



REPÚBLICA DEMOCRÁTICA DE TIMOR-LESTE

Prime Minister

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**CONTRACT DOCUMENT FOR  
STRATEGIC DEVELOPMENT PLAN  
CONSULTING SERVICES**

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**STAGE 1**

## I. Form of Contract

This CONTRACT (hereinafter called the "Contract") is made the **01** day of the month of **Septembre**, 2009, between, on the one hand, **THE PRIME MINISTER, REPUBLICA DEMOCRATICA DE TIMOR-LESTE**

(hereinafter called the "Client") and, on the other hand, a company liable to the Client for all the Consultants' obligations under this Contract, namely, **PT. DSI MAKMUR SEJAHTERA** (hereinafter called the "Consultants").

### WHEREAS

(a) the Client has requested the Consultants to provide certain consulting services as defined in the General Conditions of Contract attached to this Contract (hereinafter called the "Services");

(b) the Consultants, having represented to the Client 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;

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) The following Appendices:

Appendix A: Term of Reference (TOR)

Appendix B: Key Personnel

Appendix C: Breakdown of Contract Price

Appendix D: Services and Facilities Provided by the Client

Appendix E: Minutes of Negotiations Meetings

CONTRACT  
VALUE  
\$2,981,680 —

2. The mutual rights and obligations of the Client and the Consultants shall be as set forth in the Contract, in particular:

(a) The Consultants shall carry out the Services in accordance with the provisions of the Contract; and

(b) The Client shall make payments to the Consultants in accordance with the provisions of the Contract.

3. The contract price is **USD 2,981,680 (Two Million Nine Hundred Eighty One Thousand and Six Hundred Eighty United States Dollars Only)**

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.

## Contract for Consultant Services

Contract No:

Project Name:

STRATEGIC DEVELOPMENT PLAN

between

PRIME MINISTER  
REPUBLICA DEMOCRATICA DE TIMOR-LESTE


and

PT. DSI MAKMUR SEJAHTERA

Dated: \_\_\_\_\_

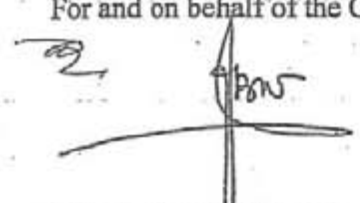
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For and on behalf of THE PRIME MINISTER, REPUBLICA DEMOCRATICA DE  
TIMOR-LESTE



Kay Rala Xanana Gusmão  
Prime Minister RDTL

For and on behalf of the Consultants



Sutedja Kusuwawidjaja  
Project Director

## II. General Conditions of Contract

### 1. General Provisions

#### 1.1 Definitions

Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:

- a. "Applicable Law" means the laws and any other instruments having the force of law in Timor Leste, as they may be issued and in force from time to time;
- b. "Contract" means the Contract signed by the Parties, to which these General Conditions of Contract (GC) are attached, together with all the documents listed in Clause 1 of such signed Contract;
- c. "Contract Price" means the price to be paid for the performance of the Services, in accordance with Clause 6;
- d. "Foreign Currency" means any currency other than the currency of Timor Leste;
- e. "GC" means these General Conditions of Contract;
- f. "Government" means Government of Timor Leste;
- g. "Local Currency" means the currency of Timor Leste;
- h. "Member," in case the Consultants consist of a joint venture of more than one entity, means any of these entities; "Members" means all these entities, and "Member in Charge" means the entity specified in the SC to act on their behalf in exercising all the Consultants' rights and obligations towards the Client under this Contract;
- i. "Party" means the Client or the Consultants, as the case may be, and "Parties" means both of them;
- j. "Personnel" means persons hired by the Consultants or by any Sub-consultant as employees and assigned to the performance of the Services or any part thereof;
- k. "SC" means the Special Conditions of Contract by which the GC may be amended or supplemented;
- l. "Services" means the work to be performed by the Consultants pursuant to this Contract, as described in Appendix A; and
- m. "Sub-consultant" means any entity to which the Consultants subcontract any part of the Services in accordance with the provisions of Clauses 3.5 and 4.

#### 1.2 Law Governing the Contract

This Contract, its meaning and interpretation, and the relation between the Parties shall be the law of the Democratic Republic of Timor Leste.

- 1.3 Language** This Contract has been executed in the English language, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.
- 1.4 Notices** 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 SC.
- 1.5 Location** The Services shall be performed at such locations as are specified in Appendix A and, where the location of a particular task is not so specified, at such locations, whether in Timor Leste or elsewhere, as the Client may approve.
- 1.6 Authorized Representatives** Any action required or permitted to be taken, and any document required or permitted to be executed, under this Contract by the Client or the Consultants may be taken or executed by the officials specified in the SC.
- 1.7 Taxes and Duties** Unless otherwise specified in the SC, the Consultants, Sub-consultants, 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.

## **2. Commencement, Completion, Modification, and Termination of Contract**

- 2.1 Effectiveness of Contract** This Contract shall come into effect on the date the Contract is signed by both parties or such other later date as may be stated in the SC.
- 2.2 Commencement of Services** The Consultants shall begin carrying out the Services thirty (30) days after the date the Contract becomes effective, or at such other date as may be specified in the SC.
- 2.3 Expiration of Contract** Unless terminated earlier pursuant to Clause 2.6, this Contract shall terminate at the end of such time period after the Effective Date as is specified in the SC.
- 2.4 Modification** 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 agreement between the Parties.
- 2.5 Force Majeure**
- 2.5.1 Definition** For the purposes of this Contract, "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.

**2.5.2 No Breach of Contract**

The failure of a Party to fulfill 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.

**2.5.3 Extension of Time**

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.

**2.5.4 Payments**

During the period of their inability to perform the Services as a result of an event of Force Majeure, the Consultants 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.

**2.6 Termination**

**2.6.1 By the Client**

The Client may terminate this Contract, by not less than thirty (30) days' written notice of termination to the Consultants, to be given after the occurrence of any of the events specified in paragraphs (a) through (d) of this Clause 2.6.1 and sixty (60) days' in the case of the event referred to in (e):

- a. if the Consultants 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 Client may have subsequently approved in writing;
- b. if the Consultants become insolvent or bankrupt;
- c. if, as the result of Force Majeure, the Consultants are unable to perform a material portion of the Services for a period of not less than sixty (60) days; or
- d. if the consultant, in the judgment of the client has engaged in corrupt or fraudulent practices in competing for or in executing the Contract.

For the purpose of this clause:

"corrupt practice" means the offering, giving, receiving,



or soliciting of any thing of value to influence the action of a public official in the selection process or in contract execution.

"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 Client, and includes collusive practice among consultants (prior to or after submission of proposals) designed to establish prices at artificial non-competitive levels and to deprive the Client of the benefits of free and open competition.

- e. if the Client, in its sole discretion, decides to terminate this Contract.

**2.6.2 By the Consultants**

The Consultants may terminate this Contract, by not less than thirty (30) days' written notice to the Client, such notice to be given after the occurrence of any of the events specified in paragraphs (a) and (b) of this Clause 2.6.2:

- a. if the Client fails to pay any monies due to the Consultants pursuant to this Contract and not subject to dispute pursuant to Clause 7 within forty-five (45) days after receiving written notice from the Consultants that such payment is overdue; or
- b. if, as the result of Force Majeure, the Consultants are unable to perform a material portion of the Services for a period of not less than sixty (60) days.

**2.6.3 Payment upon Termination**

Upon termination of this Contract pursuant to Clauses 2.6.1 or 2.6.2, the Client shall make the following payments to the Consultants:

- a. remuneration pursuant to Clause 6 for Services satisfactorily performed prior to the effective date of termination;
- b. except in the case of termination pursuant to paragraphs (a) and (b) of Clause 2.6.1, 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 and their eligible dependents.

**3. Obligations of the Consultants**

**3.1 General**

The Consultants shall perform the Services and carry out their obligations with all due diligence, efficiency, and economy, in accordance with generally accepted professional techniques and practices, and shall observe sound management practices, and employ appropriate advanced technology and safe methods.



The Consultants shall always act, in respect of any matter relating to this Contract or to the Services, as faithful advisers to the Client, and shall at all times support and safeguard the Client's legitimate interests in any dealings with Subconsultants or third parties.

### 3.2 Conflict of Interests

#### 3.2.1 Consultants Not to Benefit from Commissions, Discounts, etc.

The remuneration of the Consultants pursuant to Clause 6 shall constitute the Consultants' sole remuneration in connection with this Contract or the Services, and the Consultants shall not accept for their own benefit any trade commission, discount, or similar payment in connection with activities pursuant to this Contract or to the Services or in the discharge of their obligations under the Contract, and the Consultants shall use their best efforts to ensure that the Personnel, any Subconsultants, and agents of either of them similarly shall not receive any such additional remuneration.

#### 3.2.2 Consultants and Affiliates Not to be Otherwise Interested in Project

The Consultants agree that, during the term of this Contract and after its termination, the Consultants and their affiliates, as well as any Subconsultant and any of its affiliates, shall be disqualified from providing goods, works, or services (other than the Services and any continuation thereof) for any project resulting from or closely related to the Services.

#### 3.2.3 Prohibition of Conflicting Activities

Neither the Consultants nor their Sub-consultants nor the Personnel shall engage, either directly or indirectly, in any of the following activities:

during the term of this Contract, any business or professional activities in Timor Leste which would conflict with the activities assigned to them under this Contract; or

after the termination of this Contract, such other activities as may be specified in the SC.

### 3.3 Confidentiality

The Consultants, their Sub-consultants, and the Personnel of either of them shall not, either during the term or within one (1) year after the expiration of this Contract, disclose any proprietary or confidential information relating to the Project, the Services, this Contract, or the Client's business or operations without the prior written consent of the Client.

#### 3.4 Insurance to be Taken Out by the Consultants

The Consultants (a) shall take out and maintain, and shall cause any Sub-consultants to take out and maintain, at their (or the Sub-consultants', as the case may be) own cost but on terms and conditions approved by the Client, insurance against the risks, and for the coverage, as shall be specified in the SC; and (b) at the Client's request, shall provide evidence to the Client showing that such insurance has been taken out and maintained

and that the current premiums have been paid.

**3.5 Consultants' Actions Requiring Client's Prior Approval**

The Consultants shall obtain the Client'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 B and by position in Appendix C ("Key Personnel and Sub-consultants"), and
- c. any other action that may be specified in the SC.

**3.6 Reporting Obligations**

The Consultants shall submit to the Client the reports and documents specified in Appendix A in the form, in the numbers, and within the periods set forth in the said Appendix.

**3.7 Documents Prepared by the Consultants to Be the Property of the Client**

All plans, drawings, specifications, designs, reports, and other documents and software Related to the Strategy Development Plan submitted by the Consultants in accordance with Clause 3.6 shall become and remain the property of the Client, and the Consultants shall, not later than upon termination or expiration of this Contract, deliver all such documents and software to the Client, together with a detailed inventory thereof. The Consultants may retain a copy of such documents and software. Restrictions about the future use of these documents, if any, shall be specified in the SC.

**4. Consultants' Personnel**

**4.1 Description of Personnel**

The titles, agreed job descriptions, minimum qualifications, and estimated periods of engagement in the carrying out of the Services of the Consultants' Key Personnel are described in Appendix C. The Key Personnel and Sub-consultants listed by title as well as by name in Appendix B & C are hereby approved by the Client.

**4.2 Removal and/or Replacement of Personnel**

- a. Except as the Client may otherwise agree, no changes shall be made in the Key Personnel. If, for any reason beyond the reasonable control of the Consultants, it becomes necessary to replace any of the Key Personnel, the Consultants shall provide as a replacement a person of equivalent or better qualifications.
- b. If the Client finds that any of the Personnel have (i) 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 Consultants shall, at the Client's written request specifying the grounds thereof, provide as a replacement a person with qualifications and

experience acceptable to the Client.

- c. The Consultants shall have no claim for additional costs arising out of or incidental to any removal and/or replacement of Personnel.

## 5. Obligations of the Client

- 5.1 Assistance and Exemptions The Client shall use its best efforts to ensure that the Government shall provide the Consultants such assistance and exemptions as specified in the SC.
- 5.2 Change in the Applicable Law 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 Consultants, then the remuneration and reimbursable expenses otherwise payable to the Consultants under this Contract shall be increased or decreased accordingly by agreement between the Parties, and corresponding adjustments shall be made to the amounts referred to in Clauses 6.2 (a) or (b), as the case may be.
- 5.3 Services and Facilities The Client shall make available to the Consultants the Services and Facilities listed under Appendix D.

## 6. Payments to the Consultants

- 6.1 Lump-Sum Remuneration The Consultant's total remuneration shall not exceed the Contract Price and shall be a fixed lump-sum including all staff costs, Sub-consultants' costs, printing, communications, travel, accommodation, and the like, and all other costs incurred by the Consultant in carrying out the Services described in Appendix A. Except as provided in Clause 5.2, the Contract Price may only be increased above the amounts stated in Clause 6.2 if the Parties have agreed to additional payments in accordance with Clause 2.4.
- 6.2 Contract Price The price payable is set forth in the SC.
- 6.3 Payment for Additional Services For the purpose of determining the remuneration due for additional services as may be agreed under Clause 2.4, a breakdown of the lump-sum price is provided in Appendices C, D and E.
- 6.4 Terms and Conditions of Payment Payments will be made to the account of the Consultants and according to the payment schedule stated in the SC. Unless otherwise stated in the SC, the first payment shall be made against the provision by the Consultants of a bank guarantee for the same amount, and shall be valid for the period stated in the SC. Any other payment shall be made after the conditions

listed in the SC for such payment have been met, and the Consultants have submitted an invoice to the Client specifying the amount due.

**6.5 Interest on Delayed Payments**

If the Client has delayed payments beyond fifteen (15) days after the due date stated in the SC, interest shall be paid to the Consultants for each day of delay at the rate stated in the SC.

**7. Settlement of Disputes**

**7.1 Amicable Settlement**

The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or its interpretation.

**7.2 Dispute Settlement**

Any dispute between the Parties as to matters arising pursuant to this Contract that cannot be settled amicably within thirty (30) days after receipt by one Party of the other Party's request for such amicable settlement may be submitted by either Party for settlement in accordance with the provisions specified in the SC.

### III. Special Conditions of Contract

Number of GC Clause	Amendments of, and Supplements to, Clauses in the General Conditions of Contract
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1.3	The language is English.
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1.4	The addresses are:
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Client: Prime Minister, Republica Democratica de Timor-Leste

Attention: Mr. Kay Rala Xanana Gusmão

Telex: \_\_\_\_\_

Facsimile: \_\_\_\_\_

E-mail: \_\_\_\_\_

Consultants: PT. DSI Makmur Sejahtera

Attention: Mr. Sutedja Kusuwawidjaja  
Jl. Diponegoro 187, Surabaya,  
Indonesia

Phone, +670 7438142

1.6	The Authorized Representatives are:
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For the Client: Mr. Kay Rala Xanana Gusmão

For the Consultants: Mr. Sutedja Kusuwawidjaja

2.3 The period shall be twelve (12) months.

6.4

The accounts are:

Name : DSI Makmur Sejahtera

Bank : Mandiri Sungkono, Surabaya, Indonesia

No ACC : 141 000 718 825 3

Payments shall be made according to the following schedule:

- Twenty (20) percent of the Contract Price shall be paid on the commencement date
- Ten (10) percent of the lump-sum amount shall be paid upon submission of the inception report.
- Twenty-five (25) percent of the lump-sum amount shall be paid upon submission of the interim report.
- Twenty-five (25) percent of the lump-sum amount shall be paid upon submission of the draft final report.
- Twenty (20) percent of the lump-sum amount shall be paid upon approval of the final report.

6.5

Payment shall be made within thirty (30) days of receipt of the invoice and the relevant documents specified in Clause 6.4, and within thirty (30) days in the case of the final payment.

The interest rate is USD 2,981,680 (Two Million Nine Hundred Eighty One Thousand and Six Hundred Eighty United States Dollars Only)

7.2

Any dispute, controversy, or claim arising out of or relating to this contract, or the breach, termination, or invalidity thereof, shall be settled by arbitration in accordance with the Timor Leste Arbitration Rules as at present in force.

*Mr.*



## IV. Appendices

### Appendix A – Description of the Services

The service covers three main components as follows:

Stage 1 – The Formulation of Timor Leste's Strategic Development Plan;  
– The Formulation of Timor Leste's National Spatial Plan,

Stage 2 - Consisting of:

1. Infrastructure Strategic Framework;
2. Suai Detailed Spatial Plan (Suai DSP);
3. Dili Detailed Spatial Plan (Dili DSP);
4. Dili Urban Design Guide Line (Dili-UDGL)

### Appendix B – Key Personnel and Subconsultants

*Titles [and names, if already available], detailed job descriptions and minimum qualifications of foreign Personnel to be assigned to work in the Government's country, and staff-months for each.*

### Appendix C – Breakdown of Contract Price

*List here the elements of cost used to arrive at the breakdown of the lump-sum price*

1. Monthly rates for Personnel (Key Personnel and other Personnel).
2. Reimbursable expenditures.

*This appendix will exclusively be used for determining remuneration for additional services.*

### Appendix D – Services and Facilities Provided by the Client

### Appendix E – Minutes of Negotiations Meetings