



USAID
FROM THE AMERICAN PEOPLE

Parties to the Contract:

- **The Client (NAME):AQABA WATER COMPANY**
- **The Contractor**

Performance Objectives:

- **To achieve full recovery of operation and maintenance costs**
- **To make significant improvements in physical assets**
- **To increase the number of service connections**
- **To improve the quality of service to existing customers**
- **To increase the collection**

Type of Contract: SERVICE CONTRACT

Duration of Contract: 3 YEARS



USAID
FROM THE AMERICAN PEOPLE

Rights, Duties, and Responsibilities of the Parties to the Contract

The Client:

- **THE CLIENT WILL BE PROVIDING THE METERS, PIPES, FITTINGS, AND SEALING.**
- **PRINTING THE BILLS**

The Contractor:

- **Meter condition and inspection, and replacement if needed**
- **Billing Collection**
- **Meter reading**



USAID
FROM THE AMERICAN PEOPLE

Performance Standards and Targets

Minimum Performance Standards that must be achieved by the Contractor:

100% Meter readings of the operating meters

Penalties for Failure to Meet Minimum Performance Standards:

- **There will be a penalty for each day delay**



Performance Standards and Targets

Type of Target	Relative Weight (%)	Year 1 Target	Year 2 Target	Year 3 Target	Investment Required (Scale of 0 to 3)	Critical Issues
Assessment of meter conditions and how many are working properly	30	80%	90%	100%	0	
Meter readings	15	100%	100%	100%	0	
Bill distribution	25	80%	90%	95%	0	
Percent of collection	30	70%	85%	90%	0	
	100%					



Performance Targets Tied to Incentives:

Assessment of meter conditions and how many are working properly	If the collection is above the target percentage then the bonus will be 10% of the extra amount
Meter readings	
Bill distribution	
Percent of collection	



USAID
FROM THE AMERICAN PEOPLE

Adjustments to the Contract (what are allowable adjustments; who makes them; and under what conditions?):

The allowable adjustment should not be more than 5% above the total numbers of subscribers, and the extra compensation will be based upon mutual agreement between the two parties



USAID
FROM THE AMERICAN PEOPLE

Standards for Conditions of Assets upon Expiration of the Contract:

- **Not applicable**



USAID
FROM THE AMERICAN PEOPLE

Management of the Contract

Responsible Party for Monitoring the Contract:

- **AWC**

Responsible Party for Enforcing the Contract:

- **Amicable solution if not , then arbitration as defined in the contract and according to Jordanian laws**

Responsible Party for Resolution of Disputes:

- **If not resolved then court as it is defined in the FIDIC**



Termination of the Contract (under what conditions can contract be terminated before it expires; and how are parties compensated for early termination?)

Termination by the Client:

- **If the contractor violated the contract conditions many times, and after giving the penalties to the contractor and warned him**
- **In case of any unforeseen circumstances (e.g. war, flood,...)**

Termination by the Contractor:

- **When the client fails to meet his obligation**
- **If the client is gone out of business**



USAID
FROM THE AMERICAN PEOPLE

Additional Terms (Optional for Country Teams):