

**AGREEMENT BETWEEN**

.....

**and**

**M/s Clean Kerala Company Limited**

**FOR SUPPLY OF PLASTIC SHREDDING MACHINE**

THIS AGREEMENT is made at Trivandrum this ..... day of ....., 2017 between Clean Kerala Company Ltd, represented by Sri Kabeer B Haroon, Managing Director of M/s Clean Kerala Company Ltd, a “COMPANY” registered under the Companies Act. 1956 and having its registered office at State Municipal House, TC-29/1732, Second Floor, Vazhuthacaud, Trivandrum-695010, Kerala hereinafter referred to as “COMPANY” on One Part and The Secretary Punalur Municipality, hereinafter referred to as “L.S.G.I” of the Other Part;

WHEREAS THE COMPANY proposes to supply, install and commission one number shredding machine of processing capacity 100 Kg/hr and up to 1 TPD based on a supply contract entered into with the Local Self Government Institutions.

WHEREAS THE COMPANY has procured machinery for the purpose of shredding of plastics by the nomenclature shredding machine respectively and proposes to sell the machinery to the L.S.G.I for the scientific processing of plastic waste in various Local Self Government Institutions in the state and the L.S.G.I has agreed to purchase the same on the following terms and conditions agreed to between the parties from the date of signing this agreement.

NOW IT IS AGREED BETWEEN THE PARTIES HERETO AS FOLLOWS:-

1. The “COMPANY” agrees to sell and the L.S.G.I agrees to buy 1 number of shredding machine along with its accessories including the blade grinding machine, tools and weighing machine etc, the particulars of which are given in

the proposal submitted by the “COMPANY” to the L.S.G.I and approved by the LSGI, which is attached to this agreement as annexure.

2. L.S.G.I to provide a built up space (Shed) of 1000 square feet and provide all the required infrastructure, like electricity (3 phase connection), water supply etc.
3. L.S.G.I to ensure that clean and dry plastics rejects are being brought in to the facility through the prevalent collection network of the local body.
4. The L.S.G.I to process the waste at the facility with the help of Kudumbasree and convert the waste plastic material, brought into the facility, into shredded plastic suitable for recycling and prepare it for forwarding for further recycling.
5. One number of shredding machine along with its accessories including the blade grinding machine, tools and weighing machine as per the proposal shall be installed by the COMPANY at the location designated by the L.S.G.I, within 90 days from the date of issue of supply orders.
6. The “COMPANY” shall provide warranty for the machinery for 1 year from the date of invoice and maintenance free of cost. Annual maintenance cost for the next two years will be fixed by the “COMPANY”.
7. The facility shall be so designed, constructed, commissioned so as to comply with technical standards required to achieve the object of the project.
8. The “COMPANY” shall set up the plastic waste shredding unit by using proven scientific methodology. The machinery shall comprise of plastic shredding machine with a processing capacity of 100 KG/Hr with 4 sets of rotating knives and two sets of stationary knives having thickness of blade-16mm, hopper opening 15” including motor of 15HP, along with blade grinding machine of 2HP with tools and weighing machine as mentioned below.

<b>Plastic Shredding Machine Specification</b>	
Capacity	1 TONNE/DAY (100KG/HR)
Power	15 H.P/15KW
Thickness of Blade	16mm
Number of Blades	6 nos (Rotary - 4, Stationary - 2)
Size of Mouth	18 Inches
Height	5Feet
Blade Grinding Machine	2 HP

9. The output capacity of shredding machine is 800 Kg per day in case of One tonne of good quality plastic is processed.
10. The installation and commissioning work will be completed within 3 weeks of receipt of all due payments and after the L.S.G.I makes available all the desired infrastructure as per the proposal submitted by the “COMPANY” to the L.S.G.I.
11. The “COMPANY” agrees to design, install and commission the shredding facility in the shed having the entire required infrastructure, provided by the L.S.G.I, at a site designated by L.S.G.I which is easily accessible by road by a large truck/Lorry.
12. The “COMPANY” agrees to supply all materials, labour and tools needed for the proper designing, manufacturing, transportation, erection and commissioning of the machineries of the Plastic shredding project, and all other facilities necessary for the successful commissioning of the equipment which form part of the project and for the satisfactory operation of all the equipment during the guarantee period.
13. All equipment and materials supplied by the COMPANY shall be of sufficient quality and strength to serve their respective purposes.
14. Prior to any installation activity, the officials of the “COMPANY” shall be given permission to visit the proposed site of installation, locate and identify all possible existing utility lines.
15. The “COMPANY” shall conduct its operations in such a manner as to avoid any damage to adjacent properties, improvements or facilities, buildings, trees, ground cover, electric lines, fences, guide posts, culverts, property and other markers, signs, structures, conduits, cables, pipelines and other facilities within or adjacent to the site, street or right-of-way.
16. The L.S.G.I shall provide required power and other facilities required for the installation and commissioning of the machinery, until the machinery is commissioned and handed over to the L.S.G.I by the “COMPANY”.
17. The L.S.G.I has to arrange for water at site for drinking, washing or any other

purpose till the commissioning of the project.

#### 18. **Project Cost**

A. Shredding Machine 15 HP	:	Rs.3, 84,552.38
add CGST 9%	:	Rs. 34,609.71
add SGST 9%	:	Rs. 34,609.71
Round Off - (-) 0.20		
Total	:	Rs. 4, 53,772.00
B. Installation Charges	:	Rs. 24,600.00
C. Supervision Charges (one year)	:	Rs. 41,000.00
<b>Total Project Cost</b>	<b>;</b>	<b>Rs. 5, 19,372.00</b>

**(Rupees Five Lakh Nineteen Thousand Three Hundred And Seventy Two Only)**

❖ **Item A.** Includes of cost of shredding machine 15 H.P, cost of blade grinding machine and tools and weighing machinery

❖ **Item B and C.** Installation and supervision charges are inclusive of GST 18%

#### 19. **Terms of Payment:**

100% of the total machinery cost, installation charges, and supervision charges, shall be paid by the L.S.G.I to the “COMPANY” at the time of signing of the agreement.

20. The responsibility of installing and commissioning the said machinery and equipment and putting it into operation and imparting free training for

operating the machinery to the personnel of the L.S.G.I will be that of the “COMPANY” and the “COMPANY” shall make available his Technical experts, mechanics and other required person or persons for this purpose.

21. The process of supply of the shredding machine will be commenced by the “COMPANY” after the L.S.G.I makes ready the shed and infrastructure facilities required for the smooth installation of machinery and installation will commence only after the receipt of 85% of the value of machinery supplied by the “COMPANY”.

22. The commissioning of shredding machine will be completed by the “COMPANY” within 30 days from the receipt of 100% payment for the machinery including the charges for installation.

23. All the taxes specified in the tax invoice shall be payable in respect of the said machine and equipment will be on the “COMPANY”’s account.
24. The COMPANY offers warrantee that the said plastic shredding machine, and its accessories is free from any mechanical defect in workmanship and quality of the material used therefore under normal use and service. The COMPANY offers further warranty for the said machinery and equipment and offers free repairs for any defect occurring due to any mechanical defect or in workmanship in the course of one year from installation
25. During the guarantee period the “COMPANY” shall have the right to visit and inspect the said machinery and allied equipment through technical experts and mechanics of the “COMPANY”, subject to the permission from the concerned authorities of the L.S.G.I
26. If any dispute arises between the parties hereto in respect of this agreement or in connection with any claim by one against the other the same will be referred to arbitration to the Secretary, Local Self Government Department, Government of Kerala and will be under the jurisdiction of district court of Thiruvananthapuram.
27. A separate agreement can be entered into between L.S.G.I and the “COMPANY” for the marketing of the shredded plastics.

## 28. ACTIVITIES AND OBLIGATIONS OF THE L.S.G.I

- The L.S.G.I shall appoint a nodal officer for smooth & successful implementation of the project.
- The L.S.G.I shall ensure that the project team of the “COMPANY” gets full co-operation and that all support demanded by the project members are cleared during the project period.
- The L.S.G.I shall ensure the safety and security of items supplied by the “COMPANY” as part of the project.
- The L.S.G.I shall provide the material Delivery report within 3 days of the date of invoice and Project Completion Certificate to the “COMPANY” within 7 days of submission of a completion report by the “COMPANY”.
- The L.S.G.I shall make sure that the 85% of machinery cost along with 100% of the supervision charges are released to the “COMPANY” within 7

days of the submission of supply invoice by the “COMPANY” and balance 15% shall be paid on receipt of certificate of installation issued by the “COMPANY”.

- The L.S.G.I shall meet all other additional expenditure incurred for the successful implementation of the project, other than that mentioned in the sanctioned project proposal; however the “COMPANY” shall take prior approval before executing any such additional work.

## 29. ACTIVITIES AND OBLIGATIONS OF THE “COMPANY”:

- The “COMPANY” shall assign an official for smooth & successful implementation of the project statewide, who will service the L.S.G.I.
- The “COMPANY” shall do all necessary arrangements for the procurement, supply and installation of the machinery, as per the proposal submitted by the “COMPANY”, at the premises of the L.S.G.I.
- The “COMPANY” shall carry out a trial run of the functioning of the machinery, in presence of the official/officials designated by the L.S.G.I before handing over the project, subject to the condition that all required infrastructure and support for the conduct of the trial run is made available by the L.S.G.I.

## 30. TERMINATION OF THE AGREEMENT:

Both L.S.G.I and the “COMPANY” have the liberty to terminate the agreement with mutually agreed terms and conditions on one month advance notice, in the event of violation of any terms and conditions by either party. In the event of such cancellation, any advance money received by the “COMPANY” will not be returned

## 31. FORCE MAJEURE:

Neither the L.S.G.I nor the “COMPANY” shall be considered defaulting in performance of their obligations under the terms listed in this agreement, if such performance is prevented or delayed for any cause beyond the responsible control of the party affected such as war, natural calamities, hostilities, revolution, riots, fire, explosion, flood, earthquake or because of any law or other proclamations, regulations or ordinance of any Government or subdivision thereof or any other cause beyond the control of the concerned parties which could not have been foreseen or avoided by the exercise of due diligence; provided notices of any such case with necessary evidence is given within a 14

day period or if this is not possible, within a reasonable period without delay. As soon as the cause of Force Majeure has been removed, the party whose liability to perform its obligation has been affected shall notify the other party, the actual delay that might have occurred in such affected activity.

THE SCHEDULE ABOVE REFERRED TO

IN WITNESS WHEREOF the parties have put their respective signatures hereunder the day and year first hereinabove written.

by its Managing Director .....

in the presence of .....

Signed and delivered for and on behalf of LSGI .....

in the presence of .....