



THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF FINANCE AND PLANNING
PUBLIC PROCUREMENT REGULATORY AUTHORITY



General Conditions of Contract

for

Disposal of Public Assets

Public Procurement Regulatory Authority
Kambarage Tower, 9th Floor, PSPF Road,
P. O. Box 2865, 41104 Dodoma
TANZANIA

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Preface

The General Conditions of Contract for Disposal of Public Assets is part of the Standard Tendering Document (STD) prepared by the Public Procurement Regulatory Authority (PPRA) in collaboration with the Office of the Attorney General (OAG) and other professional bodies, primarily for use by Procuring Entities (PEs) in the procurement of Disposal of Public Assets through National, International Competitive Tendering (NCT & ICT) and other procedures as appropriate.

The General Conditions of Contract presented in this document have been developed through broad national and international experience, and are mandatory for use in contracts of Disposal of Public Assets that are financed in whole or in part by public funds, and whose Buyer has been obtained in accordance with the provisions of the Public Procurement Act, Cap 410 and the Public Procurement Regulations, 2013.

To obtain further information on the use of these General Conditions of Contract,, contact:

Chief Executive Officer
Public Procurement Regulatory Authority,
P.O. Box 2865,
Dodoma

Tel: +255 026 2963854

e-mail: ceo@ppra.go.tz

Link to Website: <http://www.ppra.go.tz>

**GENERAL CONDITIONS OF CONTRACT (GCC) FOR DISPOSAL OF
PUBLIC ASSETS**

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<p>1. Definitions</p>	<p>1.1</p>	<p>In this contract, the following terms shall be interpreted as indicated:</p>
		<p>(a) The Asset(s) means items listed in the schedule of assets which have been accepted by the Seller as indicated in Letter of Acceptance;</p>
		<p>(b) Description of Assets means list of assets to be disposed as described in Section VII of Standard Tendering Document;</p>
		<p>(c) The Contract is the binding agreement between the Seller and the Buyer to sell and transfer the assets. It consists of the documents listed in Clause 2.1;</p>
		<p>(d) The Contract Price means the price stated in the Letter of Acceptance for the assets to be disposed;</p>
		<p>(e) The Transfer of Assets means changing the ownership from seller to the buyer and removal of assets which includes dismantling and transport from its location by the buyer;</p>
		<p>(f)The Seller means the Procuring Entity disposing the assets as named in SCC;</p>
		<p>(g) The Buyer means the individual, firm or Association or JV whose Tender to purchase the assets has been accepted by the Seller as named in SCC; and</p>
		<p>(h) Day means calendar day.</p>
<p>2. Interpretation</p>	<p>2.1</p>	<p>The documents forming the Contract shall be interpreted in the following order of priority:</p> <ul style="list-style-type: none"> (a) Form of Agreement; (b) Letter of Acceptance; (c) Minutes of Negotiations; (d) Buyer’s Form of Tender; (e) Special Conditions of Contract; (f) General Conditions of Contract; and (g) Description of Assets.

3. Assets Location	3.1	Assets locations shall be the place(s) where the assets to be disposed are located as named in SCC .
4. Governing Language	4.1	The contract and all correspondence and documents relating to the contract exchanged by the Seller and the Buyer, shall be written in the language specified in SCC .
5. Applicable Law	5.1	The contract shall be governed and interpreted in accordance with the laws of the United Republic of Tanzania.
6. Notices	6.1	Any notice given by one party to the other pursuant to this Contract shall be sent to the other party in writing or in electronic forms that provide record of the content of communication and confirmed in writing or in electronic forms that provide record of the content of communication to the other party.
	6.2	A notice shall be effective when delivered or on the notice's effective date, whichever is later.
7. Transfer of Assets	7.1	The Buyer shall have full responsibility and shall bear all risks and costs associated with the collection, dismantling, removal and transportation of the assets from the location defined in the SCC .
	7.2	The Buyer shall collect the assets within seven (7) working days after full payment for the assets have been received by the Seller. However, the Seller may grant extension of time for collection of assets as agreed in the negotiations. (If any).
	7.3	The Buyer shall contact the official named in the SCC , at Seller's address, as specified in the SCC to arrange a date and time for the collection of the assets.
	7.4	The Buyer shall sign a Handover Certificate, certifying receipt of the assets, at the time of transfer.
	7.5	Documents to be handed over by the Seller to the Buyer in the process of transferring the assets are as indicated in SCC .
8. Performance Security	8.1	The Buyer shall furnish to the Seller Performance Security in the form of Cash deposit, in amount stated in SCC no later than the date specified in the Letter of Acceptance.
	8.2	The Performance Security will be credited to Buyer's payments so that it forms part of the amount paid by the Buyer.

9. Payment	9.1	The Buyer shall make payment to the Seller of the full Contract Price in accordance with the payment schedule specified in the SCC .
	9.2	Payment shall be made by any method acceptable to the Seller and shall be considered to have been made on the date that it is credited to the Seller's account.
	9.3	The Seller shall issue a receipt for the payment.
10. Termination of Contract	10.1	The Seller, without prejudice to any other remedy for breach of Contract, by written notice of default sent to the Buyer, may terminate this Contract in whole or in part if- <ul style="list-style-type: none"> (a) the Buyer fails to collect any or all of the Assets within the period (s) specified in the SCC; (b) (b) the Buyer, in the judgment of the Seller, has engaged in corrupt or fraudulent practices in competing for or in executing the Contract; and (c)) the Buyer has failed to pay the full Contract Price within the specified in ITT6.1.
	10.2	The Buyer may terminate the contract if; <ul style="list-style-type: none"> a) the Seller fails to transfer the assets within specified time as describe in the SCC. b) the assets are not in the state or number as was described in Section VII of Tendering Documents
11. Payment upon Termination	11.1	If the contract is terminated because of fundamental breach by Seller, the Seller shall refund the Buyer deposited amount.
	11.2	If the contract is terminated because of fundamental breach by Buyer, the Seller shall forfeit the deposited amount and retain asset(s) which were to be disposed.
12. Force Majeure	12.1	For purposes of this clause, "Force Majeure" means an event or situation beyond the control of the Seller and not involving the Seller's fault or negligence and not foreseeable, is unavoidable, and is not due to negligence or lack of care on the part of the Seller. Such events may include, but are not restricted to, acts of the Buyer in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine, restrictions, acts of terrorists and freight embargoes.
13. Settlement of	13.1	If any dispute or difference of any kind whatsoever shall

Disputes		arise between the Seller and the Buyer in connection with or arising out of the Contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
	13.2	If, after Fourteen (14) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the Seller or the Purchaser may give notice to the other party of its intention to commence arbitration, as hereinafter provided, as to the matter in dispute, and no arbitration in respect of this matter may be commenced unless such notice is given. Any dispute or difference in respect of which a notice of intention to commence arbitration has been given in accordance with this Clause shall be finally settled by arbitration. Arbitration may be commenced prior to or after handover of the Assets under the Contract.
	13.3	The arbitration shall be conducted in accordance with the arbitration procedures published by the institution named and, in the place, shown in the SCC .
14. Taxes and Duties	14.1	Procedures for settling taxes and duties shall be as specified in SCC .

