLOCATION OF SPACE FOR BUS DEPOTS**

Space allocation to the Operator will be as under:

Note: As per the policy of CDGK