REPORT OF THE COMMITTEE ON TOURISM, TRADE AND INDUSTRY ON
THE ENQUIRY INTO THE MANAGEMENT OF PRE-EXPORT VERIFICATION
OF CONFORMITY (PVoC) TO STANDARDS PROGRAMME FOR INSPECTION
OF USED MOTOR VEHICLES

MARCH, 2019
LIST OF ABBREVIATIONS

CIF  Cost, Insurance and Freight
CoC  Certificate of Conformity
CRW  Certificate of Road Worthiness
EAA  East African Automobile Company Limited
JEVIC Japan Export Vehicle Inspection Centre
PVoC  Pre-Export Verification of Conformity to Standards
TBT  Technical Barriers to Trade
UAE  United Arab Emirates
UNBS  Uganda National Bureau of Standards
WTO  World Trade Organisation
1.0 INTRODUCTION

On 9th January, 2018 during the Plenary Sitting, Hon. Kenneth Lobogo, MP, Bulamogi County, Kaliro District, moved a Motion for a resolution of Parliament to:

(i) Investigate the circumstances surrounding the award of the contract for PVoC Project for Inspection of Used Motor Vehicles to Japan Export Vehicle Inspection Centre (JEVIC).

(ii) Halt the exclusive award of PVoC Project for Inspection of Used Motor Vehicles to JEVIC as the sole implementer from June 2018 for three years.

(iii) Investigate the suitability of JEVIC in execution of the PVoC Project through a contract with Uganda National Bureau of Standards (UNBS).

On 10th January, 2018, the House adopted the Motion and the Rt. Hon. Deputy Speaker referred the matter to the Committee on Tourism, Trade and Industry for scrutiny.

2.0 BACKGROUND TO THE PVoC PROGRAMME

PVoC is an inspection and verification programme carried out on goods by appointed inspection agents in the country of export. According to the Uganda National Bureau of Standards (Import Inspection and Clearance) Regulations, 2015, PVoC Programme requires that all goods falling under Uganda Compulsory Standards or any other approved international standards are inspected in the countries of origin. The inspection is done on behalf of the Government of Uganda by internationally-accredited inspection companies. Upon conforming to the standards, the supplier of the imported goods is issued a Certificate of Conformity.

Objective of PVoC

PVoC is a conformity assessment procedure based on Article 5 of the World Trade Organisation’s Technical Barriers to Trade Agreement (WTO/TBT Agreement). The programme is designed and streamlined to be fully consistent with the rules, regulations and legitimate instruments incorporated in the relevant agreement of the World Trade Organisation. It takes into account:

- The safety standards inherent to the specific product (such as mechanical, electrical, thermal, fire or explosion, chemical, biological or radiation hazards;
• The severity of hazards;
• The homogeneity of the consignment ensuring that goods in a container are of consistent quality;
• The final buyer and end user with respect to value for money;
• Manufacture or sale of sub-standard products is a criminal offence under the UNBS Act, Cap 327, Laws of Uganda. PVoC draws its legal mandate from legislation as contained in Statutory Instrument No. 11 of 2015.

The objective of PVoC is to minimise the risk of unsafe and sub-standard goods entering Uganda and thus protect consumers.

**Categories of goods subjected to PVoC**

(a) Food and food products, including beverages  
(b) Electrical and electronic products, including solar equipment  
(c) Chemical products including cosmetics  
(d) Textile, leather, plastic and rubber products  
(e) Paper and stationery  
(f) Furniture (wood and metal articles)  
(g) Protective safety equipment  
(h) Toys  
(i) Mechanical materials and gas appliances  
(j) Automotive products and inputs  
(k) Used products, including used motor vehicles.

In 2007, Government took a decision to implement PVoC Programme and in June 2007, UNBS was directed by the Government to implement the PVoC Programme. UNBS started soliciting for bids for the programme for inspection of used motor vehicles and eventually in 2009, the contracts were awarded to Japan Export Verification Inspection Company, East Africa Automobile (EAA) and Jabal Kilimanjaro.

**3.0 OBJECTIVES OF THE ENQUIRY**

In carrying out the inquiry, the Committee was guided by the following Terms of Reference:

(i) To investigate the procurement of Japan Export Vehicle Inspection Centre (JEVIC) Co. Ltd, East Africa Automobile Co. Ltd (EAA) and Jabal
Kilimanjaro Auto Elect. Mech. Co. Ltd as service providers for the
inspection of used motor vehicles.

(ii) To examine the terms and conditions of the contract between UNBS and
the three service providers.

(iii) To appraise the performance of JEVIC, EAA and Jabal Kilimanjaro in
implementing the PVoC Project for inspection of used motor vehicles.

(iv) To examine any other matter incidental to the above terms of reference
and make recommendations in relation to the PVoC Project for the
inspection of used motor vehicles.

4.0 METHODOLOGY

In order to achieve the objectives above, the following methods were used:

(i) Meetings
(ii) Document review
(iii) Field visits

4.1 Meetings

The Committee held meetings and received memoranda from the following:

(i) Hon. Kenneth Lubogo, the mover of the Motion
(ii) Ministry of Trade, Industry and Cooperatives
(iii) Former Minister of Trade, Industry and Cooperatives, General Kahinda
Otafiire
(iv) Japan Export Verification Centre Company Limited
(v) East Africa Automobile Company Ltd
(vi) Jabal Kilimanjaro Auto Elect. Mech. Ltd
(vii) UNBS Council Members
(viii) UNBS Management
(ix) The Solicitor General
(x) Dr. Terry Kahuma, former Executive Director, UNBS
(xi) Association of Motor Dealers of Uganda
(xii) Uganda vehicle exporters in Abu Dhabi
(xiii) Uganda exporters of motor vehicles and spare parts in Japan
(xiv) Uganda embassy officials in Dubai
(xv) Uganda embassy officials in Japan
(xvi) Trust Company Ltd (Japanese firm exporting vehicles to Uganda)
(xvii) BeForward Company Ltd (Japanese firm exporting vehicles to Uganda)

4.2 Document Review

The Committee reviewed and made reference to the following documents:
(i) Public Procurement and Disposal of Public Assets Authority Act, 2003;
(ii) The Public Procurement and Disposal of Public Assets Authority Regulations, 2003
(iii) Statutory Instrument No. 11 of 2015

4.3 Field visits

Members of the Committee then travelled to Dubai in the United Arab Emirates and Japan to: ascertain the presence of the contracted companies, establish the capacity of the contracted companies to inspect the vehicles, verify the inspection charges by the companies and find out the accessibility of the testing centres by the exporters/traders. A list of the delegation which travelled to Dubai and Japan is attached as Annex 1.

The delegation carried out physical inspection of offices and inspection centres and equipment belonging to Jabal Kilimanjaro Ltd and EAA Company Ltd.

5.0 SCOPE OF THE INQUIRY

Despite the PVoC Programme covering a wide range of goods, the inquiry by the Committee was restricted to pre-shipment inspection of used motor vehicles. UNBS contracted Japan Export Vehicle Inspection Centre (JEVIC) Company Limited, EAA Company Ltd and Jabal Kilimanjaro Auto Elect. Mech Co. Ltd as service providers for the inspection.
6.0 FINDINGS AND OBSERVATIONS

6.1 PROCUREMENT OF JEVIC, EAA COMPANY LTD AND JABAL KILIMANJARO AS SERVICE PROVIDERS FOR THE INSPECTION OF USED MOTOR VEHICLES UNDER THE PVOC PROGRAMME

Chronology of the Procurement Process

The Committee obtained documents relating to the procurement of service providers for the inspection of used motor vehicles under the PVoC Programme and reviewed them. Following the directive by Government to UNBS to implement the PVoC Programme, UNBS commenced the process of procuring service providers.

6.1.1 Solicitation of bids

On 29th October 2008, UNBS invited bidders through a bid notice advertised in The East African Newspaper, the Daily Monitor Newspaper and The New Vision. The Open International Bidding method was used for the provision of pre-export verification (inspection) of used motor vehicles to standards and technical regulations (Tender No. UNBS/CONS/08-09/00001/02). According to the solicitation documents, the services were to be rendered by the successful bidders globally and lots were not applicable to the procurement.
Subsequently, nine companies applied for the bid but only five submitted. The table below shows how companies responded to the bid notice:

<table>
<thead>
<tr>
<th>S/No.</th>
<th>Company</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Auto Terminal International</td>
<td>Responded</td>
</tr>
<tr>
<td>2.</td>
<td>Bankshare</td>
<td>No response</td>
</tr>
<tr>
<td>3.</td>
<td>JEVIC Co. Ltd</td>
<td>Responded</td>
</tr>
<tr>
<td>5.</td>
<td>EAA Co. Ltd</td>
<td>Responded</td>
</tr>
<tr>
<td>6.</td>
<td>Bureau Veritas SA France</td>
<td>Responded</td>
</tr>
<tr>
<td>7.</td>
<td>Zenith Consulting</td>
<td>No response</td>
</tr>
<tr>
<td>8.</td>
<td>SGS Uganda Ltd</td>
<td>No response</td>
</tr>
<tr>
<td>9.</td>
<td>Luck Traders</td>
<td>No response</td>
</tr>
</tbody>
</table>

**Source:** Report on Evaluation for the provision of PVoC

### 6.1.2 Evaluation of the bids process

Thereafter, preliminary examination was carried out by the Evaluation Committee on the five responsive bidders. Based on the preliminary evaluation criteria, four companies passed and one company, Auto Terminal International was eliminated for being non-compliant.

The second stage of evaluation was the Technical Evaluation of the four companies which passed the preliminary evaluation criteria. Evaluation at that stage involved a verification exercise through visits to the sites of inspection to ensure due diligence. At the Technical Evaluation together with the visits to the sites of inspection, all the four companies were found compliant and therefore, qualified for Financial Evaluation.

Consequently, the following companies were subjected to Financial Evaluation: JEVIC Co. Ltd, Jabal Kilimanjaro, EAA Co. Ltd and Bureau Veritas. At the
Financial Evaluation stage, the Evaluation Committee eliminated Bureau Veritas on the basis that it did not state specific charges of inspection in its bid and this was contrary to the bidding document. The remaining three companies (JEVIC Co. Ltd, Jabal Kilimanjaro and EAA Co. Ltd) met the financial criteria and passed in the following order: EAA Co. Ltd, JEVIC and Jabal Kilimanjaro Auto Elect. Mech. Co. Ltd.

After combining both technical and financial scores, the three companies passed in the following order: JEVIC (92.05%), Jabal Kilimanjaro Auto Elect Mechanic & Paints (87.62%) and EAA Co. Ltd (87.00%).

The Evaluation Committee further observed that the used motor vehicle inspection programme was a unique exercise with particular reference to the following features:

(i) The major sources of used vehicles coming into Uganda was limited to Japan (70%), United Arab Emirates-Dubai (25%) and the rest of the world (South Africa, Singapore, United Kingdom) contributing less than 5%.

(ii) No company had testing facilities in all the countries as well as ports where Uganda imports used vehicles from. This was verified during the sites inspection and it was discovered that companies used hired facilities. Many of the companies shared the same facilities and only worked at different times.

Following the above observations by the Evaluation Committee, it resolved that it would be beneficial to award the contracts on a country of export basis in those areas where the majority of vehicles originate, that is, Japan, United Arab Emirates, Singapore and the rest of the world.

The Evaluation Committee recommended to the Contracts Committee that basing on the technical and financial evaluation criteria together with the due diligence carried out on the inspection and testing centres, the contracts should be awarded as follows:

- JEVIC being the best bidder with a score of 92.05% overall, together with its strong presence in Japan, be awarded a contract for the inspection of used motor vehicles in Japan.
• The Evaluation Committee went ahead to recommend that JEVIC be awarded a contract for PVoC services for the rest of the world basing on the site visits. The Evaluation Committee pointed out to the Contracts Committee that JEVIC had a good network of inspection of vehicles in both Japan and Dubai and that provided an indication that it had capacity elsewhere in the world especially the United Kingdom, Singapore and South Africa which are key sources of used motor vehicles destined for Uganda.

• Jabal Kilimanjaro and EAA Co. Ltd, the second and third best evaluated bidders with scores of 87.62% and 87.00% respectively be awarded the contracts for PVoC services in the United Arab Emirates. This was based on the fact that the two companies were found to have good facilities as well as systems in the United Arab Emirates.

6.1.3 The Contracts Committee Decision on award of contracts

Upon submission of the Evaluation Committee report to the Contracts Committee, the Contracts Committee approved the report of the Evaluation Committee and made the following recommendations:

(i) That the inspection services be awarded to the three companies to create competition among the providers;

(ii) JEVIC be awarded a contract to inspect vehicles in Japan and all other regions around the world except United Arab Emirates; and

(iii) Jabal Kilimanjaro and EAA be awarded contracts to inspect vehicles in the United Arab Emirates.

6.1.4 Clearance of the contracts by the Solicitor General

On 14th August, 2009, the Attorney General’s Office received a letter from UNBS seeking clearance of the three contracts between UNBS and the three companies (JEVIC, Jabal Kilimanjaro Auto Elect. Mech. Co. Ltd and EAA Co. Ltd). (The letter from UNBS is attached as Annex 2) Subsequently, the Solicitor General cleared the contracts on 24th August, 2009 as follows:
UNBS was cleared by the Solicitor General to contract JEVIC to inspect used motor vehicles entering Uganda from Japan, United Kingdom, Singapore, South Africa and the rest of the world.

UNBS was cleared by the Solicitor General to contract EAA Co. Ltd to inspect used motor vehicles entering Uganda from the United Arab Emirates.

UNBS was cleared by the Solicitor General to contract Jabal Kilimanjaro Auto Elect. Mech. Co. Ltd to inspect used motor vehicles entering Uganda from the United Arab Emirates.

The letter from the Solicitor General is attached as Annex 3.

6.1.5 Contracts signing

Following the required approvals from the Contracts Committee and the Solicitor General, the three contracts were signed on 10th September, 2009 for a period of three years. The contracts were to commence on 1st November, 2009.

The three contracts are attached as Annex 4 (JEVIC), Annex 5 (EAA) and Annex 6 (Jabal Kilimanjaro) respectively.

6.1.6 Amendment of the 1st September, 2009 contracts

After signing and commencement of the contracts, EAA Co. Ltd complained to the Minister of Tourism, Trade and Industry in relation to the contracts award. EAA Co. Ltd was concerned about the award of the contract to JEVIC to inspect vehicles from Japan and the rest of the world except United Arab Emirates without due consideration of the solicitation documents and the fact that EAA Co. Ltd was also based in Japan and had no facilities in Dubai. EAA also stated that the award of the contract to JEVIC was likely to create monopoly in Japan contrary to Government policy.

The Minister informed UNBS about the need to amend the contracts in view of the complaints that had been raised (The letter from the Minister is attached as Annex 7). On 4th March 2010, the then Executive Director of UNBS wrote to the Solicitor General seeking clearance of the draft proposed amendment to the contracts. Upon perusal of the existing contracts and the draft contracts, the Solicitor General advised as follows:
(i) The Solicitor General made reference to Part C, Clause 4 of the Contract which provides that modification or amendment of the terms or conditions of the contract including any modification or amendment of the scope of services may only be made by written agreement between the parties. Therefore, any modification or amendment would only be binding if it is made in writing and signed by each party.

(ii) Regulation 262 (3) (a) and (b) of the PPDA Regulations provides that, “A contract amendment shall not be issued to a provider prior to obtaining approval from the Contracts Committee and obtaining approval from other concerned bodies, including the Attorney General, after obtaining approval of the Contracts Committee.”

(iii) Regulation 262 (1) of the PPDA Regulations provides that “An amendment to a contract refers to the change in the terms and conditions of an awarded contract.”

The letter from the Solicitor General is attached as Annex 8.

In view of the foregoing, UNBS was advised to negotiate the proposed contract amendments with the three contracted service providers with a view of getting their concurrence and therefore, obtain the necessary Contracts Committee approval in accordance with the PPDA Regulations.

UNBS made attempts to engage JEVIC (A letter is attached as Annex 9) to renegotiate the terms of the contract but JEVIC rejected all invitations (Annex 10), stating that the allegations of unfairness in awarding the contracts were unsubstantiated and it had started performing its obligations under the contract. However, the other two companies were agreeable to the amendment.

Before the necessary approvals could be obtained on 27th April, 2010, UNBS was directed by the then Minister of Tourism, Trade and Industry to execute amended contracts with JEVIC, EAA Co. Ltd and Jabal Kilimanjaro allowing all the three companies to operate all over the world without restriction. He further directed UNBS to effect the signing on 29th March, 2010 at 10:00 a.m. in his office. The letter from the Minister is attached as Annex 11.

Accordingly, on 29th March, 2010, EAA Co. Ltd and Jabal Kilimanjaro Auto Elect. Mech. Co. Ltd signed new contracts in which a clause that restricted the two companies to inspect used motor vehicles from the United Arab Emirates was changed to allow them inspect motor vehicles from all over the world. However, JEVIC objected (Annex 12).
On 31st March, 2010, JEVIC received a letter from UNBS informing them that the Minister of Tourism, Trade and Industry had presided over the amendment of the contracts and that all the three firms had been evaluated as best bidders. The letter further invited them to come and sign the contract and asked them to send a letter of no objection to the amendment, which they declined to send.

It is important to note that on 23rd July, 2009 after EAA Co. Ltd had issued a letter of bid acceptance, on 3rd June, 2009, EAA Co. Ltd wrote to the Solicitor General expressing its dissatisfaction with the award of the pre-export vehicle inspection tender at the ports of Japan. EAA Co. Ltd informed the Solicitor General that it was based in Yokohama, Japan and had been for over five years primarily carrying out the pre-export motor vehicle inspection for various countries.

6.1.7 Suspension of the PVoC Programme

On 17th September, 2010, the Prime Minister wrote to the Minister of Finance, Planning and Economic Development informing her of the complaints raised by the Uganda Motor Vehicle Importers regarding the requirement for pre-shipment inspection of used motor vehicles directed by UNBS. Following the complaints, the Prime Minister directed the Minister of Finance, Planning and Economic Development to suspend the PVoC Programme with immediate effect (Annex 13).

The Minister of Finance, Planning and Economic Development then wrote to the Commissioner General, Uganda Revenue Authority advising her to suspend, with immediate effect, the pre-shipment roadworthiness inspection of imported used motor vehicles until further notice. By copy of the letter, the Minister of Tourism, Trade and Industry and UNBS were informed accordingly. Indeed, implementation of the programme was suspended and it remained in abeyance until 2013 (About three years).

6.1.8 Arbitration process

In February 2012, JEVIC initiated arbitration proceedings against UNBS claiming that UNBS had breached the original contract by signing amended contracts with EAA Co. Ltd and Jabal Kilimanjaro, thereby opening up pre-export motor vehicle inspection in Japan contrary to JEVIC’s exclusive rights.
UNBS argued that the opening up of the contract was as a result of a directive from the Minister of Tourism, Trade and Industry (The letter from the Minister of Trade is attached as Annex 14). Subsequently, UNBS did not attend the proceedings and as a result, the arbitration process was continued and concluded in the absence of UNBS.

On 6th July, 2012, an arbitral award was made against UNBS in the following terms:

(a) Special damages of USD 574,197.79 for loss of income

(b) General damages of USD 30,000

(c) Reimbursement of UGX 79,084,012 being UNBS' share of the cost of arbitration

(d) Half of the cost of the arbitration subsequently awarded as UGX 112,138,588.50.

However, UNBS did not honour the Arbitral Award (A copy of the award is attached as Annex 15) to JEVIC. As a result, on 17th August, 2015, JEVIC initiated execution proceedings to enforce the Arbitral Award by way of attachment and sale of UNBS head office located at Block 227, Plot 20142, Bypass Link, Bweyogerere.

Subsequently, a Stay of Execution Order by Consent Order was reached by the parties and it was agreed that the execution of the warrant be stayed for a period of 90 days from 1st September, 2015 to 1st December, 2015. Again, the agreed period ended before UNBS could honour the Arbitral Award.

Upon expiry of the 90 days, JEVIC suggested to UNBS that it would forego the Arbitral award if the Government of Uganda accepted to enter into an agreement to extend JEVIC’s existing contract, in exclusivity for a three to five year period beyond its expiry in June, 2018 (Annex 16). UNBS agreed with JEVIC’s proposal considering that it would save the Government of Uganda financial loss as a result of the breach of contract. JEVIC further considered foregoing the existing obligations of UNBS to pay bailiffs' costs and legal costs.
Thereafter, on 8th January 2016, the Minister of Trade, Industry and Cooperatives sought advice from the Solicitor General on the legal implications of UNBS agreeing to JEVIC’s proposal.

On 2nd August 2016, the Solicitor General advised that in order for UNBS to salvage its headquarters in Bweyogerere, which had been a subject of court order to sell the premises, they should enter into negotiations to set aside the Arbitral Award in exchange of an extension of the contract upon its expiry in June 2018. The award of the extension would be done by way of direct procurement under Section 85 of the Public Procurement and Disposal of Public Assets Act, 2003 given the circumstances.

Following clearance of the extension by the Solicitor General, the parties entered into a Settlement Order on the terms agreed upon during the negotiations.

6.1.9 Reinstatement of the PVoC Programme for the inspection of used motor vehicles

The Committee found out that on 3rd December, 2012, the PVoC Programme was reinstated.

Upon reinstatement, UNBS made addenda to the earlier contracts in which the commencement and duration of the contracts were modified. The commencement date was changed to 1st June, 2013 and the duration extended to sixty (60) months (five years). UNBS informed the Committee that the extension was meant to compensate the contracted service providers for the period when the contract was in abeyance since October 2010.

Committee observations

(i) The Committee observed that there were a number of irregularities in the procurement process of the services of JEVIC, Jabal Kilimanjaro and EAA for the inspection of used motor vehicles. The award of the contracts to different successful bidders (JEVIC, Jabal Kilimanjaro and EAA) on the basis of regions or lots was contrary to the solicitation document (ITB 1.2) and the Public Procurement and Disposal of Public Assets Regulations, 2003. This was the genesis of all the controversies that surrounded the implementation of PVoC Programme for the inspection of used motor vehicles.
(ii) While the Evaluation Committee of UNBS conducted site visits to assess the technical capacity of the companies, the basis of which together with the financial evaluation was used to award the contracts; the findings by the Parliamentary Committee were contrary. Jabal was the only company operating in Dubai. EAA was not present in Dubai but in Japan. JEVIC declined to take the delegation to its inspection centres. That contradictory report casts doubt on the credibility of the Evaluation Committee's technical evaluation report.

(iii) Suspension of the programme from 2010 till 2013 without any interim measure for inspection of imported vehicles meant that vehicles entered into the country without being inspected. This led to loss of a huge amount of revenue by UNBS and put the lives of Ugandans at risk since the road worthiness of the vehicles was not tested.

(iv) UNBS appeared in the arbitration proceedings in the earlier stages and later abandoned the process which led the matter to proceed ex parte, leading to the award of approximately Ug.Shs. 2, 297, 213, 896.

(v) The arbitral award was made on 6th July, 2012 and on 17th August, 2015. JEVIC started execution proceedings to recover the amount of money in the arbitral award. That is about three years since the award was made. Lack of concern by UNBS to do something about the award for three years till their newly-constructed headquarters were attached shows incompetence of UNBS.

6.2 TERMS AND CONDITIONS OF THE CONTRACTS BETWEEN UNBS AND THE SERVICE PROVIDERS

The Committee reviewed the various sets of contracts between UNBS and the three service providers and found out the following:

(a) Part D, Clause 2 of the contract between UNBS and JEVIC provides for verification/verification services. It states:

"The Inspection/Verification Services provided by the Contractor for used motor vehicles originating from Japan, Singapore, United Kingdom and South Africa shall consist of the following tasks": The tasks are thereafter listed from 2.1 to 2.9.

(b)
Committee Observations

(i) The negotiation record between UNBS and JEVIC illustrated under the inspection charges column indicated that the negotiations were regarding Japan, Singapore, South Africa and the United Kingdom.

(ii) The record of negotiations between UNBS and EAA, specifically under the Audit issues column stated that the audits were to take place only in the United Arab Emirates.

(iii) The record of negotiations between UNBS and Jabal Kilimanjaro specifically under the Audit issues column stated that the audits were to take place only in the United Arab Emirates.

(iv) Items like knocked-down parts (vehicle spare parts) and earth-moving equipment are not included in the contracts. However, knocked down parts are assembled into cars when they reach the country. Earth-moving equipment which is not inspected may be dangerous in terms of emissions and mechanical breakdown.

(viii) The service providers are supposed to fund accommodation and inland travel for UNBS staff members who carry out the annual audits on the companies. This implies that UNBS staff cannot write an objective report about the service providers.

6.3 PERFORMANCE OF JEVIC, EAA AND JABAL KILIMANJARO IN IMPLEMENTING THE PVOC PROJECT FOR INSPECTION OF USED MOTOR VEHICLES

6.3.1 Findings

Refusal by JEVIC to meet the Committee

It is important to point out from the outset that attempts by the delegation to visit or inspect premises and inspection centres of Japan Export Verification Centre Company Limited (JEVIC) were futile.

First, the Uganda Embassy in Japan wrote to JEVIC notifying it of the intended visit by the delegation of the Parliamentary Committee on Tourism, Trade and Industry. However, JEVIC communicated back by telephone to the Embassy and turned down the request.
Secondly, the Committee wrote to JEVIC asking to visit its premises. However, JEVIC declined the Committee’s request. It wrote back and notified the Committee that whereas it had participated in the Parliamentary Committee investigations in February 2018, given the circumstances and the manner in which the inquiry took place, the company board advised that JEVIC should not take part any further in the exercise, the outcome of which would only be detrimental to its bonafide interests.

As a result, the delegation only interfaced with Jabal Kilimanjaro Auto Elect. Mech. Ltd, EAA Company Ltd and other stakeholders.

**Jabal Kilimanjaro Ltd**

The delegation found out that Jabal Kilimanjaro Auto Elect. Mech Ltd operates only in Dubai. The company inspects used motor vehicles destined for Tanzania, Zanzibar and Uganda.

Jabal Kilimanjaro possesses one inspection centre which is a one-stop inspection centre which also houses its offices. The company has capacity to inspect up to twenty-five (25) motor vehicles a day (between 9am to 8pm). However, the company informed the delegation that it has never utilised that capacity because the volumes of motor vehicles to be inspected were still very low.

Jabal Kilimanjaro Auto Elect. Mech Ltd inspects vehicles at a fee of USD 125 and pays royalties to UNBS of USD 20 on every inspected vehicle. The royalties are remitted to UNBS electronically within two weeks after the end of a month.

Jabal Kilimanjaro Auto Elect. Mech. Ltd took Members through the inspection process and the inspection standard operating procedure. Inspection of a motor vehicle takes between 20-25 minutes. Upon completion of motor vehicle inspection, the company shares the inspection report with UNBS electronically for ease of implementation. An owner of a motor vehicle takes an original certificate of inspection.

Jabal is the only company that inspects used motor vehicles for Uganda in Dubai. The delegation was informed that in 2010, there were cases of forgery of inspection certificates. However, that has been minimised through introduction of automated system of transfer of inspection results to UNBS in real time. This makes it easy for UNBS to track forgeries.
EAA Company Ltd.

EAA Company Ltd was established in 2007 under the name ‘East Africa Automobile Services Company Limited.’ In 2016, it changed its name to ‘EAA Company Limited.

The company is based and operates in Japan. According to the company’s presentation to the Committee, it has a head office in Kanagawa-Ken Yamato-Shi Shimotsuruma. It has seventeen (17) inspection facilities in different locations in Japan. They are spread in Yokohama (Mitsui Soko), Yokohama Isogo, Nagoya FL, Osaka ECL, Yamato, Kawasaki (Nittsu), ECL Kisarazu, Hitachinaka, Noda, Nogoya Nagase, Nagoya ECL, Kobe ECL, Kobe Sannomiya, Kanda, Moji, Shinmoji and Hakata ECL.

The Committee further established that EAA operates mobile equipment which is only effective for importers who buy in bulk hence neglecting small purchases. EAA’s clientele is companies and not individual importers or exporters. Its top clientele is Be Forward Company Ltd, JAN Trading, SBT Company, ECL Company, JY Japan Corporation, Sahara Trading, Aqua Logistics, Minato Trading Company, O.S Network, among others.

The company’s human resource comprises seventeen (17) certified inspectors and other staff. The company inspects each motor vehicle at a cost of $140. The inspection time for each vehicle is 20 to 30 minutes.

Challenges faced by Ugandan exporters of motor vehicles

Long distances to the inspection centres
The Ugandan shippers of motor vehicles in the United Arab Emirates and Japan incur extra costs of driving the vehicles to the designated inspection centres some of which are located very far away from where the vehicle was purchased. This cost is passed onto the consumer through increased prices.

Failure to follow inspection criteria
The exporters also informed the delegation that the inspection criteria are not strictly followed. This is because inspection of a single motor vehicle can take
about only 10 minutes. This, in the end, makes the PVoC Programme fail to achieve the intended objective.

**High taxes on motor vehicles**
The exporters also expressed concerns about the high taxes imposed on motor vehicles and view them as prohibitive.

**Committee observations**

(a) The Committee noted a minimal presence of the three contracted companies in several car trading areas which has led to high costs of transporting cars from far places to the one-stop inspection centre and ultimately leads to high costs to business through transport charges.

(b) The Committee observed that if a vehicle is inspected for 10 minutes, the evaluation criteria is not followed because that time is too little to ascertain the safety and mechanical condition of the vehicle. That is why vehicles reach Uganda and they break down.

(c) The Committee observed that the USD 20 remitted to UNBS by the car inspection companies is too little compared to the cost of inspection which ranges from USD 125 to USD 220.

**6.4 INTERIM MEASURES ADOPTED IN THE ABSENCE OF RUNNING CONTRACTS**

In June 2018, the contracts for the three service providers expired. Since expiry of the contract, cars have been imported into the country without being inspected.

**Destination Inspection**
The Committee was informed that currently, UNBS is conducting destination inspection of imported vehicles. However, the institution faces capacity challenges in terms of equipment and staffing and limited space in inland
customs depots. For instance, a basic mobile testing equipment costs Shs 800 million yet UNBS requires more than 20 machines which has not been provided for in the budget for the FY 2019/20.

**Settlement of Arbitral Award to JEVIC**

In October 2018, UNBS was served with court summons to file a defence to JEVIC for breach of the Settlement Order under Civil Suit No. 825/2018. As a result, a Committee comprising officials from the Ministry of Trade, Industry and Cooperatives, Solicitor General and UNBS was constituted to negotiate with JEVIC.

At the conclusion of the negotiations, JEVIC accepted UNBS’ offer to settle the sums in the Arbitral Award through payment in eight (8) instalments starting July, 2019. The settlement was approved by the Solicitor General on 07th February, 2019.

The Settlement Order is to be filed in Court so as to close Civil Suit No. 825/2018 which should lead UNBS to seek clearance of the interim contracts from the Solicitor General.

**Interim service providers**

The Committee was informed that following guidance by the Rt. Hon. Speaker of Parliament, UNBS procured two companies – EAA and Jabal Kilimanjaro to provide PVoC services awaiting international bidding process.

**7.0 COMMITTEE RECOMMENDATIONS**

The Committee recommends that:

(i) The Contracts Committee of Uganda National Bureau of Standards which altered the terms of the contract should be held responsible for the Shs 2.3 billion financial loss to Government as a result of the arbitral award.
(ii) Of recent, a number of car importers have avoided pre-shipment inspection. This has led to an increasing number of vehicles entering the country uninspected. Although UNBS charges a penalty of 15% of the CIF (cost, insurance, freight), it has not solved the problem. The Committee recommends that on top of paying the penalty, these vehicles must be inspected for road worthiness at the cost of the importer. This, in the long run, will deter defaulters.

(iii) Government should allocate funds for recruitment of staff and procurement of mobile testing equipment for vehicles. The Committee further recommends that Government through Ministry of Works conducts annual motor vehicle inspection to ensure safety and road worthiness of vehicles on Ugandan roads.

(iv) Uganda National Bureau of Standards should ensure that new competent firms are procured to carry out the pre-export verification exercise to minimise the risk of importing cars that have not undergone inspection due to the incompetence of the current service providers. The process should follow procedures as provided by the PPDA Act, 2003.

(v) The Committee further recommends that Ugandan-owned firms be given priority to provide the service so that the revenue accruing from the service is retained in the country and employment is provided for Ugandans.
8.0 CONCLUSION

The Committee appreciates the need for pre-shipment inspection of motor vehicles from their countries of origin. However, since inception of the programme, it has been mismanaged hence making the programme fail to achieve its intended objectives. Therefore, implementation of the programme should be carried out in accordance with the law to avoid controversies which have characterised the programme in the past.

Rt. Hon. Speaker and Hon. Members, I beg to move.
SIGNATURE SHEET FOR THE REPORT INTO THE MANAGEMENT OF THE PVOC PROGRAMME FOR INSPECTION OF USED VEHICLES

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<td>Hon. Centenary Franco Robert</td>
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ANNEX 1 List of Members and staff who travelled to Dubai and Japan

(i) Hon. Ruhunda Alex, head of delegation
(ii) Hon. Awor Engola Betty
(iii) Hon. Mukisa Robinah Hope
(iv) Hon. Tumuheirwe Turyamuhweza
(v) Hon. Lubogo Kenneth,
(vi) Hon. Kipterit Christopher Akorikimoi
(vii) Hon. Centenary Robert
(viii) Hon. Katoto Hatwib
(ix) Ms Diana Ninsiima Oleny
(x) Ms Aldrine Natukunda
24th August 2009

The Executive Director
Uganda National Bureau of Standards
Plot M217 Nakawa Industrial Area
P.O Box 6329
Kampala

REQUEST FOR REVIEW AND APPROVAL TO ENTER INTO THREE CONTRACTS FOR PRE-SHIPMENT VERIFICATION OF CONFORMITY TO STANDARDS (PVoc) OF USED MOTOR VEHICLES

Reference is made to yours ref BO/UNBS/083 dated 14/08/09 on the above subject.

This is to inform you that the contract between yourselves and M/S Japan Export Vehicle Inspection Centre Co. Ltd for the provision of inspection/verification services for used motor vehicles originating from Japan, Singapore, United Kingdom and South Africa is hereby cleared.

Please send us a signed copy for our records.

P. Kabiije
FOR: SOLICITOR GENERAL
24th August 2009

The Executive Director
Uganda National Bureau of Standards
Plot M217 Nakawa Industrial Area
P.o Box 6329
Kampala

REQUEST FOR REVIEW AND APPROVAL TO ENTER INTO THREE CONTRACTS FOR PRE-SHIPMENT VERIFICATION OF CONFORMITY TO STANDARDS (PVoc) OF USED MOTOR VEHICLES

Reference is made to yours dated 14/08/09 under ref. BO/UNBS/083 on the above subject.

This is to inform you that the contract between yourselves and M/S East African Automobile Services Co. Ltd for the provision of inspection/verification services for used motor vehicles originating from the United Arab Emirates (UAE) is hereby cleared subject to the following amendment:

(1) Refer to the contract agreement at page 13 of 28 part D clause 2; the inspection services awarded are for vehicles originating from the United Arab Emirates. The amendment should be made accordingly.

Please send us a signed copy for our records.

P. Kabiije
FOR: SOLICITOR GENERAL
24th August 2009

The Executive Director
Uganda National Bureau of Standards
Plot M217 Nakawa Industrial Area
P.O Box 6329
Kampala

REQUEST FOR REVIEW AND APPROVAL TO ENTER INTO THREE CONTRACTS FOR PRE-SHIPMENT VERIFICATION OF CONFORMITY TO STANDARDS (PVoc) OF USED MOTOR VEHICLES

Reference is made to yours dated 14/08/09 ref BO/UNBS/083 on the above subject.

This is to inform you that the contract between yourselves and M/S Jabal Kilimanjaro Auto Elect Mechanic and Paints Co. Ltd for the provision of inspection/verification services for used motor vehicles originating in the United Arab Emirates (UAE) is hereby cleared.

Please send us a signed copy for our records.

P. Kabilije
FOR: SOLICITOR GENERAL
CONTRACT

BETWEEN

UGANDA NATIONAL BUREAU OF STANDARDS

AND

JAPAN EXPORT VEHICLE INSPECTION CENTER COMPANY LIMITED

FOR

THE PROVISION OF

PRE-EXPORT VERIFICATION OF CONFORMITY TO STANDARDS AND TECHNICAL REGULATIONS FOR USED MOTOR VEHICLES

IN ACCORDANCE WITH

UGANDA STANDARD US 845:2008

UGANDA NATIONAL BUREAU OF STANDARDS
P. O. BOX 6329, KAMPALA
This agreement is made on the 1st day of September 2009 between UGANDA NATIONAL BUREAU OF STANDARDS a statutory body of the government of the Republic of Uganda and of Post Office Box Number 6329 Kampala, within the Republic of Uganda (hereinafter called the "Client" which expression shall where the context so permits include its successors and assigns) of the one part and JAPAN EXPORT VEHICLE INSPECTION CENTER COMPANY LIMITED of 4 Daikoku Futo, Tsurumi-Ku, Yokohama, Kanagawa Prefecture, Japan 230-0054 (hereinafter called the "Contractor") on the other part;

WHEREAS the Client requested for proposals for motor vehicle inspection/verification services in accordance with US 845:2008 ROAD VEHICLES – Code of practice for inspection and testing of used motor vehicles for roadworthiness (hereinafter called the "Services");

WHEREAS the Contractor, in response to the Client's request submitted its proposal and offered it for evaluation based on the Client's set criteria;

WHEREAS the Contractor, has represented to the Client that it has the required professional skills, personnel and technical resources to provide the services requested by the client;

WHEREAS the Client has evaluated the Contractor's proposal and is satisfied that the Contractor has the capacity and is capable of providing the services requested by the Client;

WHEREAS the Contractor has expressly and unequivocally agreed to provide the services requested by the Client on the terms and conditions set out hereinafter;

NOW THEREFORE in consideration of the promises and covenants herein constrained the Client and the Contractor hereby agree as follows:
GENERAL PROVISIONS

1. Definitions

1.1 The headings to the clauses of this Contract are for reference purposes only and shall in no way govern or affect the interpretation of nor modify nor amplify the terms of this Contract nor any clause hereof;

1.2 If any provision in a definition is a substantive provision conferring rights or imposing obligations on any Party, notwithstanding that it is only in the definition clause, effect shall be given to it as if it were a substantive provision of this Contract;

1.3 Unless the context dictates otherwise, an expression which denotes any gender includes the other; and reference to a natural person includes an artificial person and to the singular includes the plural, and vice versa in each case;

1.4 The annexure(s) to this Contract form an integral part hereof and words and expressions defined in this Contract shall bear, unless the context otherwise requires, the same meaning in such annexure(s);

1.5 When any number of days is prescribed in this Contract, the same shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a day which is not a Business Day, in which case the last day shall be the next succeeding Business Day;

1.6 Where any term is defined within the context of any particular clause in this Contract, the term so defined, unless it is clear from the clause in question that the term so defined has limited application to the relevant clause, shall bear the same meaning as ascribed to it for all purposes in terms of this Contract, notwithstanding that that term has not been defined in this interpretation clause;

1.7 The use of the word "including" followed by a specific example or examples shall not be construed as limiting the meaning of the general wording preceding it and the *ejusdem generis* rule shall not be applied in the interpretation of such general wording or such specific example or examples;
1.8 The rule of construction that, in the event of ambiguity, the contract shall be interpreted by both Parties and in the event there is no agreement reference will be made to the Arbitration Clause;

1.9 Unless the context otherwise require, the following terms whenever used in this Contract shall have the following meanings:

i. “Applicable Law” means the laws and any other instruments having the force of law in the Republic of Uganda, as may be issued and in force from time to time;

ii. “Contract” means this contract including all appendices attached hereto, as may be amended or supplemented from time to time;

iii. "Contractor" means the Company providing services pursuant to this contract and where the context so permits any company or person subcontracted by the contractor to provide the services;

iv. “COR” means Certificate of Roadworthiness;

v. “Foreign Currency” means any currency other than the currency of the Republic of Uganda;

vi. “Government” means the Government of the Republic of Uganda;

vii. “Key Personnel” means supervisors of the inspection centers and at least two senior technicians per inspection center;

viii. “Local Currency” means the currency of the Republic of Uganda;

ix. “NCR” means Non-Conformity Report;
x. "Party" means the Client or the Contractor, as the case may be, and "Parties" means both of them;

xi. "Personnel" means persons hired by the Contractor or by any Subcontractor whether or not as employees and assigned to the provision of the services and performance of the Contractor's obligations set out herein or any part thereof;

xii. "Proposal" means the document submitted by the Contractor to the Client, detailing the Contractor's abilities and plan for meeting the Client's needs;

xiii. "Subcontractor" means any person or entity to whom/which the Contractor subcontracts any part of the services in accordance with the provisions of clause 4.9;

xiv. "Services" means the work to be performed by the Contractor pursuant to this contract;


xvi. "Third Party" means any person or entity other than the Client, the Contractor or a Subcontractor;

2. Relationship between the parties

Nothing contained herein shall be construed as establishing a relationship of master and servant or of principal and agent between the Client and the Contractor. The Contractor, subject to this Contract, has complete charge of its personnel and Subcontractors, if any, performing the services and shall be fully responsible for the services performed by them or on its behalf.
3. Law Governing the Contract

This Contract, its meaning and interpretation, and the relationship between the Parties shall be governed by the Applicable Law.

4. 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.

5. Headings

The headings in this contract are for convenience only and shall not limit, alter or affect the meaning of this contract.

6. Notices

Any notice required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice shall be deemed to have been given or 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, special courier, telegram, email or facsimile to such party at the address specified below.

Client: The Executive Director
Uganda National Bureau of Standards
P.O. Box 6329
Kampala, Uganda
Telephone - +256 414 505 995
Facsimile - +256 414 286 123
Email - unbs@infocom.co.ug

Contractor: Damon Jackson
Japan Export vehicle Inspection Center Company Limited
4 Daikoku Futo, Tsurumi ku, Yokohama, Japan
Telephone - +81 45 521 8527
Facsimile - +81 45 521 8510
Email - info@jevic.co.jp
6.1. Notices will be deemed to be effective as follows:

6.1.1. In the case of personal delivery or registered mail, not later than fifteen (15) days after having been handed over to the post office or to the special courier or dispatched;

6.1.2. In the case of telexes, telegrams, e-mails and facsimiles, twenty four (24) hours following confirmed transmission.

6.2. A Party may change its address hereinabove by giving the other party notice of such change pursuant to the aforementioned provisions.

7. Location

The Services shall be performed at locations in Japan, Singapore, United Kingdom and South Africa and any other origin as agreed by the parties except for United Arab Emirates.

8. 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 Contractor may be taken or executed by the officials herein specified or by their officially designated representatives.

For the Client: ....Dr. Terry Kuhuma..............The Executive Director (UNBS)

For the Contractor: Mr. Damon Jackson ..............The Managing Director (JEVIC)

9. Representation and Warranties

9.1. Each of the Parties hereby represents and warrants, as material warranties to the other as at the Commencement date, that:

9.1.1. it has full power to enter into and perform in terms of this Contract, has taken and shall take all necessary statutory and other actions to authorize the fulfillment of its obligations under this Contract;
9.1.2. all authorizations and/or approvals required or advisable in connection with the entering into, performance, validity and enforceability of this Contract and the transactions contemplated by this Contract have been obtained or effected and are in full force and effect;

9.1.3. the execution, delivery and performance of this Contract does not violate or conflict with any law or court order or judgment or any contractual obligation binding on or affecting it or any of its assets or its memorandum and articles of association;

9.1.4. this Contract constitutes a legal, valid, binding and enforceable obligation of such Party.

10. Media and Publication
Neither party shall be entitled to publish and/or distribute any media publications, advertisements and/or notices of any kind relating to the other Party and/or this Contract unless it has obtained the other Party’s prior written consent thereto.

11. Cessation and Delegation
Neither Party shall be entitled, without obtaining the other Party’s prior written consent, to cede or delegate any or all of its rights or obligations in terms of this Contract.

12. Counterparts
This Contract may be executed in a number of counterparts and by the Parties hereto on the separate counterparts, all of which when so executed shall be an original, but all such counterparts together shall constitute one and the same instrument.

13. Solicitation
Any unauthorized solicitation of the Client’s employees by the Contractor, Subcontractor or its agents in any manner whatsoever shall be considered a breach of condition entitling the Client to terminate the Contract and claim damages.

14. Waiver
The failure by either Party to enforce at any time or for any period any one or more of the terms or conditions of this Contract shall not be a waiver of them or any right at any time subsequently
to enforce all terms and conditions of this Contract.

B. APPOINTMENT

1. The Client hereby appoints the Contractor and the Contractor hereby accepts to carry out the Services in accordance with the Contract. The Contractor may appoint suitably competent, experienced and equipped Subcontractors, as the Contractor may deem necessary to perform the Services.

2. It is acknowledged that the Contractor shall act as an independent contractor of Services to the Client and shall not act as an agent of the Client. Nothing contained herein shall be construed as establishing a relation of master and servant or of principal and agent as between the Client and the Contractor.

C. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF CONTRACT

1. Effectiveness of Contract

   This Contract shall come into force on 1st September 2009 or such other date as may be mutually agreed by the Parties.

2. Commencement of Services

   The Contractor shall begin carrying out the Services on 1st November 2009.

3. Expiration of Contract

   Unless earlier terminated in accordance with the termination clauses herein, this Contract shall expire in sixty months (36) months.

4. Entire Agreement

   This Contract contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either Party has authority to make, and the Parties shall not be bound by or be liable for, any statement, representation, promise or agreement not included herein.
5. **Modification or Amendment**

Modification or Amendment of the terms and conditions of this Contract including any modification or amendment of the scope of the Services may only be made by written agreement between the Parties. Any modification or amendment hereof shall only be binding if it is made in writing and signed by each Party.

6. **Force Majeure**

6.1. 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 hereunder impossible or so impractical as reasonably to be considered impossible in the circumstances, and includes, but is not limited to, war, acts of a public enemy, riots, civil disorder, earthquake, fire, explosion, storm, flood, typhoon, or other adverse weather conditions, strikes, lockouts or other industrial action (except where such strikes, lockouts or other industrial action are within the power of the Party invoking Force Majeure to prevent), epidemic, pandemic or confiscation or any other action by government agencies.

6.2. Force Majeure shall not include any event which is caused by the negligence or intentional action of a Party or such Party’s Subcontractors or agents or employees, nor any event which a diligent Party could reasonably have been expected to both take into account at the time of the conclusion of this Contract and avoid or overcome in the carrying out of its obligations herein.

6.3. Force Majeure shall not include insufficiency of funds or failure to make any payment required hereunder.

6.4. The failure of a Party to fulfill any of its obligations hereunder 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 has taken all reasonable precautions due and reasonable alternative measures all with the objective of carrying out the terms and conditions of this Contract.

6.5. A Party affected by an event of Force Majeure shall take all reasonable measures to remove such Party’s inability to fulfill its obligations herein with a minimum of delay.
6.6. A Party affected by an event of Force Majeure shall notify the other Party of such event as soon as possible, and in any event not later than fourteen (14) days following the occurrence of such event providing evidence of the nature and cause of such event and shall similarly give notice of the restoration of normal conditions as possible.

6.7. The Parties shall take all reasonable measures to minimize the consequences of any event of Force Majeure.

6.8. The burden of proof of the existence and extent of the alleged event and the enforceability thereof shall rest on the Party claiming Force Majeure.

6.9. Any period within which a Party shall pursuant to this contract complete any action or task shall be extended by a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

6.10. Not later than thirty (30) days after the Contractor, as the result of an event of Force Majeure, has become unable to perform a material portion of the services, the Parties shall consult with each other with a view to agreeing on appropriate measures to be taken in that circumstances.

7. Termination of contract

7.1. Termination by either Party. Either Party to this Contract may terminate this Contract by giving the other Party six (6) months notice of termination. A Party terminating the Contract under this sub clause shall not be required to assign any reasons to the termination.

7.2. Termination by the Client. Notwithstanding anything to the contrary contained in this Contract, this Contract shall at the option of the Client terminate:

7.2.1. If the Contractor breaches any of the terms, covenants, provisions and conditions contained in this Contract or the applicable law and such breach continues for a period of sixty (60) days after notice thereof has been given by the Client to the Contractor, such breach being capable of remedy;
7.2.2. If the Contractor ceases or threatens to cease to carry out the Services or takes or threatens to take any action to liquidate its assets, or stops making payments in the usual cause of business;

7.2.3. If the Contractor becomes insolvent or bankrupt or makes any arrangements with its creditors for relief of debt or takes advantage of any law for the benefit of debtors or goes into liquidation or receivership whether compulsory or voluntary;

7.2.4. If the Contractor fails to comply with any final decision reached as a result of arbitration proceedings pursuant to clause 1 hereof;

7.2.5. If the Contractor submits to the Client a statement which has a material effect on the rights, obligations or interests of the Client and which the Contractor knows to be false;

7.2.6. If the Contractor has engaged in corrupt or fraudulent practices in competing for or in executing the Contract. For the purpose of this clause "Corrupt Practices" means the offering, giving, receiving or soliciting of any value to influence the action of a public official in the selection process or in contract execution, and "Fraudulent Practice" means a misrepresentation of facts in order to influence a selection process or the execution of a contract;

7.2.7. If, as a result of Force Majeure, the Contractor is unable to perform a material portion of the Services for a period of not less than sixty (60) days.

7.3. Termination by the Contractor
Notwithstanding anything to the contrary contained in this contract this Contract shall at the option of the contractor terminate:

7.3.1. If the Client is in material breach of its obligations pursuant to this Contract and has not remedied the same within thirty (30) days after notice thereof has been given to the Client by the Contractor;
7.3.2. If, as a result of Force Majeure, the Contractor is unable to perform a material portion of the Services for a period of not less than sixty (60) days;

7.3.3. If the Client fails to comply with any final decision reached as a result of arbitration pursuant to clause 7.3 hereof.

8. Cessation of Rights and Obligations

Upon termination of this Contract as provided herein, all rights and obligations of the Parties hereunder shall cease, except:

8.1. Such rights and obligations as may have accrued on the date of termination or expiration;

8.2. The obligation of confidentiality;

8.3. The Contractor's obligation to permit inspection, copying and auditing of its accounts and records;

8.4. Any right, which a Party may have under the Applicable Law.

9. Cessation of Service

Upon termination of this Contract under clause 7.1 the Contractor shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner.

10. Dispute about Events of Termination

If either Party disputes whether an event specified in clause 7.2 or in clause 7.3 hereof has occurred, such party may, within twenty one (21) days after receipt of notice of termination from the other Party, refer the matter to arbitration and this Contract shall not be terminated on account of such event except in accordance with the terms of any resulting arbitral award.
D. OBLIGATIONS OF THE CONTRACTOR

1. Services to be Provided

The services provided by the Contractor shall be consistent with the procedures in Appendices A.

2. Inspection/Verification Services

The Inspection/Verification Services provided by the Contractor for used motor vehicles originating from either Japan, Singapore, United Kingdom and South Africa shall consist of the following tasks:

2.1. Implement an effective risk-management system in order to rationalise the programme’s resources by predominantly targeting problematic areas;

2.2. Cooperate with the Client in order to standardize both the paper and electronic format and content of the Certificate of Roadworthiness (COR), Non-Conformity report (NCR) and other forms and reports used by the inspection programme;

2.3. Make arrangements with the exporter to perform the physical inspection on used motor vehicles bound for Uganda. Schedule and perform the inspections expeditiously within four (4) days of notification by the exporter;

2.4. Expediteously issue and disseminate paper and electronic copies of COR and NCR to the importer and the Client, as prescribed in Appendix B. Transmit COR and NCR data to the Client and other designated organizations weekly and promptly following issuance. Maintain records on the dates of conducting inspections and the dates of issuing CORs/NCRs and the elapsed times between these dates;

2.5. Provide for secure and reliable electronic transmission of inspection data to the Client and other Government agencies (as may reasonably be directed by the Client) and store such data in secure databases.
2.6. Have systems in place to prevent and detect any changes subsequent to an inspection being completed and ensure full compatibility with the Client’s systems for the seamless sharing of data;

2.7. Issue various reports as agreed with the Client or any other agency so designated by the Client about inspection activity (over and above the provision of electronic COR/NCR data) and trade and export statistics gathered through the performance of the Services. Develop in conjunction with the Client the modalities and formats for reporting on trade and inspection activity and the quality impact of this pre-export intervention;

2.8. Provide timely information in the media and format required by the Client and/or the Government to facilitate the auditing of the Contractor’s performance by any party appointed by the Client and/or the Government. Cooperate unconditionally with the auditing efforts including making fully available the motor vehicle Inspection related databases to the auditors;

2.9. Expediously communicate to the Client and the Government any intelligence information the Contractor might acquire regarding violation of Ugandan Law and dangerous or illegal cargo bound for Uganda where this is within the knowledge of the contractor.

3. Purchase of Standards
   The Contractor shall purchase the Uganda Standard US 845:2008 ROAD VEHICLES – Code of practice for inspection and testing of used motor vehicles for roadworthiness and any other Ugandan Standard that may be applicable to this contract from the Client at a reasonable price to be determined by the Client. 

4. Quality Standards
   All used motor vehicles shall be inspected according to the published Uganda Standard US 845:2008 ROAD VEHICLES – Code of practice for inspection and testing of used motor vehicles for roadworthiness or any other standards issued from time to time by the client.

15 of 30
5. **Standard of Performance**

The Contractor shall perform the Services and carry out its obligations hereunder with all due diligence, efficiency and economy in accordance with generally accepted professional techniques, standards, terms, conditions and practices and in a non-discriminatory and transparent manner. The Contractor shall observe sound management practices, and employ appropriate advanced technology and safe and effective equipment, machinery, methods and provide qualified and experienced personnel to carry out the services. The Contractor shall always act in respect of any matter relating to this Contract or to the services as faithful adviser to the Client and shall at all times support and safeguard the Client's legitimate interests in any dealing with Subcontractors or third parties.

6. **Non Performance**

6.1 The following shall constitute non-performance of obligations by the Contractor or Subcontractors and shall attract a penalty equivalent to the inspection fees for the number of cases actually established by the Client, but without prejudice to the Client's other rights contained herein:

6.1.1. delays constituting 5% or more of the monthly inspections in:

6.1.1.1. inspecting motor vehicles beyond five days

6.1.1.2. issuing COR/NCR to the importer/exporter beyond four days

6.1.1.3. transmitting COR/NCRs to the Client beyond one week from the date of inspection

6.2 Where the Contractor or its subcontractors issue a COR for a non compliant motor vehicle it shall suffer a penalty of United States Dollars US$1,000.00 per motor vehicle. This clause shall not apply where the number of motor vehicles wrongly issued with CORs or NCRs constitute 2% or less of the motor vehicles inspected per month.

7. **Law Governing Services**

The Contractor shall perform the services in accordance with the applicable law currently in force in the jurisdiction in which the Services are performed and shall take all practicable steps to ensure that any subcontractors comply with the said Laws.
8. Remittance to the Client

The Contractor agrees and undertakes to remit to the Client the administration fees specified in Appendix C on a monthly basis on or before the 5th day of the subsequent month.

9. Conflict of Interest

9.1. The Contractor shall maintain procedures, for the duration of this contract to avoid conflict of interest. Provision of similar services by the Contractor to other governmental agencies or parties in other jurisdictions outside the Republic of Uganda shall not constitute conflict of interest.

9.2. Where the Contractor intends to offer similar services to parties in jurisdictions bordering the Republic of Uganda during the term of this contract, it shall consult the Client regarding documents and stickers to be issued.

10. Confidentiality

The Contractor, its Subcontractors and the Personnel of either of them shall not either during the term or within five (5) years after the expiration of this Contract, disclose any proprietary or confidential information relating to the Services, this Contract or the Client's business or operations without the prior written consent of the Client except where ordered to do so by a court of competent jurisdiction.

11. Liability of the Contractor

The Contractor shall be liable to the Client for the performance of the services in accordance with provisions of this contract and for any loss suffered by the Client as a result of a default by the contractor in performance of its contractual obligations, subject to the following limitations:

11.1. The Contractor shall not be liable for any damage or injury caused by or arising out of the act, neglect, default or omission of any persons other than the Contractor, its Subcontractors, and the Personnel of either of them; and

11.2. The Contractor shall not be liable for any loss or damage caused by or arising out of circumstances over which the Contractor has no control.
11.3. The Contractor shall not be liable for a sum exceeding US$1,000.00 in respect of any claim of any nature whatsoever relating to the Services provided by the Contractor in connection with any particular motor vehicle.

11.4. The Contractor shall immediately if practicable attempt to remedy any damage caused to the Client, resulting from the performance and execution of its duties herein.

12. Indemnity

The Contractor and the Client shall hold one another innocent and indemnify one another against any claims made by any third parties for loss, damage or expense of whatever nature including reasonable legal expenses arising from the acts, neglect or omission of their personnel and/or subcontractors.

13. Insurance to be taken out by the Contractor

The Contractor shall take out and maintain, and shall cause any Subcontractor to take out and maintain, at its (or the Subcontractor's as the case may be) own cost appropriate insurance covers.

14. Accounting Inspection and Auditing

The Contractor:

14.1. Shall keep and shall cause each of its Subcontractors to keep accurate and systematic accounts and records in respect of the Services hereunder, in accordance with internationally accepted accounting principles and in such form and detail as will clearly identify all relevant charges and costs, and the bases thereof.

14.2. Shall permit the Client or its designated representative periodically, and up to one year from expiration or termination of this Contract, to inspect the same and make copies thereof as well as to have them audited by auditors appointed by the Client.
15. Reporting Document Obligations

The Contractor shall submit to the Client the reports as specified in Appendix B hereto in the form, in the numbers, and within the time periods set forth in the said Appendix.

16. Certain Documents Prepared by the Contractor to be the Property of the Client

Unless already in the public domain, all plans, specifications, reports, other documents (excluding software) prepared by the Contractor which relate specifically and solely to Services provided in connection with motor vehicles hereunder shall become and remain the property of the Client, and the Contractor shall, not later than fifteen (15) days upon termination or expiration of this Contract, deliver such documents to the Client, together with a detailed inventory thereof if so requested. The Contractor may retain a copy of such documents but shall not use these documents for purposes unrelated to this Contract without the prior written approval of the Client. All software, forms, plans, specifications, reports and documents comprising part of the business records and system of the Contractor shall be and remain at all times the property of the Contractor.

17. Contractor's Personnel and Subcontractors

The Contractor shall employ and provide such qualified and experienced personnel and Subcontractors as are required to carry out the Services.

E. OBLIGATIONS OF THE CLIENT

1. Changes to the Standard

The Client shall inform and consult with the contractor before making any changes to the Standard where such changes would alter in any respect the programme or the scope and ambit of the Contractor's obligations and shall provide the Contractor with 30 days' notice to implement any such change.

2. Services Affected by Change in Regulation

Where changes in the Regulations increases the cost to the Contractor of providing the Services or reduces the revenue of the Contractor derived from the Services the Parties shall re-negotiate in good faith the provisions of this Contract that may be affected.
3. Transmission of Information and Documents

The Client shall ensure that the Contractor promptly receives all regulations including import regulations and the data and/or hard and soft copies of all documents, including but not limited to import declarations, decisions or agreements, and which are required for the performance of the Services. Information, which is not required for the performance of the Services, which is confidential to the Client, and other relevant authorities of the Government, shall be released to the Contractor at the discretion of the Client.

4. Appeals

The Client shall ensure that a suitable panel is established which will promptly respond to any appeals made against the Contractor's issuance or non-issuance of a COR or NCR. Such panel shall consist of the Client and other relevant authorities of the Government and the Contractor. While an appeal is being determined the importer may apply to have his/her motor vehicle released against a surety bond in order to avert storage and demurrage charges, which might otherwise accrue.

5. Audits

The Client may schedule an audit every year to audit the Contractor's facilities in Japan, Singapore, United Kingdom and South Africa. The first audit may be held six (6) months after commencement of Service. The Client shall give one month prior notice to the Contractor when such subsequent audits will take place. Two officers appointed by the Client shall perform the audits.

5.1. The expenses for the audits shall be funded as follows:

5.1.1. Travel expenses from Uganda to either Japan, Singapore, United Kingdom or South Africa (return air tickets) to be met by the Client.

5.1.2. Boarding, subsistence and travel expenses within either Japan, Singapore, United Kingdom or South Africa during the inspection to be met by the Contractor.

5.1.3. The Client and the Contractor may agree on an alternative audit regime to that referred to herein, provided it does not impose any greater cost of compliance on the Contractor.
6. Exclusivity

The Client will not enter into any contract with any other party for the provision of services of a similar nature to the Services herein in respect of motor vehicles exported from either Japan, Singapore, United Kingdom and South Africa (whether or not trans-shipped from elsewhere) or from any other export country (in respect of which the Contractor advises upon mandatory request that it can offer Services) into Uganda at any time prior to the termination of this contract by the effluxion of time or by lawful termination in accordance with the provisions hereof.

F. PAYMENTS TO THE CONTRACTOR

1. Payment for the Services rendered by the Contractor shall be paid directly to the Contractor by the person or entity that requests the inspection services. The fees charged by the Contractor and the administration fees payable to the Client shall be as set out in Appendix C and shall be published in newspapers of wide circulation in Uganda, Japan, Singapore, United Kingdom and South Africa. The Client shall meet the cost of publishing in Uganda while the Contractor will meet the cost of publishing in Japan, Singapore, United Kingdom and South Africa. The Contractor shall be entitled to withhold any document or certificate or vehicle in the event of any fees due having not been paid in accordance with its requirements.

G. GOOD FAITH

1. The Parties undertake to act in good faith with respect of each other's rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.

H. OPERATION OF THE CONTRACT

1. The Parties recognize that it is impractical in this Contract to provide for every contingency which may arise during the life of the Contract, and the Parties hereby agree that it is their intention that this Contract shall operate fairly between them, and without detriment to the interest of either of them, and that, if during the term of this Contract either party believes that this Contract is operating unfairly, the Parties will use their best efforts to agree on such action as may be necessary to remove the cause or causes of such unfairness. A formal review of the operations shall if required by either Party take place annually by a committee constituted by the Parties.
I. SETTLEMENT OF DISPUTES

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

2. Any dispute between the Parties on 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 referred by either party to arbitration in accordance with the Laws of Uganda.

3. The Arbitral Tribunal shall be constituted by three arbitrators. Each Party shall appoint one arbitrator and the third arbitrator shall be appointed by the two arbitrators.

4. If the Parties fail to agree on the appointment of arbitrator(s) the arbitrator(s) shall be appointed by the Chairperson of the Uganda Dispute Resolution Service, on the request of the applying party.

5. The arbitration proceedings shall be held in Kampala.

6. The costs of arbitration shall be shared equally between the Parties.
J. The results of the negotiations meeting between UNBS and JEVIC shall form part of this contract and are set out in Appendix D.

K. IN WITNESS WHEREOF the Parties hereto have caused this Contract to be executed the day and year first before written.

SEALED with the common seal of UGANDA NATIONAL BUREAU OF STANDARDS

[Signature]

Executive Director

in the presence of: [Signature]

Legal Counsel

this day of 01/09/2009

Duly executed by the Contractor JAPAN EXPORT VEHICLE INSPECTION CENTER COMPANY LIMITED

by: [Signature]

in the presence of: [Signature]

this day of 15th September 2009
APPENDIX A
DETAILED DESCRIPTION OF THE VERIFICATION/INSPECTION PROCESS

1. Verification/Inspection

1.1. All used motor vehicles are subject to pre-export verification/inspection before shipment. The Inspecting Body (the Contractor) shall carry out such inspection at designated facilities in Japan, Singapore, United Kingdom and South Africa.

1.2. The Exporter shall contact the Contractor; furnish the necessary documentation, which shall include the Log Book (whenever available) and schedule for the inspection. The Contractor may contact the exporter to co-ordinate the inspection and/or obtain additional information. Verification/inspection shall be scheduled within four (4) days of notification (unless the exporter prefers a different date). The payment mode and time shall at all times be as stipulated by the Contractor.

1.3. The exporter shall then deliver the motor vehicle to the inspection facility on the agreed day. The inspection shall be in accordance with Uganda Standard US 845:2008 ROAD VEHICLES - Code of practice for inspection and testing of used motor vehicles for roadworthiness. After the Inspection, the exporter shall be notified of the outcome of the inspection and will be required to sign against the inspection report as an acknowledgment and thereafter subject to payment obligations imposed by the Contractor remove the vehicle from the inspection facility.

1.4. In case the motor vehicle is found to have some defects, and then the exporter is expected to rectify the defects and re-submit the vehicle for inspection. Re-inspection shall be chargeable at a fee not more than half the normal fee provided the motor vehicle is re-submitted within 14 days. Motor vehicles submitted for the third shall be charged the full fee.

1.5. Where all the necessary documentation has been furnished to the Contractor a COR/NCR should be issued within a maximum of three (3) working days of completing the inspection.
1.6. The COR/NCR shall be forwarded to the Exporter as a notification of the outcome of the verification and for onward transmission/forwarding to the Importer. It is the original COR that shall be used by the importer for Customs clearance and Registration. Details of every COR/NCR issued along with the data shall be transmitted electronically regularly to the Client.

1.7. Subsequently the Client shall forward the data to the entry points and other relevant authorities for authentication purposes.

1.8. This procedure may be modified from time to time in consultation with the Contractor and other stakeholders to achieve the primary aim of Standards compliance and trade facilitation.
APPENDIX B
REPORTING REQUIREMENTS

1. Inspection Reporting Requirements

1.1. Upon completion of each Inspection, the contractor shall, where the result are satisfactory in all respects to US 845:2008 issue a COR based on relevant documents and the inspection report. The COR is available to the exporter before the Motor Vehicle is shipped.

1.2. Where the Inspection discloses any discrepancy or failure with respect to the mechanical condition, which is not in the opinion of the Contractor practically rectifiable before shipment, an NCR shall be issued.

1.3. The Contractor will take due diligence in describing the motor vehicle, ensuring that a full description is provided. In case any clarification or addition information is to be provided, this will be done under remarks. The Contractor is encouraged to issue remarks whenever necessary.

2. Forms of Report

2.1. The COR/NCR

The Contractor shall provide CORs/NCRs in a format acceptable to the Client. A sticker for Vehicles found compliant shall be affixed to the windscreen indicating, "Inspected and Passed"

2.2. Frequency of Reports

The Contractor shall provide the following reports, in a format mutually agreed upon by the Client and the Contractor, within one month following the end of the period being reported upon:

2.2.1. Monthly reports. Summary of the inspection activities for the month including total value by the country of origin (Japan, Singapore, United Kingdom and South Africa) the grand totals for the month together with a brief analysis.

2.2.2. Ad hoc reports. These shall be submitted by the Contractor as the need arises or the Client requests them.
2.2.3. Annual Review

The Contractor shall provide, in a format to be agreed upon between the Parties, an annual report, within one month from the anniversary of the starting date of the Contract, and annually thereafter, providing summaries of the statistics referred to this Appendix, the inspection activities measures put in place to ensure efficient and effective service delivery.
APPENDIX C
FEES CHARGED AND PAID UNDER THE CONTRACT

1. Inspection Service Fee for Japan
   The Contractor shall charge an inspection service fee of Japanese Yen Thirteen Thousand six Hundred and Twenty Five (JPY13,625) plus tax per motor vehicle submitted for inspection. The inspection fees shall be charged to the party submitting the motor vehicle for inspection or its agent.

2. Inspection Service Fee for Singapore,
   The Contractor shall charge an inspection service fee of Singapore Dollars Two Hundred and Fifty (SG$250.00) plus tax per motor vehicle submitted for inspection. The inspection fees shall be charged to the party submitting the motor vehicle for inspection or its agent.

3. Inspection Service Fee for United Kingdom,
   The Contractor shall charge an inspection service fee of Great British Pounds Sterling One Hundred Twenty Five (GBP125.00) plus tax per motor vehicle submitted for inspection. The inspection fees shall be charged to the party submitting the motor vehicle for inspection or its agent.

4. Inspection Service Fee for South Africa,
   The Contractor shall charge an inspection service fee of South African Rand One Thousand Six Hundred and Eighty Five (R1685.00) plus tax per motor vehicle submitted for inspection. The inspection fees shall be charged to the party submitting the motor vehicle for inspection or its agent.

5. Administration Fee
   The Contractor shall pay to the Client an administration fee of Japanese Yen Two Thousand (JPY2000) or US dollars Twenty (US$20.00) inclusive of all taxes and duties per motor vehicle submitted for inspection in either Japan, Singapore, United Kingdom or South Africa.
APPENDIX D

RESULTS OF THE NEGOTIATIONS MEETING BETWEEN UNBS AND JEVIC

Inspection charges

It was also agreed that the charges for inspection of vehicles in other parts shall be as follows: Singapore SG 250. It was agreed that uniform inspection fees for used motor vehicles for PVoC services per vehicle shall be USD 145 at a fixed exchange rate of Yen 13625 for Japan.

Royalty fees

- It was agreed that royalty fees be paid on a monthly basis.
- The transfer fees shall be borne by the provider, Jevic.
- Royalties shall be remitted in USD.
- It was agreed that every vehicle inspected, every vehicle inspected, Jevic shall pay to UNBS USD20. The money shall be remitted to the UNBS account by the 10th day of the following month.

Inputs required from the provider

- It was agreed that Jevic shall supply server access utility for sharing information and link to the UNBS website to the Jevic website.
- It was agreed that Jevic shall supply UV lights required for inspectors to check the authenticity of the sticker on the inspected vehicles.
- It was agreed that Jevic shall train UNBS officials in Japan or Uganda in PVoC activities prior to the implementation of the program. This will be trainer of trainee arrangement.
- It was agreed that Jevic shall make advance payments to allow UNBS to procure 5 laptops that shall be used in inspection and verification of PVoC services.
- It was also agreed that Jevic shall provide technical backstopping whenever new issues arise that require their assistance.

Awareness campaign for stakeholders

- It was agreed that there is need for stakeholder's campaigns for business community, other government agencies like URA and policy makers to solicit support for the program.
- It was agreed that Jevic shall hold joint sensitization program with UNBS.
- It was agreed that Jevic shall provide logistic support for public relations campaign which shall include holding seminars with stakeholders.
• It was agreed that Jevic shall carry out awareness campaigns in Japan and other areas where inspection is required.

• The committee agreed that Jevic shall support the road safety programme under an NGO called Arrive Alive, this will help to create public support.

Monitoring and evaluation
• It was agreed that monitoring and evaluation meetings shall take place on a quarterly basis.

Performance audits
• It was agreed that annual audits of the program shall take place once every year; Jevic shall bear the costs of accommodation and inland travel for UNBS officials in Japan while UNBS shall meet the ticket fares.

Inspection of earth moving equipment and motor bikes
• It was noted that the standard for inspecting used motor vehicles does not cover earth moving equipments and motor bikes. However it was agreed that Jevic shall inspect on a case by case basis based on the agreed criteria to ascertain information on survey and the functionality of the earth moving equipment.

• Concerning the motorbikes, it was noted that most motor bikes come from China, India and Thailand where Jevic is not established. However, where Jevic is established like in Japan, it will carry on the inspection of motor bikes.

• It was however agreed that in future Jevic shall consider establish facilities in those areas to be able to offer PVoC services.
ADDENDUM TO September 1st, 2009 CONTRACT FOR PRE-EXPORT VERIFICATION OF CONFORMITY TO STANDARDS FOR MOTOR VEHICLES

On the 1st September 2009, UGANDA NATIONAL BUREAU OF STANDARDS and JAPAN EXPORT VEHICLE INSPECTION CENTRE COMPANY LIMITED

signed a Contract for Pre-export Verification of Conformity to standards for Motor Vehicles. It was later suspended in October 2010 and has been in abeyance since then hence this addendum to reinstate the above-mentioned contract.

This Addendum to 1st Sept 2009 Contract for Pre-export Verification of Conformity to standards for Motor Vehicles (“Addendum”) is an addendum to the Contract for Pre-export Verification of Conformity to standards between UGANDA NATIONAL BUREAU OF STANDARDS (“the Client”) and JAPAN EXPORT VEHICLE INSPECTION CENTRE COMPANY LIMITED (“the Contractor”), which is dated March 29, 2009 (“the Contract for Pre-export Verification of Conformity to standards”) and shall become effective as of December 3, 2012. The Contract for Pre-export Verification of Conformity to standards is attached and made a part of this document.

The parties, for good consideration, hereby agree as follows:

1. Part C Clause 1 of the Contract for Pre-export Verification of Conformity to standards for Motor Vehicles shall be modified as follows;

   The Contractor shall begin carrying out the agreed Services on 1st September 2009 on December 3, 2012

   During this period, the Contractor and the client shall carry out awareness campaigns and harmonise procedures to ensure that the users of these services are up to date with the operations of the scheme. The cost of which shall be met by the Contractor.

2. Part C Clause 3 of the Contract for Pre-export Verification of Conformity to standards for Motor Vehicles shall be modified as follows;

   Unless earlier terminated in accordance with the termination clauses herein this Contract shall expire thirty-six (36) months Fifty Four (54) months from the 3rd December 2012 valid until 3rd June 2017. The contract may be extended for a further period if need
3. Appendix C (1) for fees charged and paid under the contract shall be modified as follows:-

The Contractor shall charge an inspection charge fee as follows for each motor vehicle submitted for inspection.

<table>
<thead>
<tr>
<th>Country</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>USD 140</td>
</tr>
<tr>
<td>Singapore</td>
<td>USD 200</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>USD 200</td>
</tr>
<tr>
<td>UAE</td>
<td>USD 125</td>
</tr>
<tr>
<td>RSA</td>
<td>USD 220</td>
</tr>
</tbody>
</table>

Any other fee for PVoC services as agreed in writing with the Client from time to time:

1. The above-mentioned fees covers the documentary verification, inspection of Motor Vehicles.

2. The above fees do not include laboratory testing, sealing of containers, registration and Licensing of Products

   The above fee excludes registration of Motor vehicles.

3. The services of testing shall be charged directly by the contractor on a case-by-case basis.

Dated this .......... day of ............, 2012 at Kampala

Signed under seal on behalf of the CLIENT

Dr. Ben Manyindo
EXECUTIVE DIRECTOR
UGANDA NATIONAL BUREAU OF STANDARDS

In Witness of

Hellen Wenene
LEGAL COUNSEL
Signed on behalf of the PROVIDER

JAPAN EXPORT VEHICLE INSPECTION CENTRE COMPANY LIMITED

In Witness of

........................
CONTRACT

BETWEEN

UGANDA NATIONAL BUREAU OF STANDARDS

AND

EAST AFRICA AUTOMOBILE SERVICES COMPANY LIMITED

FOR

THE PROVISION OF
PRE-EXPORT VERIFICATION OF CONFORMITY TO STANDARDS AND
TECHNICAL REGULATIONS FOR USED MOTOR VEHICLES

IN ACCORDANCE WITH

THE UGANDA STANDARD US 845:2008
This agreement is made on the .......... day of .................. between UGANDA NATIONAL BUREAU OF STANDARDS a statutory body of the government of the Republic of Uganda and of Post Office Box Number 6329 Kampala, within the Republic of Uganda (hereinafter called the “Client” which expression shall where the context so permits include its successors and assigns) of the one part and EAST AFRICA AUTOMOBILE SERVICES COMPANY LIMITED of Nakata Building 101,1-20-5 Rinkan, Yamato-City, Kanagawa 242-0003 Japan, (hereinafter called the “Contractor”) on the other part;

WHEREAS the Client requested for proposals for motor vehicle inspection/verification services in accordance with US 845.2008 ROAD VEHICLES – Code of practice for inspection and testing of used motor vehicles for roadworthiness (hereinafter called the “Services”);

WHEREAS the Contractor, in response to the Client’s request submitted its proposal and offered it for evaluation based on the Clients set criteria;

WHEREAS the Contractor, has represented to the Client that it has the required professional skills, personnel and technical resources to provide the services requested by the client;

WHEREAS the Client has evaluated the Contractor’s proposal and is satisfied that the Contractor has the capacity and is capable of providing the services requested by the Client;

WHEREAS the Contractor has expressly and unequivocally agreed to provide the services requested by the Client on the terms and conditions set out hereinafter;

NOW THEREFORE in consideration of the promises and covenants herein contained the Client and the Contractor hereby agree as follows:
A. GENERAL PROVISIONS

1. Definitions

1.1 The headings to the clauses of this Contract are for reference purposes only and shall in no way govern or affect the interpretation of nor modify nor amplify the terms of this Contract nor any clause hereof;

1.2 If any provision in a definition is a substantive provision conferring rights or imposing obligations on any Party, notwithstanding that it is only in the definition clause, effect shall be given to it as if it were a substantive provision of this Contract;

1.3 Unless the context dictates otherwise, an expression which denotes any gender includes the other, and reference to a natural person includes an artificial person and to the singular includes the plural, and vice versa in each case;

1.4 The annexure(s) to this Contract form an integral part hereof and words and expressions defined in this Contract shall bear, unless the context otherwise requires, the same meaning in such annexure(s);

1.5 When any number of days is prescribed in this Contract, the same shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a day which is not a Business Day, in which case the last day shall be the next succeeding Business Day;

1.6 Where any term is defined within the context of any particular clause in this Contract, the term so defined, unless it is clear from the clause in question that the term so defined has limited application to the relevant clause, shall bear the same meaning as ascribed to it for all purposes in terms of this Contract, notwithstanding that that term has not been defined in this interpretation clause;

1.7 The use of the word “including” followed by a specific example or examples shall not be construed as limiting the meaning of the general wording preceding it and the ejusdem generis rule shall not be applied in the interpretation of such general wording or such specific example or examples;
1.8 The rule of construction that, in the event of ambiguity, the contract shall be interpreted by both Parties and in the event there is no agreement reference will be made to the Arbitration Clause;

1.9 Unless the context otherwise require, the following terms whenever used in this Contract shall have the following meanings:

i. "Applicable Law" means the laws and any other instruments having the force of law in the Republic of Uganda, as may be issued and in force from time to time;

ii. "Contract" means this contract including all appendices attached hereto, as may be amended or supplemented from time to time;

iii. "Contractor" means the Company providing services pursuant to this contract and where the context so permits any company or person subcontracted by the contractor to provide the services;

iv. "COR" means Certificate of Roadworthiness;

v. "Foreign Currency" means any currency other than the currency of the Republic of Uganda;

vi. "Government" means the Government of the Republic of Uganda;

vii. "Key Personnel" means supervisors of the inspection centers and at least two senior technicians per inspection center.

viii. "Local Currency" means the currency of the Republic of Uganda;

ix. "NCR" means Non-Conformity Report;

x. "Party" means the Client or the Contractor, as the case may be, and "Parties" means both of them;
xi. "Personnel" means persons hired by the Contractor or by any Subcontractor whether or not as employees and assigned to the provision of the services and performance of the Contractor's obligations set out herein or any part thereof;

xii. "Proposal" means the document submitted by the Contractor to the Client, detailing the Contractor's abilities and plan for meeting the Client's needs;

xiii. "Subcontractor" means any person or entity to whom/which the Contractor subcontracts any part of the services in accordance with the provisions of clause 4.9;

xiv. "Services" means the work to be performed by the Contractor pursuant to this contract;


xvi. "Third Party" means any person or entity other than the Client, the Contractor or a Subcontractor:

2. Relationship between the parties

Nothing contained herein shall be construed as establishing a relationship of master and servant or of principal and agent between the Client and the Contractor. The Contractor, subject to this Contract, has complete charge of its personnel and Subcontractors, if any, performing the services and shall be fully responsible for the services performed by them or on its behalf.

3. Law Governing the Contract

This Contract, its meaning and interpretation, and the relationship between the Parties shall be governed by the Applicable Law.

4. 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.
5. **Headings**

The headings in this contract are for convenience only and shall not limit, alter or affect the meaning of this contract.

6. **Notices**

Any notice required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice shall be deemed to have been given or 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, special courier, telegram, email or facsimile to such party at the address specified below.

**Client:** The Executive Director  
Uganda National Bureau of Standards  
P.O. Box 6329  
Kampala, Uganda  
Telephone: +256 414 505 995  
Facsimile: +256 414 286 123  
Email: unbs@infocom.co.ug

**Contractor:** The Director  
East Africa Automobile Services Company Limited  
Nakata Building 101, 1 20-5 Rinkan, Yamato-City Kanagawa 242-0003 Japan  
Telephone: +81 462057611  
Facsimile: +81 46 205 7610  
Email: esa@kzc.biglobe.ne.jp

6.1. Notices will be deemed to be effective as follows:

6.1.1. In the case of personal delivery or registered mail, not later than fifteen (15) days after having been handed over to the post office or to the special courier or dispatched;

6.1.2. In the case of telexes, telegrams, e-mails and facsimiles, twenty four (24) hours following confirmed transmission.

6.2. A Party may change its address hereinabove by giving the other party notice of such change pursuant to the aforementioned provisions.

6 of 25
7. **Location**

The Services shall be performed at locations **ALL OVER THE WORLD**

8. **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 Contractor may be taken or executed by the officials herein specified or by their officially designated representatives.

For the Client: Dr. Terry Kahuma: **The Executive Director (UNBS)**

For the Contractor: Mr. Prosper Japhet: **Managing Director (EAA)**

9. **Representation and Warranties**

9.1. Each of the Parties hereby represents and warrants, as material warranties to the other as at the Commencement date, that:

9.1.1. it has full power to enter into and perform in terms of this Contract, has taken and shall take all necessary statutory and other actions to authorize the fulfillment of its obligations under this Contract;

9.1.2. all authorizations and/or approvals required or advisable in connection with the entering into, performance, validity and enforceability of this Contract and the transactions contemplated by this Contract have been obtained or effected and are in full force and effect;

9.1.3. the execution, delivery and performance of this Contract does not violate or conflict with any law or court order or judgment or any contractual obligation binding on or affecting it or any of its assets or its memorandum and articles of association;

9.1.4. This Contract constitutes a legal, valid, binding and enforceable obligation of such Party.

10. **Media and Publication**

Neither party shall be entitled to publish and/or distribute any media publications, advertisements and/or notices of any kind relating to the other Party and/or this Contract unless it has obtained the other Party's prior written consent thereto.
11. Cessation and Delegation
Neither Party shall be entitled, without obtaining the other Party's prior written consent, to cede or
delegate any or all of its rights or obligations in terms of this Contract.

12. Counterparts
This Contract may be executed in a number of counterparts and by the Parties hereto on the separate
counterparts, all of which when so executed shall be an original, but all such counterparts together shall
constitute one and the same instrument.

13. Solicitation
Any unauthorized solicitation of the Client's employees by the Contractor, Subcontractor or its agents in
any manner whatsoever shall be considered a breach of condition entitling the Client to terminate the
Contract and claim damages.

14. Waiver
The failure by either Party to enforce at any time or for any period any one or more of the terms or
conditions of this Contract shall not be a waiver of them or any right at any time subsequently to enforce
all terms and conditions of this Contract.

B. APPOINTMENT
1. The Client hereby appoints the Contractor and the Contractor hereby accepts to carry out the Services in
accordance with the Contract. The Contractor may appoint suitably competent, experienced and equipped
Subcontractors, as the Contractor may deem necessary to perform the Services.

2. It is acknowledged that the Contractor shall act as an independent contractor of Services to the Client and
shall not act as an agent of the Client. Nothing contained herein shall be construed as establishing a relation
of master and servant or of principal and agent as between the Client and the Contractor.

C. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF
CONTRACT

1. Effectiveness of Contract
This Contract shall come into force on 25th October, such other date as may be mutually
agreed by the Parties.
2. **Commencement of Services**
   The Contractor shall begin carrying out the Services on \[ \text{Date} \].

3. **Expiration of Contract**
   Unless earlier terminated in accordance with the termination clauses herein, this Contract shall expire in \[ \text{Months} \] months.

4. **Entire Agreement**
   This Contract contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either Party has authority to make, and the Parties shall not be bound by or be liable for, any statement, representation, promise or agreement not included herein.

5. **Modification or Amendment**
   Modification or Amendment of the terms and conditions of this Contract including any modification or amendment of the scope of the Services may only be made by written agreement between the Parties. Any modification or amendment hereof shall only be binding if it is made in writing and signed by each Party.

6. **Force Majeure**

   6.1. 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 hereunder impossible or so impractical as reasonably to be considered impossible in the circumstances, and includes, but is not limited to, war, acts of a public enemy, riots, civil disorder, earthquake, fire, explosion, storm, flood, typhoon, or other adverse weather conditions, strikes, lockouts or other industrial action (except where such strikes, lockouts or other industrial action are within the power of the Party invoking Force Majeure to prevent), epidemic, pandemic or confiscation or any other action by government agencies.

   6.2. Force Majeure shall not include any event which is caused by the negligence or intentional action of a Party or such Party's Subcontractors or agents or employees, nor any event which a diligent Party could reasonably have been expected to both take into account at the time of the conclusion of this Contract and avoid or overcome in the carrying out of its obligations herein.

   6.3. Force Majeure shall not include insufficiency of funds or failure to make any payment required hereunder.
6.4. The failure of a Party to fulfill any of its obligations hereunder 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 has taken all reasonable precautions due and reasonable alternative measures all with the objective of carrying out the terms and conditions of this Contract.

6.5. A Party affected by an event of Force Majeure shall take all reasonable measures to remove such Party's inability to fulfill its obligations herein with a minimum of delay.

6.6. A Party affected by an event of Force Majeure shall notify the other Party of such event as soon as possible, and in any event not later than fourteen (14) days following the occurrence of such event providing evidence of the nature and cause of such event and shall similarly give notice of the restoration of normal conditions as possible.

6.7. The Parties shall take all reasonable measures to minimize the consequences of any event of Force Majeure.

6.8. The burden of proof of the existence and extent of the alleged event and the enforceability thereof shall rest on the Party claiming Force Majeure.

6.9. Any period within which a Party shall pursuant to this contract complete any action or task shall be extended by a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

6.10. Not later than thirty (30) days after the Contractor, as the result of an event of Force Majeure, has become unable to perform a material portion of the services, the Parties shall consult with each other with a view to agreeing on appropriate measures to be taken in that circumstances.

7. Termination of contract

7.1. Termination by either Party. Either Party to this Contract may terminate this Contract by giving the other Party six (6) months notice of termination. A Party terminating the Contract under this sub clause shall not be required to assign any reasons to the termination.

7.2. Termination by the Client. Notwithstanding anything to the contrary contained in this Contract, this Contract shall at the option of the Client terminate.
7.2.1. If the Contractor breaches any of the terms, covenants, provisions and conditions contained in this Contract or the applicable law and such breach continues for a period of sixty (60) days after notice thereof has been given by the Client to the Contractor, such breach being capable of remedy.

7.2.2. If the Contractor ceases or threatens to cease to carry out the Services or takes or threatens to take any action to liquidates its assets, or stops making payments in the usual cause of business;

7.2.3. If the Contractor becomes insolvent or bankrupt or makes any arrangements with its creditors for relief of debt or takes advantage of any law for the benefit of debtors or goes into liquidation or receivership whether compulsory or voluntary;

7.2.4. If the Contractor fails to comply with any final decision reached as a result of arbitration proceedings pursuant to clause 1 hereof;

7.2.5. If the Contractor submits to the Client a statement which has a material effect on the rights, obligations or interests of the Client and which the Contractor knows to be false;

7.2.6. If the Contractor has engaged in corrupt or fraudulent practices in competing for or in executing the Contract. For the purpose of this clause “Corrupt Practices” means the offering, giving, receiving or soliciting of any value to influence the action of a public official in the selection process or in contract execution, and “Fraudulent Practice” means a misrepresentation of facts in order to influence a selection process or the execution of a contract;

7.2.7. If, as a result of Force Majeure, the Contractor is unable to perform a material portion of the Services for a period of not less than sixty (60) days.

7.3. Termination by the Contractor

Notwithstanding anything to the contrary contained in this contract this Contract shall at the option of the contractor terminate:

7.3.1. If the Client is in material breach of its obligations pursuant to this Contract and has not remedied the same within thirty (30) days after notice thereof has been given to the Client by the Contractor;

7.3.2. If, as a result of Force Majeure, the Contractor is unable to perform a material portion of the Services for a period of not less than sixty (60) days;
7.3.3. If the Client fails to comply with any final decision reached as a result of arbitration pursuant to clause 1 hereof.

8. Cessation of Rights and Obligations

Upon termination of this Contract as provided herein, all rights and obligations of the Parties hereunder shall cease, except:

8.1. Such rights and obligations as may have accrued on the date of termination or expiration;

8.2. The obligation of confidentiality;

8.3. The Contractor's obligation to permit inspection, copying and auditing of its accounts and records;

8.4. Any right, which a Party may have under the Applicable Law.

9. Cessation of Service

Upon termination of this Contract under clause 7.1 the Contractor shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner.

10. Dispute about Events of Termination

If either Party disputes whether an event specified in clause 7.2 or in clause 7.3 hereof has occurred, such Party may, within twenty one (21) days after receipt of notice of termination from the other Party, refer the matter to arbitration and this Contract shall not be terminated on account of such event except in accordance with the terms of any resulting arbitral award.

D. OBLIGATIONS OF THE CONTRACTOR

1. Services to be Provided

The services provided by the Contractor shall be consistent with the procedures in Appendices A.

2. Inspection/Verification Services

The Inspection/Verification Services provided by the Contractor for used motor vehicles originating from all over the world shall consist of the following tasks:
2.1 Implement an effective risk-management system in order to rationalise the programme's resources by predominantly targeting problematic areas;

2.2. Cooperate with the Client in order to standardize both the paper and electronic format and content of the Certificate of Roadworthiness (COR), Non-Conformity report (NCR) and other forms and reports used by the inspection programme;

2.3. Make arrangements with the exporter to perform the physical inspection on used motor vehicles bound for Uganda. Schedule and perform the inspections expeditiously within four (4) days of notification by the exporter;

2.4. Expediously issue and disseminate paper and electronic copies of COR and NCR to the importer and the Client, as prescribed in Appendix B. Transmit COR and NCR data to the Client and other designated organizations weekly and promptly following issuance. Maintain records on the dates of conducting inspections and the dates of issuing CORs/NCRs and the elapsed times between these dates;

2.5. Provide for secure and reliable electronic transmission of inspection data to the Client and other Government agencies (as may reasonably be directed by the Client) and store such data in secure databases.

2.6. Have systems in place to prevent and detect any changes subsequent to an inspection being completed and ensure full compatibility with the Client's systems for the seamless sharing of data;

2.7. Issue various reports as agreed with the Client or any other agency so designated by the Client about inspection activity (over and above the provision of electronic COR/NCR data) and trade and export statistics gathered through the performance of the Services. Develop in conjunction with the Client the modalities and formats for reporting on trade and inspection activity and the quality impact of this pre-export intervention;

2.8. Provide timely information in the media and format required by the Client and/or the Government to facilitate the auditing of the Contractor's performance by any party appointed by the Client and/or the Government. Cooperate unconditionally with the auditing efforts including making fully available the motor vehicle inspection related databases to the auditors.
2.9. Expediously communicate to the Client and the Government any intelligence information the Contractor might acquire regarding violation of Ugandan Law and dangerous or illegal cargo bound for Uganda where this is within the knowledge of the Contractor.

3. Purchase of Standards

The Contractor shall purchase the Uganda Standard US 845:2008 ROAD VEHICLES - Code of practice for inspection and testing of used motor vehicles for roadworthiness and any other Standard that may be applicable to this contract from the Client at a reasonable price to be determined by the Client.

4. Quality Standards

All used motor vehicles shall be inspected according to the published Uganda Standard US 845:2008 ROAD VEHICLES - Code of practice for inspection and testing of used motor vehicles for roadworthiness or any other standards issued from time to time by the client.

5. Standard of Performance

The Contractor shall perform the Services and carry out its obligations hereunder with due diligence, efficiency and economy in accordance with generally accepted professional techniques, standards, terms, conditions and practices and in a non-discriminatory and transparent manner. The Contractor shall observe sound management practices, and employ appropriate advanced technology and safe and effective equipment, machinery, methods and provide qualified and experienced personnel to carry out the services. The Contractor shall always act in respect of any matter relating to this Contract or to the services as faithful adviser to the Client and shall at all times support and safeguard the Client's legitimate interests in any dealing with Subcontractors or third parties.

6. Non Performance

6.1. The following shall constitute non-performance of obligations by the Contractor or Subcontractors and shall attract a penalty equivalent to the inspection fees for the number of cases actually established by the Client, but without prejudice to the Client's other rights contained herein:

6.1.1. Delays constituting 5% or more of the monthly inspections in:

6.1.1.1. inspecting motor vehicles beyond five days

6.1.1.2. issuing COR/NCR to the importer/exporter beyond four days

6.1.1.3. transmitting COR/NCRs to the Client beyond one week from the date of inspection
6.2 Where the Contractor or its subcontractors issue a COR for a non compliant motor vehicle it shall suffer a penalty of United States Dollars US$1,000.00 per motor vehicle. This clause shall not apply where the number of motor vehicles wrongly issued with CORs or NCRs constitute 2% or less of the motor vehicles inspected per month.

7. Law Governing Services
The Contractor shall perform the services in accordance with the applicable law currently in force in the jurisdiction in which the Services are performed and shall take all practicable steps to ensure that any subcontractors comply with the said Laws.

8. Remittance to the Client
The Contractor agrees and undertakes to remit to the Client the administration fees specified in Appendix C on a monthly basis on or before the 5th day of the subsequent month.

9. Conflict of Interest
9.1 The Contractor shall maintain procedures, for the duration of this contract to avoid conflict of interest. Provision of similar services by the Contractor to other governmental agencies or parties in other jurisdictions outside the Republic of Uganda shall not constitute conflict of interest.

9.2 Where the Contractor intends to offer similar services to parties in jurisdictions bordering the Republic of Uganda during the term of this contract, it shall consult the Client regarding documents and stickers to be issued.

10. Confidentiality
The Contractor, its Subcontractors and the Personnel of either of them shall not either during the term or within five (5) years after the expiration of this Contract, disclose any proprietary or confidential information relating to the Services, this Contract or the Client's business or operations without the prior written consent of the Client except where ordered to do so by a court of competent jurisdiction.

11. Liability of the Contractor
The Contractor shall be liable to the Client for the performance of the services in accordance with provisions of this contract and for any loss suffered by the Client as a result of a default by the contractor in performance of its contractual obligations, subject to the following limitations:
11.1. The Contractor shall not be liable for any damage or injury caused by or arising out of the act, neglect, default or omission of any persons other than the Contractor, its Subcontractors, and the Personnel of either of them, and

11.2. The Contractor shall not be liable for any loss or damage caused by or arising out of circumstances over which the Contractor has no control.

11.3. The Contractor shall not be liable for a sum exceeding US$1,000.00 in respect of any claim of any nature whatsoever relating to the Services provided by the Contractor in connection with any particular motor vehicle.

11.4. The Contractor shall immediately if practicable attempt to remedy any damage caused to the Client, resulting from the performance and execution of its duties herein.

12. Indemnity
The Contractor and the Client shall hold one another innocent and indemnify one another against any claims made by any third parties for loss, damage or expense of whatever nature including reasonable legal expenses arising from the acts, neglect or omission of their personnel and/or subcontractors.

13. Insurance to be taken out by the Contractor
The Contractor shall take out and maintain, and shall cause any Subcontractor to take out and maintain, at its (or the Subcontractor’s as the case may be) own cost appropriate insurance covers.

14. Accounting Inspection and Auditing

The Contractor:
14.1. Shall keep and shall cause each of its Subcontractors to keep accurate and systematic accounts and records in respect of the Services hereunder, in accordance with internationally accepted accounting principles and in such form and detail as will clearly identify all relevant charges and costs, and the bases thereof.

14.2. Shall permit the Client or its designated representative periodically, and up to one year from expiration or termination of this Contract, to inspect the same and make copies thereof as well as to have them audited by auditors appointed by the Client.
15. Reporting Document Obligations
The Contractor shall submit to the Client the reports as specified in Appendix B hereto in the form, in the numbers, and within the time periods set forth in the said Appendix.

16. Certain Documents Prepared by the Contractor to be the Property of the Client
Unless already in the public domain, all plans, specifications, reports, other documents (excluding software) prepared by the Contractor which relate specifically and solely to Services provided in connection with motor vehicles hereunder shall become and remain the property of the Client, and the Contractor shall, not later than fifteen (15) days upon termination or expiration of this Contract, deliver such documents to the Client, together with a detailed inventory thereof if so requested. The Contractor may retain a copy of such documents but shall not use these documents for purposes unrelated to this Contract without the prior written approval of the Client. All software, forms, plans, specifications, reports and documents comprising part of the business records and system of the Contractor shall be and remain at all times the property of the Contractor.

17. Contractor's Personnel and Subcontractors
The Contractor shall employ and provide such qualified and experienced personnel and Subcontractors as are required to carry out the Services.

E. OBLIGATIONS OF THE CLIENT

1. Changes to the Standard
The Client shall inform and consult with the contractor before making any changes to the Standard where such changes would alter in any respect the programme or the scope and ambit of the Contractor's obligations and shall provide the Contractor with 30 days' notice to implement any such change.

2. Services Affected by Change in Regulation
Where changes in the Regulations increases the cost to the Contractor of providing the Services or reduces the revenue of the Contractor derived from the Services the Parties shall re-negotiate in good faith the provisions of this Contract that may be affected.

3. Transmission of Information and Documents
The Client shall ensure that the Contractor promptly receives all regulations including import regulations and the data and/or hard and soft copies of all documents, including but not limited to import declarations, decisions or agreements, and which are required for the performance of the Services. Information, which is
not required for the performance of the Services, which is confidential to the Client, and other relevant authorities of the Government, shall be released to the Contractor at the discretion of the Client.

4. Appeals

The Client shall ensure that a suitable panel is established which will promptly respond to any appeals made against the Contractor’s issuance or non-issuance of a COR or NCR. Such panel shall consist of the Client and other relevant authorities of the Government and the Contractor. While an appeal is being determined the importer may apply to have his/her motor vehicle released against a surety bond in order to avert storage and demurrage charges, which might otherwise accrue.

5. Audits

The Client may schedule an audit every year to audit the Contractor’s facilities. The first audit may be held six (6) months after commencement of Service. The Client shall give one month prior notice to the Contractor when such subsequent audits will take place. Two officers appointed by the Client shall perform the audits.

5.1 The expenses for the audits shall be funded as follows:

5.2 Travel expenses from Uganda to country of audit (return air tickets) to be met by the Client.

5.3 Boarding, subsistence and travel expenses within either country of audit, during the inspection to be met by the Contractor.

5.4 The Client and the Contractor may agree on an alternative audit regime to that referred to herein, provided it does not impose any greater cost of compliance on the Contractor.

F. PAYMENTS TO THE CONTRACTOR

1. Payment for the Services rendered by the Contractor shall be paid directly to the Contractor by the person or entity that requests the inspection services. The fees charged by the Contractor and the administration fees payable to the Client shall be as set out in Appendix C and shall be published in newspapers of wide circulation in Uganda, and world over. The Client shall meet the cost of publishing in Uganda while the Contractor will meet the cost of publishing world over. The Contractor shall be entitled to withhold any document or certificate or vehicle in the event of any fees due having not been paid in accordance with its requirements.
G. GOOD FAITH

1. The Parties undertake to act in good faith with respect of each other’s rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.

H. OPERATION OF THE CONTRACT

1. The Parties recognize that it is impractical in this Contract to provide for every contingency which may arise during the life of the Contract, and the Parties hereby agree that it is their intention that this Contract shall operate fairly between them, and without detriment to the interest of either of them, and that, if during the term of this Contract either party believes that this Contract is operating unfairly, the Parties will use their best efforts to agree on such action as may be necessary to remove the cause or causes of such unfairness. A formal review of the operations shall if required by either Party take place annually by a committee constituted by the Parties.

I. SETTLEMENT OF DISPUTES

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

2. Any dispute between the Parties on 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 referred by either party to arbitration in accordance with the Laws of Uganda.

3. The Arbitral Tribunal shall be constituted by one arbitrator appointed by Centre for Arbitration and Dispute Resolution (CADER) on the request of the applying party

4. The arbitration proceedings shall be held in Kampala.

5. The costs of arbitration shall be shared equally between the Parties.
IN WITNESS WHEREOF the Parties hereto have caused this Contract to be executed the day and year first before written.

SEALED with the common seal of UGANDA NATIONAL BUREAU OF STANDARDS

Signed by: Dr. Tony Katawazi
Executive Director

In the presence of:

This . . . . . . day of ..........................

Duly executed by the Contractor East Africa Auto Mobile Services Company Limited

by: Joseph Benedict

In the presence of: Katharina Franche

This . . . . . . day of March 2010
APPENDIX A

DETAILED DESCRIPTION OF THE VERIFICATION/INSPECTION PROCESS

1. Verification/Inspection

1.1. All used motor vehicles are subject to pre-export verification/inspection before shipment. The Inspecting Body (the Contractor) shall carry out such inspection at designated facilities.

1.2. The Exporter shall contact the Contractor; furnish the necessary documentation, which shall include the Log Book (whenever available) and schedule for the inspection. The Contractor may contact the exporter to co-ordinate the inspection and/or obtain additional information. Verification/inspection shall be scheduled within four (4) days of notification (unless the exporter prefers a different date). The payment mode and time shall at all times be as stipulated by the Contractor.

1.3. The exporter shall then deliver the motor vehicle to the inspection facility on the agreed day. The inspection shall be in accordance with Uganda Standard US 845:2008 ROAD VEHICLES – Code of practice for inspection and testing of used motor vehicles for roadworthiness. After the Inspection, the exporter shall be notified of the outcome of the inspection and will be required to sign against the inspection report as an acknowledgment and thereafter subject to payment obligations imposed by the Contractor remove the vehicle from the inspection facility.

1.4. In case the motor vehicle is found to have some defects, and then the exporter is expected to rectify the defects and re-submit the vehicle for inspection. Re-inspection shall be chargeable at a fee not more than half the normal fee provided the motor vehicle is re-submitted within 14 days. Motor vehicles submitted for the third shall be charged the full fee.

1.5. Where all the necessary documentation has been furnished to the Contractor a COR/NCR should be issued within a maximum of three (3) working days of completing the inspection.
1.6. The COR/NCR shall be forwarded to the Exporter as a notification of the outcome of the verification and for onward transmission/forwarding to the Importer. It is the original COR that shall be used by the importer for Customs clearance and Registration. Details of every COR/NCR issued along with the data shall be transmitted electronically regularly to the Client.

1.7. Subsequently the Client shall forward the data to the entry points and other relevant authorities for authentication purposes.

1.8. This procedure may be modified from time to time in consultation with the Contractor and other stakeholders to achieve the primary aim of Standards compliance and trade facilitation.

1.9. This contractor’s bid document shall form part of the contract.
APPENDIX B
REPORTING REQUIREMENTS

1. Inspection Reporting Requirements

1.1. Upon completion of each Inspection, the contractor shall, where the result are satisfactory in all respects to US 845-2008 issue a COR based on relevant documents and the inspection report. The COR is available to the exporter before the Motor Vehicle is shipped.

1.2. Where the Inspection discloses any discrepancy or failure with respect to the mechanical condition, which is not in the opinion of the Contractor practically rectifiable before shipment, an NCR shall be issued.

1.3. The Contractor will take due diligence in describing the motor vehicle, ensuring that a full description is provided. In case any clarification or addition information is to be provided, this will be done under remarks. The Contractor is encouraged to issue remarks whenever necessary.

2. Forms of Report

2.1. The COR/NCR

The Contractor shall provide CORs/NCRs in a format acceptable to the Client. A sticker for Vehicles found compliant shall be affixed to the windscreen indicating, "Inspected and Passed"

2.2. Frequency of Reports

The Contractor shall provide the following reports, in a format mutually agreed upon by the Client and the Contractor, within one month following the end of the period being reported upon:

2.3. Monthly reports. Summary of the inspection activities for the month including total value by the country of origin the grand totals for the month together with a brief analysis.

2.4. Ad hoc reports. These shall be submitted by the Contractor as the need arises or the Client requests them.

2.4.1. Annual Review

The Contractor shall provide, in a format to be agreed upon between the Parties, an annual report, within one month from the anniversary of the starting date of the Contract, and annually thereafter, providing summaries of the statistics referred to this Appendix, the inspection activities measures put in place to ensure efficient and effective service delivery.
APPENDIX C
FEES CHARGED AND PAID UNDER THE CONTRACT

1. Inspection Service Fee.
   The Contractor shall charge an inspection service fee of USD 120 plus tax per motor vehicle submitted for inspection. The inspection fees shall be charged to the party submitting the motor vehicle for inspection or its agent.

2. Administration Fee
   The Contractor shall pay to the Client an administration fee of US dollars Twenty (US$20.00) inclusive of all taxes and duties per motor vehicle submitted for inspection.
APPENDIX D

Inspection Charges

- It was agreed that uniform inspection fees for used motor vehicles for PVoC services per vehicle shall be USD 125.
- It was agreed that royalty fees be paid on a monthly basis.
- The transfer fees shall be born by the provider, EAA.
- Royalties shall be remitted in USD.
- It was agreed that every vehicle inspected. EAA shall pay to UNBS USD 20. The money shall be remitted to the UNBS account by the 10th day of the following month.

Inputs required from the providers.

- It was agreed that for purposes of information sharing EAA shall link the UNBS website to their website.
- It was agreed that EAA shall train UNBS officials in Japan or Uganda in PVoC activities. Training needs shall be shall be identified and training schedule shall be agreed upon.
- It was also agreed that EAA shall provide technical back stopping whenever new issues that require their assistance arise.

Awareness campaigns for stake holders

- It was agreed that EAA shall provide logistic support for public relations campaign which shall include holding seminars with stake holders.
- It was agreed that EAA shall carry out awareness campaigns in UAE through the clearing agents and newspaper adverts.
- The committee agreed that EAA shall support the road safety programme

Monitoring and evaluation

- It was agreed that monitoring and evaluation meeting shall take place every 3 months for the start but this could change to every 6 months later.

Audit issues

- It was agreed that annual audits of the program shall take place once every year

Earth Moving equipments

- It was noted that the standard for inspecting used motor vehicles does not cover earth moving equipment and motor bikes. However it was agreed that EAA shall inspect on a case by case basis based on the agreed criteria to ascertain information on survey and the functionality of the earth moving equipment.
- Concerning the motorbikes, it was noted that most motor bikes are dismantled and exported in parts. Therefore it was a challenge for the company offering the inspection services to inspect motor bikes. Since there is no standard covering earth moving equipments and motor bikes, it was agreed that UNBS develops a standard for the same to facilitate this inspection.

Commencement of the programme

- The meeting noted that the program is most likely to start latest 1 November 2009. This will depend on how fast the contract is drafted and the time it takes from the Solicitor General’s office.
ADDENDUM TO APRIL 28, 2010 CONTRACT

BETWEEN

UGANDA NATIONAL BUREAU OF STANDARDS

AND

EAST AFRICA AUTOMOBILE SERVICES COMPANY LIMITED

FOR

PROVISION OF SERVICES

FOR

PRE-EXPORT VERIFICATION OF CONFORMITY TO STANDARDS
ADDENDUM TO MARCH 29, 2010 CONTRACT FOR PRE-EXPORT VERIFICATION OF CONFORMITY TO STANDARDS FOR MOTOR VEHICLES

On the 29th March 2010, UGANDA NATIONAL BUREAU OF STANDARDS and EASTAFRICA AUTOMOBILE SERVICES COMPANY LIMITED signed a Contract for Pre-export Verification of Conformity to standards for Motor Vehicles. It was later suspended in October 2010 and has been in abeyance since then hence this addendum to reinstate the above-mentioned contract.

This Addendum to 29th March 2010 Contract for Pre-export Verification of Conformity to standards for Motor Vehicles ("Addendum") is an addendum to the Contract for Pre-export Verification of Conformity to standards between UGANDA NATIONAL BUREAU OF STANDARDS ("the Client") and EASTAFRICA AUTOMOBILE SERVICES COMPANY LIMITED ("the Contractor"), which is dated March 29, 2010 ("the Contract for Pre-export Verification of Conformity to standards") and shall become effective as of December 3, 2012. The Contract for Pre-export Verification of Conformity to standards is attached and made a part of this document.

The parties, for good consideration, hereby agree as follows:

1. Part C Clause 1 of the Contract for Pre-export Verification of Conformity to standards for Motor Vehicles shall be modified as follows;

   The Contractor shall begin carrying out the agreed Services Six (6) weeks from the date of signing of the contract on December 3, 2012.

   During this period, the Contractor and the client shall carry out awareness campaigns and harmonise procedures to ensure that the users of these services are up to date with the operations of the scheme. The cost of which shall be met by the Contractor.

2. Part C Clause 3 of the Contract for Pre-export Verification of Conformity to standards for Motor Vehicles shall be modified as follows:

   Unless earlier terminated in accordance with the termination clauses herein this Contract shall expire Sixty (60) months Fifty Four (54) months from the 3rd December 2012 valid until 3rd June 2017. The contract may be extended for a further period if need arises.
3. Appendix C (1) for fees charged and paid under the contract shall be modified as follows:

The Contractor shall charge an inspection charge fee as follows for each motor vehicle submitted for inspection.

<table>
<thead>
<tr>
<th>Country</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>USD 140</td>
</tr>
<tr>
<td>Singapore</td>
<td>USD 200</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>USD 200</td>
</tr>
<tr>
<td>UAE</td>
<td>USD 125</td>
</tr>
<tr>
<td>RSA</td>
<td>USD 220</td>
</tr>
</tbody>
</table>

Any other fee for PVoC services as agreed in writing with the Client from time to time:

1. The above-mentioned fees covers the documentary verification, inspection of Motor Vehicles.
2. The above fees do not include laboratory testing, sealing of containers registration and Licensing of Products

The above fee excludes registration of Motor vehicles.

3. The services of testing shall be charged directly by the contractor on a case-by-case basis.

Dated this 25th day of .......... 2012 at Kampala

Signed under seal on behalf of the CLIENT

Dr. Ben Manyindo
EXECUTIVE DIRECTOR
UGANDA NATIONAL BUREAU OF STANDARDS

In Witness of

Hellen Wenene
LEGAL COUNSEL
Signed on behalf of the PROVIDER

EAST AFRICA AUTOMOBILE SERVICES COMPANY LIMITED

In Witness of

..........................
ADDENDUM TO SEPTEMBER 10, 2009 CONTRACT AND NOVEMBER 14, 2012 ADDENDUM

BETWEEN

UGANDA NATIONAL BUREAU OF STANDARDS

AND

EAST AFRICA AUTO MOBILE (EAA) LTD

FOR

PROVISION OF SERVICES

FOR

PRE-EXPORT VERIFICATION OF CONFORMITY TO STANDARDS

JULY 2013
ADDENDUM TO SEPTEMBER 10, 2009 CONTRACT AND NOVEMBER 14, 2012 ADDENDUM FOR PRE-EXPORT VERIFICATION OF CONFORMITY TO STANDARDS FOR USED MOTOR VEHICLES

On the 10th September 2009, UGANDA NATIONAL BUREAU OF STANDARDS and EAST AFRICA AUTO MOBILE (EAA) signed a Contract for Pre-export Verification of Conformity to standards for used Motor Vehicles. It was later suspended in October 2010 and an Addendum signed on November 14, 2012 to re-start the program on December 3rd 2012 which was later suspended till 1st June 2013.

This Addendum to September 10, 2009 Contract and addendum signed on November 14, 2012 for Pre-export Verification of Conformity to standards for used Motor Vehicles. (“Addendum”) is an addendum to the Contract for Pre-export Verification of Conformity to standards between UGANDA NATIONAL BUREAU OF STANDARDS (“the Client”) and EAST AFRICA AUTO MOBILE (EAA) (“the Contractor”), which is dated September 10, 2009 and November 14, 2012 (“the Contract for Pre-export Verification of Conformity to standards”) and shall be deemed to be effective as of June 1, 2013 following a review meeting held on July 1, 2013. The Contract, addendum and minutes of the review meeting held on July 1, 2013 for Pre-export Verification of Conformity to standards are attached and made a part of this document.

The parties, for good consideration, hereby agree as follows:

1. Part C clause 1 of the Contract for Pre-export Verification of Conformity to standards for used Motor Vehicles shall be modified as follows:

   The Contractor shall be deemed to have begun carrying out the agreed services on December 3rd, 2012. June 1, 2013

2. Clause 3.3 of the Contract for Pre-export Verification of Conformity to standards for used Motor Vehicles shall be modified as follows:

   Unless terminated earlier pursuant to clause 3.7 hereof, this Contract shall expire Fifty Four (54) months SIXTY (60) months from the commencement of the services.
Dated this 02\textsuperscript{nd} day of JULY, 2013 at Kampala

Signed under seal on behalf of the \textbf{CLIENT}

\begin{center}
\underline{Dr. Ben Manyindo}  \\
\textbf{EXECUTIVE DIRECTOR}  \\
\textbf{UGANDA NATIONAL BUREAU OF STANDARDS}
\end{center}

Signed under seal on behalf of the \textbf{CONTRACTOR}

\begin{center}
\underline{Pascale Ouain}  \\
EAST AFRICA AUTO MOBILE LTD
\end{center}

In Witness of

\begin{center}
Hellen Wenene  \\
\textbf{LEGAL COUNSEL}
\end{center}

\begin{center}
\underline{Whitney Kanne}  \\
\textbf{WEST AFRICA AUTO MOBILE LTD}
\end{center}
CONTRACT

BETWEEN

UGANDA NATIONAL BUREAU OF STANDARDS

AND

JABAL KILIMANJARO AUTO ELECT MECH

FOR

THE PROVISION OF

PRE-EXPORT VERIFICATION OF CONFORMITY TO STANDARDS AND TECHNICAL REGULATIONS FOR USED MOTOR VEHICLES

IN ACCORDANCE WITH THE

UGANDA STANDARD US 845:2008
This agreement is made on the 10th day of September, 2009 between UGANDA NATIONAL BUREAU OF STANDARDS (UNBS) a statutory body of the government of the Republic of Uganda and of Post Office Box Number 6329 Kampala, within the Republic of Uganda (hereinafter called the “Client” which expression shall where the context so permits include its successors and assigns) of the one part and JABAL KILIMANJARO AUTO ELECT MECH (JABAL) of PO. BOX 36107 SHARJAH, (hereinafter called the “Contractor”) on the other part;

WHEREAS the Client requested for proposals for motor vehicle inspection/verification services in accordance with US 845:2008 ROAD VEHICLES – Code of practice for inspection and testing of used motor vehicles for roadworthiness (hereinafter called the “Services”);

WHEREAS the Contractor, in response to the Client’s request submitted its proposal and offered it for evaluation based on the Client’s set criteria;

WHEREAS the Contractor, has represented to the Client that it has the required professional skills, personnel and technical resources to provide the services requested by the client;

WHEREAS the Client has evaluated the Contractor’s proposal and is satisfied that the Contractor has the capacity and is capable of providing the services requested by the Client;

WHEREAS the Contractor has expressly and unequivocally agreed to provide the services requested by the Client on the terms and conditions set out hereinafter;

NOW THEREFORE in consideration of the promises and covenants herein constrained the Client and the Contractor hereby agree as follows:
A. GENERAL PROVISIONS

1. Definitions

1.1 The headings to the clauses of this Contract are for reference purposes only and shall in no way govern or affect the interpretation of nor modify nor amplify the terms of this Contract nor any clause hereof;

1.2 If any provision in a definition is a substantive provision conferring rights or imposing obligations on any Party, notwithstanding that it is only in the definition clause, effect shall be given to it as if it were a substantive provision of this Contract;

1.3 Unless the context dictates otherwise, an expression which denotes any gender includes the other, and reference to a natural person includes an artificial person and to the singular includes the plural, and vice versa in each case;

1.4 The annexure(s) to this Contract form an integral part hereof and words and expressions defined in this Contract shall bear, unless the context otherwise requires, the same meaning in such annexure(s);

1.5 When any number of days is prescribed in this Contract, the same shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a day which is not a Business Day, in which case the last day shall be the next succeeding Business Day;

1.6 Where any term is defined within the context of any particular clause in this Contract, the term so defined, unless it is clear from the clause in question that the term so defined has limited application to the relevant clause, shall bear the same meaning as ascribed to it for all purposes in terms of this Contract, notwithstanding that that term has not been defined in this interpretation clause;

1.7 The use of the word “including” followed by a specific example or examples shall not be construed as limiting the meaning of the general wording preceding it and the *ejusdem generis* rule shall not be applied in the interpretation of such general wording or such specific example or examples;
1.8 The rule of construction that, in the event of ambiguity, the contract shall be interpreted by both Parties and in the event there is no agreement reference will be made to the Arbitration Clause;

1.9 Unless the context otherwise require, the following terms whenever used in this Contract shall have the following meanings:

i. “Applicable Law” means the laws and any other instruments having the force of law in the Republic of Uganda, as may be issued and in force from time to time;

ii. “Contract” means this contract including all appendices attached hereto, as may be amended or supplemented from time to time;

iii. "Contractor" means the Company providing services pursuant to this contract and where the context so permits any company or person subcontracted by the contractor to provide the services;

iv. “COR” means Certificate of Roadworthiness;

v. “Foreign Currency” means any currency other than the currency of the Republic of Uganda;

vi. “Government” means the Government of the Republic of Uganda;

vii. “Key Personnel” means supervisors of the inspection centers and at least two senior technicians per inspection center;

viii. “Local Currency” means the currency of the Republic of Uganda;

ix. “NCR” means Non-Conformity Report;

x. “Party” means the Client or the Contractor, as the case may be, and “Parties” means both of them;
xi. "Personnel" means persons hired by the Contractor or by any Subcontractor whether or not as employees and assigned to the provision of the services and performance of the Contractor’s obligations set out herein or any part thereof;

xii. "Proposal" means the document submitted by the Contractor to the Client, detailing the Contractor’s abilities and plan for meeting the Client’s needs;

xiii. "Subcontractor" means any person or entity to whom/which the Contractor subcontracts any part of the services in accordance with the provisions of clause 4.9;

xiv. "Services" means the work to be performed by the Contractor pursuant to this contract;


xvi. "Third Party" means any person or entity other than the Client, the Contractor or a Subcontractor;

2. Relationship between the parties

Nothing contained herein shall be construed as establishing a relationship of master and servant or of principal and agent between the Client and the Contractor. The Contractor, subject to this Contract, has complete charge of its personnel and Subcontractors, if any, performing the services and shall be fully responsible for the services performed by them or on its behalf.

3. Law Governing the Contract

This Contract, its meaning and interpretation, and the relationship between the Parties shall be governed by the Applicable Law.

4. 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.
5. Headings

The headings in this contract are for convenience only and shall not limit, alter or affect the meaning of this contract.

6. Notices

Any notice required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice shall be deemed to have been given or 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, special courier, telegram, email or facsimile to such party at the address specified below.

Client: The Executive Director
Uganda National Bureau of Standards
P.O. Box 6329
Kampala, Uganda
Telephone: +256 414 505 995
Facsimile: +256 414 286 123
Email: unbs@infocom.co.ug

Contractor: The Director Khalid Karwani
Jabal Kilimanjaro Auto Elect Mech
P.O Box 36107 Sharjah UAE
Telephone: +971 6 5319361
Telefax: +971 6 5319362

6.1 Notices will be deemed to be effective as follows:

6.1.1. In the case of personal delivery or registered mail, not later than fifteen (15) days after having been handed over to the post office or to the special courier or dispatched;

6.1.2. In the case of telexes, telegrams, e-mails and facsimiles, twenty four (24) hours following confirmed transmission.
6.2. A Party may change its address hereinabove by giving the other party notice of such change pursuant to the aforementioned provisions.

7. **Location**
   The Services shall be performed at locations in United Arab Emirates.

8. **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 Contractor may be taken or executed by the officials herein specified or by their officially designated representatives.

   For the Client: Dr. Terry Kahuma: The Executive Director (UNBS)

   For the Contractor: Mr. Khalid Karwani Director (JABAL)

9. **Representation and Warranties**
   9.1. Each of the Parties hereby represents and warrants, as material warranties to the other as at the Commencement date, that:

   9.1.1. it has full power to enter into and perform in terms of this Contract, has taken and shall take all necessary statutory and other actions to authorize the fulfillment of its obligations under this Contract;

   9.1.2. all authorizations and/or approvals required or advisable in connection with the entering into, performance, validity and enforceability of this Contract and the transactions contemplated by this Contract have been obtained or effected and are in full force and effect;

   9.1.3. the execution, delivery and performance of this Contract does not violate or conflict with any law or court order or judgment or any contractual obligation binding on or affecting it or any of its assets or its memorandum and articles of association;

   9.1.4. this Contract constitutes a legal, valid, binding and enforceable obligation of such Party
10. Media and Publication
Neither party shall be entitled to publish and/or distribute any media publications, advertisements and/or notices of any kind relating to the other Party and/or this Contract unless it has obtained the other Party's prior written consent thereto.

11. Cessation and Delegation
Neither Party shall be entitled, without obtaining the other Party's prior written consent, to cede or delegate any or all of its rights or obligations in terms of this Contract.

12. Counterparts
This Contract may be executed in a number of counterparts and by the Parties hereto on the separate counterparts, all of which when so executed shall be an original, but all such counterparts together shall constitute one and the same instrument.

13. Solicitation
Any unauthorized solicitation of the Client's employees by the Contractor, Subcontractor or its agents in any manner whatsoever shall be considered a breach of condition entitling the Client to terminate the Contract and claim damages.

14. Waiver
The failure by either Party to enforce at any time or for any period any one or more of the terms or conditions of this Contract shall not be a waiver of them or any right at any time subsequently to enforce all terms and conditions of this Contract.
B. APPOINTMENT

1. The Client hereby appoints the Contractor and the Contractor hereby accepts to carry out the Services in accordance with the Contract. The Contractor may appoint suitably competent, experienced and equipped Subcontractors, as the Contractor may deem necessary to perform the Services.

2. It is acknowledged that the Contractor shall act as an independent contractor of Services to the Client and shall not act as an agent of the Client. Nothing contained herein shall be construed as establishing a relationship of master and servant or of principal and agent as between the Client and the Contractor.

C. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF CONTRACT

1. Effectiveness of Contract
   This Contract shall come into force on 1st September, 2009 or such other date as may be mutually agreed by the Parties.

2. Commencement of Services
   The Contractor shall begin carrying out the Services on 1st November, 2009

3. Expiration of Contract
   Unless earlier terminated in accordance with the termination clauses herein, this Contract shall expire in thirty six months (36) months.

4. Entire Agreement
   This Contract contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either Party has authority to make, and the Parties shall not be bound by or be liable for, any statement, representation, promise or agreement not included herein.

5. Modification or Amendment
   Modification or Amendment of the terms and conditions of this Contract including any modification or amendment of the scope of the Services may only be made by written agreement between the Parties. Any modification or amendment herewith shall only be binding if it is made in writing and signed by each Party.
6. **Force Majeure**

6.1 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 hereunder impossible or so impractical as reasonably to be considered impossible in the circumstances, and includes, but is not limited to, war, acts of a public enemy, riots, civil disorder, earthquake, fire, explosion, storm, flood, typhoon, or other adverse weather conditions, strikes, lockouts or other industrial action (except where such strikes, lockouts or other industrial action are within the power of the Party invoking Force Majeure to prevent), epidemic, pandemic or confiscation or any other action by government agencies.

6.2 Force Majeure shall not include any event which is caused by the negligence or intentional action of a Party or such Party's Subcontractors or agents or employees, nor any event which a diligent Party could reasonably have been expected to both take into account at the time of the conclusion of this Contract and avoid or overcome in the carrying out of its obligations herein.

6.3 Force Majeure shall not include insufficiency of funds or failure to make any payment required hereunder.

6.4 The failure of a Party to fulfill any of its obligations hereunder 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 has taken all reasonable precautions due and reasonable alternative measures all with the objective of carrying out the terms and conditions of this Contract.

6.5 A Party affected by an event of Force Majeure shall take all reasonable measures to remove such Party's inability to fulfill its obligations herein with a minimum of delay.

6.6 A Party affected by an event of Force Majeure shall notify the other Party of such event as soon as possible, and in any event not later than fourteen (14) days following the occurrence of such event providing evidence of the nature and cause of such event and shall similarly give notice of the restoration of normal conditions as possible.

6.7 The Parties shall take all reasonable measures to minimize the consequences of any event of Force Majeure.
6.8. The burden of proof of the existence and extent of the alleged event and the enforceability thereof shall rest on the Party claiming Force Majeure.

6.9. Any period within which a Party shall pursuant to this contract complete any action or task shall be extended by a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

6.10. Not later than thirty (30) days after the Contractor, as the result of an event of Force Majeure, has become unable to perform a material portion of the services, the Parties shall consult with each other with a view to agreeing on appropriate measures to be taken in that circumstances.

7. Termination of contract

7.1. Termination by either Party. Either Party to this Contract may terminate this Contract by giving the other Party six (6) months notice of termination. A Party terminating the Contract under this sub clause shall not be required to assign any reasons to the termination.

7.2. Termination by the Client. Notwithstanding anything to the contrary contained in this Contract, this Contract shall at the option of the Client terminate:

7.2.1. If the Contractor breaches any of the terms, covenants, provisions and conditions contained in this Contract or the applicable law and such breach continues for a period of sixty (60) days after notice thereof has been given by the Client to the Contractor, such breach being capable of remedy;

7.2.2. If the Contractor ceases or threatens to cease to carry out the Services or takes or threatens to take any action to liquidates its assets, or stops making payments in the usual cause of business;

7.2.3. If the Contractor becomes insolvent or bankrupt or makes any arrangements with its creditors for relief of debt or takes advantage of any law for the benefit of debtors or goes into liquidation or receivership whether compulsory or voluntary;

7.2.4. If the Contractor fails to comply with any final decision reached as a result of arbitration proceedings pursuant to clause 1 hereof;
7.2.5. If the Contractor submits to the Client a statement which has a material effect on the rights, obligations or interests of the Client and which the Contractor knows to be false;

7.2.6. If the Contractor has engaged in corrupt or fraudulent practices in competing for or in executing the Contract. For the purpose of this clause “Corrupt Practices” means the offering, giving, receiving or soliciting of any value to influence the action of a public official in the selection process or in contract execution, and “Fraudulent Practice” means a misrepresentation of facts in order to influence a selection process or the execution of a contract;

7.2.7. If, as a result of Force Majeure, the Contractor is unable to perform a material portion of the Services for a period of not less than sixty (60) days.

7.3. Termination by the Contractor

Notwithstanding anything to the contrary contained in this contract this Contract shall at the option of the contractor terminate:

7.3.1. If the Client is in material breach of its obligations pursuant to this Contract and has not remedied the same within thirty (30) days after notice thereof has been given to the Client by the Contractor;

7.3.2. If, as a result of Force Majeure, the Contractor is unable to perform a material portion of the Services for a period of not less than sixty (60) days;

7.3.3. If the Client fails to comply with any final decision reached as a result of arbitration pursuant to clause I hereof.

8. Cessation of Rights and Obligations

Upon termination of this Contract as provided herein, all rights and obligations of the Parties hereunder shall cease, except:

8.1. Such rights and obligations as may have accrued on the date of termination or expiration;

8.2. The obligation of confidentiality;

8.3. The Contractor’s obligation to permit inspection, copying and auditing of its accounts and records;
8.4. Any right, which a Party may have under the Applicable Law.

9. Cessation of Service

Upon termination of this Contract under clause 7.1 the Contractor shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner.

10. Dispute about Events of Termination

If either Party disputes whether an event specified in clause 7.2 or in clause 7.3 hereof has occurred, such party may, within twenty one (21) days after receipt of notice of termination from the other Party, refer the matter to arbitration and this Contract shall not be terminated on account of such event except in accordance with the terms of any resulting arbitral award.

D. OBLIGATIONS OF THE CONTRACTOR

1. Services to be Provided

The services provided by the Contractor shall be consistent with the procedures in Appendices A.

2. Inspection/Verification Services

The Inspection/Verification Services provided by the Contractor for used motor vehicles originating from United Arab Emirates (UAE) shall consist of the following tasks:

2.1. Implement an effective risk-management system in order to rationalise the programme’s resources by predominantly targeting problematic areas;

2.2. Cooperate with the Client in order to standardize both the paper and electronic format and content of the Certificate of Roadworthiness (COR), Non-Conformity report (NCR) and other forms and reports used by the inspection programme;

2.3. Make arrangements with the exporter to perform the physical inspection on used motor vehicles bound for Uganda. Schedule and perform the inspections expeditiously within four (4) days of notification by the exporter.
2.4. Expeditiously issue and disseminate paper and electronic copies of COR and NCR to the importer and the Client, as prescribed in Appendix B. Transmit COR and NCR data to the Client and other designated organizations weekly and promptly following issuance. Maintain records on the dates of conducting inspections and the dates of issuing CORs/NCRs and the elapsed times between these dates;

2.5. Provide for secure and reliable electronic transmission of inspection data to the Client and other Government agencies (as may reasonably be directed by the Client) and store such data in secure databases.

2.6. Have systems in place to prevent and detect any changes subsequent to an inspection being completed and ensure full compatibility with the Client’s systems for the seamless sharing of data;

2.7. Issue various reports as agreed with the Client or any other agency so designated by the Client about inspection activity (over and above the provision of electronic COR/NCR data) and trade and export statistics gathered through the performance of the Services. Develop in conjunction with the Client the modalities and formats for reporting on trade and inspection activity and the quality impact of this pre-export intervention;

2.8. Provide timely information in the media and format required by the Client and/or the Government to facilitate the auditing of the Contractor’s performance by any party appointed by the Client and/or the Government. Cooperate unconditionally with the auditing efforts including making fully available the motor vehicle Inspection related databases to the auditors;

2.9. Expeditiously communicate to the Client and the Government any intelligence information the Contractor might acquire regarding violation of Ugandan Law and dangerous or illegal cargo bound for Uganda where this is within the knowledge of the contractor.

3. Purchase of Standards

The Contractor shall purchase the Uganda Standard US 845:2008 ROAD VEHICLES – Code of practice for inspection and testing of used motor vehicles for roadworthiness and any other Standard that may be applicable to this contract from the Client at a reasonable price to be determined by the Client.
4. Quality Standards

All used motor vehicles shall be inspected according to the published Uganda Standard US 845:2008 ROAD VEHICLES – Code of practice for inspection and testing of used motor vehicles for roadworthiness or any other standards issued from time to time by the client.

5. Standard of Performance

The Contractor shall perform the Services and carry out its obligations hereunder with all due diligence, efficiency and economy in accordance with generally accepted professional techniques, standards, terms, conditions and practices and in a non-discriminatory and transparent manner. The Contractor shall observe sound management practices, and employ appropriate advanced technology and safe and effective equipment, machinery, methods and provide qualified and experienced personnel to carry out the services. The Contractor shall always act in respect of any matter relating to this Contract or to the services as faithful adviser to the Client and shall at all times support and safeguard the Client's legitimate interests in any dealing with Subcontractors or third parties.

6. Non Performance

6.1 The following shall constitute non-performance of obligations by the Contractor or Subcontractors and shall attract a penalty equivalent to the inspection fees for the number of cases actually established by the Client, but without prejudice to the Client's other rights contained herein:

6.1.1 delays constituting 5% or more of the monthly inspections in:
   6.1.1.1 inspecting motor vehicles beyond five days
   6.1.1.2 issuing COR/NCR to the importer/exporter beyond four days
   6.1.1.3 transmitting COR/NCRs to the Client beyond one week from the date of inspection

6.2 Where the Contractor or its subcontractors issue a COR for a non-compliant motor vehicle it shall suffer a penalty of United States Dollars US$1,000.00 per motor vehicle. This clause shall not apply where the number of motor vehicles wrongly issued with CORs or NCRs constitute 2% or less of the motor vehicles inspected per month.

7. Law Governing Services

The Contractor shall perform the services in accordance with the applicable law currently in force in the jurisdiction in which the Services are performed and shall take all practicable steps to ensure that any subcontractors comply with the said Laws.

8. Remittance to the Client
The Contractor agrees and undertakes to remit to the Client the administration fees specified in Appendix C on a monthly basis on or before the 5th day of the subsequent month.

9. Conflict of Interest

9.1. The Contractor shall maintain procedures, for the duration of this contract to avoid conflict of interest. Provision of similar services by the Contractor to other governmental agencies or parties in other jurisdictions outside the Republic of Uganda shall not constitute conflict of interest.

9.2. Where the Contractor intends to offer similar services to parties in jurisdictions bordering the Republic of Uganda during the term of this contract, it shall consult the Client regarding documents and stickers to be issued.

10. Confidentiality

The Contractor, its Subcontractors and the Personnel of either of them shall not either during the term or within five (5) years after the expiration of this Contract, disclose any proprietary or confidential information relating to the Services, this Contract or the Client's business or operations without the prior written consent of the Client except where ordered to do so by a court of competent jurisdiction.

11. Liability of the Contractor

The Contractor shall be liable to the Client for the performance of the services in accordance with provisions of this contract and for any loss suffered by the Client as a result of a default by the Contractor in performance of its contractual obligations, subject to the following limitations:

11.1. The Contractor shall not be liable for any damage or injury caused by or arising out of the act, neglect, default or omission of any persons other than the Contractor, its Subcontractors, and the Personnel of either of them; and

11.2. The Contractor shall not be liable for any loss or damage caused by or arising out of circumstances over which the Contractor has no control.

11.3. The Contractor shall not be liable for a sum exceeding US$1,000.00 in respect of any claim of any nature whatsoever relating to the Services provided by the Contractor in connection with any particular motor vehicle.
11.4. The Contractor shall immediately if practicable attempt to remedy any damage caused to the Client, resulting from the performance and execution of its duties herein.

12. Indemnity
The Contractor and the Client shall hold one another innocent and indemnify one another against any claims made by any third parties for loss, damage or expense of whatever nature including reasonable legal expenses arising from the acts, neglect or omission of their personnel and/or subcontractors.

13. Insurance to be taken out by the Contractor
The Contractor shall take out and maintain, and shall cause any Subcontractor to take out and maintain, at its (or the Subcontractor's as the case may be) own cost appropriate insurance covers.

14. Accounting Inspection and Auditing
The Contractor:
14.1. Shall keep and shall cause each of its Subcontractors to keep accurate and systematic accounts and records in respect of the Services hereunder, in accordance with internationally accepted accounting principles and in such form and detail as will clearly identify all relevant charges and costs, and the bases thereof.

14.2. Shall permit the Client or its designated representative periodically, and up to one year from expiration or termination of this Contract, to inspect the same and make copies thereof as well as to have them audited by auditors appointed by the Client.

15. Reporting Document Obligations
The Contractor shall submit to the Client the reports as specified in Appendix B hereto in the form, in the numbers, and within the time periods set forth in the said Appendix.

16. Certain Documents Prepared by the Contractor to be the Property of the Client
Unless already in the public domain, all plans, specifications, reports, other documents (excluding software) prepared by the Contractor which relate specifically and solely to Services provided in connection with motor vehicles hereunder shall become and remain the property of the Client, and the Contractor shall, not later than fifteen (15) days upon termination or expiration of this Contract, deliver such documents to the Client, together with a detailed inventory thereof if so requested. The Contractor may retain a copy of such documents but shall not use these documents for purposes unrelated to this Contract without the prior
written approval of the Client. All software, forms, plans, specifications, reports and documents comprising part of the business records and system of the Contractor shall be and remain at all times the property of the Contractor.

17. Contractor's Personnel and Subcontractors

The Contractor shall employ and provide such qualified and experienced personnel and Subcontractors as are required to carry out the Services.
E. OBLIGATIONS OF THE CLIENT

1. Changes to the Standard
   The Client shall inform and consult with the contractor before making any changes to the Standard where such changes would alter in any respect the programme or the scope and ambit of the Contractor's obligations and shall provide the Contractor with 30 days' notice to implement any such change.

2. Services Affected by Change in Regulation
   Where changes in the Regulations increases the cost to the Contractor of providing the Services or reduces the revenue of the Contractor derived from the Services the Parties shall re-negotiate in good faith the provisions of this Contract that may be affected.

3. Transmission of Information and Documents
   The Client shall ensure that the Contractor promptly receives all regulations including import regulations and the data and/or hard and soft copies of all documents, including but not limited to import declarations, decisions or agreements, and which are required for the performance of the Services. Information, which is not required for the performance of the Services, which is confidential to the Client, and other relevant authorities of the Government, shall be released to the Contractor at the discretion of the Client.

4. Appeals
   The Client shall ensure that a suitable panel is established which will promptly respond to any appeals made against the Contractor's issuance or non-issuance of a COR or NCR. Such panel shall consist of the Client and other relevant authorities of the Government and the Contractor. While an appeal is being determined the importer may apply to have his/her motor vehicle released against a surety bond in order to avert storage and demurrage charges, which might otherwise accrue.

5. Audits
   The Client may schedule an audit every year to audit the Contractor's facilities in the, United Arab Emirates. The first audit may be held six (6) months after commencement of Service. The Client shall give one month prior notice to the Contractor when such subsequent audits will take place. Two officers appointed by the Client shall perform the audits.

5.1. The expenses for the audits shall be funded as follows:

5.1.1. Travel expenses from Uganda to UAE (return air tickets) to be met by the Client.
5.1.2. Boarding, subsistence and travel expenses within either UAE, during the inspection to be met by the Contractor.

5.1.3. The Client and the Contractor may agree on an alternative audit regime to that referred to herein, provided it does not impose any greater cost of compliance on the Contractor.

6. Exclusivity
The Client will not enter into any contract with any other party for the provision of services of a similar nature to the Services herein in respect of motor vehicles exported from UAE (whether or not transshipped from elsewhere) or from any other export country (in respect of which the Contractor advises upon mandatory request that it can offer Services) into Uganda at any time prior to the termination of this contract by the effluxion of time or by lawful termination in accordance with the provisions hereof.

F. PAYMENTS TO THE CONTRACTOR
1. Payment for the Services rendered by the Contractor shall be paid directly to the Contractor by the person or entity that requests the inspection services. The fees charged by the Contractor and the administration fees payable to the Client shall be as set out in Appendix C and shall be published in newspapers of wide circulation in Uganda, and the UAE. The Client shall meet the cost of publishing in Uganda while the Contractor will meet the cost of publishing in UAE. The Contractor shall be entitled to withhold any document or certificate or vehicle in the event of any fees due having not been paid in accordance with its requirements.

G. GOOD FAITH
1. The Parties undertake to act in good faith with respect of each other's rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.

H. OPERATION OF THE CONTRACT
1. The Parties recognize that it is impractical in this Contract to provide for every contingency which may arise during the life of the Contract, and the Parties hereby agree that it is their intention that this Contract shall operate fairly between them, and without detriment to the interest of either of them, and that, if during the term of this Contract either party believes that this Contract is operating unfairly, the Parties will use their best efforts to agree on such action as may be necessary to remove the cause or causes of such unfairness. A formal review of the operations shall if required by either Party take place annually by a committee.
constituted by the Parties.

I. SETTLEMENT OF DISPUTES

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

2. Any dispute between the Parties on 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 referred by either party to arbitration in accordance with the Laws of Uganda.

3. The Arbitral Tribunal shall be constituted by three arbitrators. Each Party shall appoint one arbitrator and the third arbitrator shall be appointed by the two arbitrators.

4. If the Parties fail to agree on the appointment of arbitrator(s) the arbitrator(s) shall be appointed by the Chairperson of the Uganda Dispute Resolution Service, on the request of the applying party.

5. The arbitration proceedings shall be held in Kampala.

6. The costs of arbitration shall be shared equally between the Parties.

J. The results of the negotiations meeting between UNBS and Jabal shall form part of this contract.
K. IN WITNESS WHEREOF the Parties hereto have caused this Contract to be executed the day and ye
first before written.

SEALED with the common seal of UGANDA NATIONAL BUREAU OF STANDARDS

Signed by ......................................................... Executive Director

In the presence of ................................................ Deputy Executive Director

this day of ............................................................

Duly executed by the Contractor Jabal Kilimanjaro Auto Elect Mech

by .................................................................

in the presence of ..........................................

this day of ............................................................
APPENDIX A
DETAILED DESCRIPTION OF THE VERIFICATION/INSPECTION PROCESS

1. Verification/Inspection

1.1. All used motor vehicles are subject to pre-export verification/inspection before shipment. The Inspecting Body (the Contractor) shall carry out such inspection at designated facilities in UAE.

1.2. The Exporter shall contact the Contractor; furnish the necessary documentation, which shall include the Log Book (whenever available) and schedule for the inspection. The Contractor may contact the exporter to co-ordinate the inspection and/or obtain additional information. Verification/inspection shall be scheduled within four (4) days of notification (unless the exporter prefers a different date). The payment mode and time shall at all times be as stipulated by the Contractor.

1.3. The exporter shall then deliver the motor vehicle to the inspection facility on the agreed day. The inspection shall be in accordance with Uganda Standard US 845:2008 ROAD VEHICLES – Code of practice for inspection and testing of used motor vehicles for roadworthiness. After the inspection, the exporter shall be notified of the outcome of the inspection and will be required to sign against the inspection report as an acknowledgment and thereafter subject to payment obligations imposed by the Contractor remove the vehicle from the inspection facility.

1.4. In case the motor vehicle is found to have some defects, and then the exporter is expected to rectify the defects and re-submit the vehicle for inspection. Re-inspection shall be chargeable at a fee not more than half the normal fee provided the motor vehicle is re-submitted within 14 days. Motor vehicles submitted for the third shall be charged the full fee.

1.5. Where all the necessary documentation has been furnished to the Contractor a COR/NCR should be issued within a maximum of three (3) working days of completing the inspection.

1.6. The COR/NCR shall be forwarded to the Exporter as a notification of the outcome of the verification and for onward transmission/forwarding to the Importer. It is the original COR that shall be used by the importer for Customs clearance and Registration. Details of every COR/NCR issued along with the data shall be transmitted electronically regularly to the Client.
1.7. Subsequently the Client shall forward the data to the entry points and other relevant authorities for authentication purposes.

1.8. This procedure may be modified from time to time in consultation with the Contractor and other stakeholders to achieve the primary aim of Standards compliance and trade facilitation.

1.9. The results of the negotiations meeting between Jabal and UNBS shall form part of the contract and are as below:
APPENDIX B
REPORTING REQUIREMENTS

1. Inspection Reporting Requirements
   1.1. Upon completion of each Inspection, the contractor shall, where the result are satisfactory in all respects to US 845:2008 issue a COR based on relevant documents and the inspection report. The COR is available to the exporter before the Motor Vehicle is shipped.

   1.2. Where the Inspection discloses any discrepancy or failure with respect to the mechanical condition, which is not in the opinion of the Contractor practically rectifiable before shipment, an NCR shall be issued.

   1.3. The Contractor will take due diligence in describing the motor vehicle, ensuring that a full description is provided. In case any clarification or addition information is to be provided, this will be done under remarks. The Contractor is encouraged to issue remarks whenever necessary.

2. Forms of Report
   2.1. The COR/NCR
       The Contractor shall provide CORs/NCRs in a format acceptable to the Client. A sticker for Vehicles found compliant shall be affixed to the windscreen indicating, “Inspected and Passed”

   2.2. Frequency of Reports
       The Contractor shall provide the following reports, in a format mutually agreed upon by the Client and the Contractor, within one month following the end of the period being reported upon:

       2.2.1. Monthly reports. Summary of the inspection activities for the month including total value by the country of origin the grand totals for the month together with a brief analysis.

       2.3. Ad hoc reports. These shall be submitted by the Contractor as the need arises or the Client requests them.

       2.3.1. Annual Review
       The Contractor shall provide, in a format to be agreed upon between the Parties, an annual report within one month from the anniversary of the starting dated of the Contract, and annually thereafter, providing summaries of the statistics referred to this Appendix, the inspection activities measures put in place to ensure efficient and effective service delivery.
APPENDIX C
FEES CHARGED AND PAID UNDER THE CONTRACT

1. Inspection Service Fee.
   The Contractor shall charge an inspection service fee of USD 125 plus tax per motor vehicle submitted for inspection. The inspection fees shall be charged to the party submitting the motor vehicle for inspection or its agent.

2. Administration Fee
   The Contractor shall pay to the Client an administration fee of US dollars Twenty (US$20.00) inclusive of all taxes and duties per motor vehicle submitted for inspection in either UAE.
APPENDIX D

Inspection Charges

- It was agreed that uniform inspection fees for used motor vehicles for PVoC services per vehicle shall be USD 125.
- It was agreed that royalty fees be paid on a monthly basis.
- The transfer fees shall be born by the provider, Jabal.
- Royalties shall be remitted in USD.
- It was agreed that every vehicle inspected, Jabal shall pay to UNBS USD20. The money shall be remitted to the UNBS account by the 10th day of the following month.

Inputs required from the providers.

- It was agreed that for purposes of information sharing Jabal shall link the UNBS website to their website.
- It was agreed that Jabal shall train UNBS officials in Japan or Uganda in PVoC activities. Training needs shall be be identified and training schedule shall be agreed upon.
- It was also agreed that Jabal shall provide technical back stopping whenever new issues that require their assistance arise.

Awareness campaigns for stake holders

- It was agreed that Jabal shall provide logistic support for public relations campaign which shall include holding seminars with stake holders.
- It was agreed that Jabal shall carry out awareness campaigns in UAE through the clearing agents and newspaper adverts.
- The committee agreed that Jabal shall support the road safety programme

Monitoring and evaluation

- It was agreed that monitoring and evaluation meeting shall take place every 3 months for the start but this could change to every 6 months later.

Audit issues

- It was agreed that annual audits of the program shall take place once every year; Jabal shall bear the costs of accommodation and inland travel for UNBS officials in UAE while

Earth Moving equipments

- It was noted that the standard for inspecting used motor vehicles does not cover earth moving equipment and motor bikes. However it was agreed that Jabal shall inspect on a case by case basis based on the agreed criteria to ascertain information on survey and the functionality of the earth moving equipment.
- Concerning the motorbikes, it was noted that most motor bikes are dismantled and exported in parts. Therefore it was a challenge for the company offering the inspection services to inspect motor bikes. Since there is no standard covering earth moving equipments and motor bikes, it was agreed that UNBS develops a standard for the same to facilitate this inspection.

Commencement of the programme

- The meeting noted that the program is most likely to start latest 1November 2009. This will depend on how fast the contract is drafted and the time it takes from the Solicitor General’s office.
RE: TENDER FOR PRE-EXPORT VERIFICATION FOR CONFORMITY OF VEHICLES

Please refer to the recently concluded contract for the above tender.

Complaints have reached this office regarding the unfairness of the allocation of operational zones in this tender, wherein a service provider based in Japan (EA Automobile Ltd) was allocated to inspect in Dubai, where he had not applied to inspect and where he has no operational base.

This is to direct you to cause a review of the above situation to enable a more fair and equitable service condition.

I suggest you allow them operate Four ports out of the twelve in Japan i.e Osaka, Nagoya, Yokohama and any other.
REQUEST TO CLEAR CONTRACT FOR PRE-EXPORT VERIFICATION FOR CONFORMITY OF VEHICLES

Reference is made to your letter dated 4th March 2010 under ref. BO/PROC/135 on the above subject.

We have studied the draft contract for the pre-export verification services for vehicles and advice as hereunder:

1) Refer to part C, clause 4 of the draft contract. It provides that modification or amendment of the terms and conditions of the contract including any modification or amendment of the scope of services may only be made by written agreement between the parties. Any modification or amendment hereof shall only be binding if it is made in writing and signed by each party.

2) Regulation 262 (1) of the PPDA regulations provides that "an amendment to a contract refers to the change in the terms and conditions of an awarded contract".

3) Regulation 262 (3) (a) of the PPDA Regulations provides that "a contract amendment shall not be issued to a provider prior to obtaining approval from the Contracts Committee and subsection (b) obtaining approval from other concerned bodies including the Attorney General, after obtaining the approval of the Contracts Committee.

In view of the foregoing provisions you are therefore advised to negotiate the proposed contract amendments with the three (3) firms with a view of getting their concurrence and thereafter obtain the necessary Contracts Committee approval as per regulation 262 (1) of the PPDA Regulations 2003.
We further advise that after this process is carried out, the amended contracts should be submitted to us for review and clearance.

P. Kabilje
FOR: SOLICITOR GENERAL
The Managing Director,
Japan Export Vehicle Inspection center Ltd,
4 Daikoku Futo, Tsurumi Ku,
Yokohama, Japan

RE: AMENDMENT CONTRACT FOR THE PROVISION OF PRE-EXPORT VERIFICATION OF CONFORMITY TO STANDARDS OF USED MOTOR VEHICLES TO UGANDA NATIONAL BUREAU OF STANDARDS (UNBS)

Reference is made to the above:

The Solicitor General in his letter dated 21st January 2010, of Ref: ADM/7/166/01 indicated that UNBS erred in awarding the contracts in the above procurement basing on regions/ lots when the bid document did not specify the regions / lots.

From the foregoing, UNBS was instructed by the Minister of Tourism, Trade and Industry to have new contracts entered into with all the three (3) firms that were evaluated as best bidders ie, Japan vehicle Inspection center Co. Ltd, East African Automobile Ltd and Jabal Kilimanjaro Auto Mechanic and Paints Company to operate all over the world without restriction.

The Minister’s directive was based on the rationale that providers in contracts of such nature should operate world wide without restriction. We are also mindful of clause E 6 of the contract which gives you exclusive rights to inspect in Japan, Singapore, United Kingdom and the rest of the world.

However, Part C, clause 5 of the contract provides for modification or amendment of the scope of services by written agreement between parties and it is in that respect that we request for your understanding and consent, so that the contract is amended accordingly.

We request for a response in respect to the above by 19th march 2010.

Yours faithfully,

UGANDA NATIONAL BUREAU OF STANDARDS

Hellen Wenera
BUREAU OF STANDARDS
PO BOX 5279, KAMPALA

For: EXECUTIVE DIRECTOR

Cc: Minister of Tourism, Trade & Industry

Annex 9
The Managing Director,
Japan Export Vehicle Inspection center Ltd,
4 Daikoku Futo, Tsurumi Ku,
Yokohama, Japan

The Director
East Africa Automobile Services Ltd
Nakata Building 101,
1-20-5 Rinkan, Yamato- City
Kanagawa 242-0003 Japan

The Director
Jabal Kilimanjaro Auto Mech
P.O Box 36107 Sharjah
UAE

RE: CONTRACT FOR PRE-EXPORT VERIFICATION SERVICES FOR MOTOR VEHICLES UNBS/CONS/08-09/0001/02

Reference is made to the above;

As you may recall in 2009, you participated in the procurement process for the provision of Pre- export verification services of used motor vehicles to Uganda in which you were evaluated as one of the three best evaluated bidders, (Japan Export Vehicle Inspection Centre Company Ltd (JEVIC), East Africa Automobile Services Ltd (EAA) and Jabal Kilimanjaro Auto Elech. Mech)

The above was followed by the signing of Contracts in September 2009, whereby JEVIC was contracted to perform the Services at locations in Japan, Singapore, United Kingdom and South Africa and any other origin as agreed by the parties except for United Arab Emirates. EAA and Jabal were contracted to perform the Services in United Arab Emirates.

Subsequently, EAA complained to the Ministry of Tourism, Trade and Industry (MTTI) about the manner in which the contract was awarded for the reason being that the bid document indicated that lots were not
applicable to the procurement and yet the award was in lots. This caused MTTI to seek the advice of the Solicitor General.

The Solicitor General in his letter dated 21st January 2010, of Ref: ADM/7/166/01 indicated that UNBS erred in awarding the contracts in the above procurement basing on regions/ lots when the bid document did not specify the regions / lots.

From the foregoing, UNBS was instructed by the Minister of Tourism, Trade and Industry to have new contracts entered into with all the three (3) firms that were evaluated as best bidders ie, Japan vehicle Inspection center Co. Ltd, East African Automobile Ltd and Jabal Kilimanjaro Auto Mechanic and Paints Company to operate all over the world without restriction.

The Minister’s directive was based on the rationale that providers in contracts of such nature should operate world wide without restriction.

The purpose of this letter therefore is to invite you to a meeting to find a way forward in regards to the above. The meeting will be held between the Minister of Tourism, Trade and Industry, the Permanent Secretary Ministry of Tourism, Trade and Industry, UNBS and all the three (3) providers at the Hon. Ministers’ office on 16th April 2010 at 02.30 pm.

Please indicate your confirmation to attend by the 30th /03/2010

Yours faithfully,

UGANDA NATIONAL BUREAU OF STANDARDS

Dr. Terry Kahuma
EXECUTIVE DIRECTOR

CC: Hon. Minister of Tourism, Trade & Industry

The Permanent Secretary, MTTI
The Managing Director,
Japan Export Vehicle Inspection center Ltd,
4 Daikoku Futo, Tsurumi Ku,
Yokohama, Japan

RE: INVITATION TO SIGNING OF THE AMENDED CONTRACT FOR THE
PROVISION OF PRE-EXPORT VERIFICATION OF CONFORMITY TO
STANDARDS OF USED MOTOR VEHICLES TO UGANDA NATIONAL
BUREAU OF STANDARDS (UNBS)

Reference is made to the above;

The Hon. Minister of Tourism, Trade and Industry presided over the
amendment of the existing contract so that all the three (3) firms that were
evaluated as best bidders ie, Japan Vehicle Inspection Center Co. Ltd, East
African Automobile Ltd and Jabal Kilimanjaro Auto Mechanic and Paints
Company operate all over the world without restriction.

The purpose of this letter therefore, is to inform you that this contract with
yourselves is ready for signing and you are accordingly requested to come
anytime next week for signing.

We have also attached the proposed contract and we also request that you
send your no objection to it

Yours faithfully,

UGANDA NATIONAL BUREAU OF STANDARDS

Dr. Terry Kahuma
EXECUTIVE DIRECTOR

Cc: Minister of Tourism, Trade & Industry
The Permanent Secretary, Ministry of Tourism Trade and Industry
Dr. Terry Kahuma  
Executive Director  
Uganda National Bureau Of Standards (UNBS)  
PO BOX 6329, Kampala  
Uganda  

Aaron Treadaway  
International Operations Manager  
Japan Export Vehicle Inspection Center Co. Ltd. (JEVIC)  
Yokohama  
Japan  

Dear Dr. Terry Kahuma,  

Reference: Amendment of Contract PVoC Used Vehicles Letter BO/PVoC/110  

This is to confirm receipt of the letter sent to JEVIC (scanned letter UNBS reference BO/PVoC/110 12th March 2010 Ms. Hellen Wenene) with regard to recent actions by the Uganda Solicitor General and Minister of Trade, Tourism and Industry.  

JEVIC will take the details of the letter under consideration at both a senior management and board level. Mr. Damon Jackson, our Managing Director, is however away on business returning to Japan on the 20th March 2010. JEVIC has a scheduled board meeting on the 25th March 2010 and expect to be able to formally reply to UNBS by the 26th March 2010.  

It is JEVIC’s intention to work with the Ministry and UNBS to find the best possible solution in order to protect the pathway and the Ugandan people. Meanwhile JEVIC formally request a copy of the mentioned letter written by the Solicitor General dated 21st Jan 2010 to UNBS.  

Kind regards  

Aaron Treadaway  
International Operations Manager  

For: Damon Jackson, Managing Director  

Cc: Hellen Wenene, Legal Counsel, UNBS
Dr Terry Kahuma  
Executive Director  
Uganda National Bureau of Standards  
P.O. Box 6329, Kampala, Uganda  
Telephone +256 414 505 995  
Facsimile +256 414 266 123  
Email unbs@infocom.co.ug

Damon Jackson  
Manager Director  
JEVIC Co Ltd  
Yokohama, Japan


Dr. Terry Kahuma

The JEVIC board convened on the 25th March 2010 at which time your letter dated 12th March 2010 Ref: BO/PVoc/100 was tabled and discussed.

Subsequently we have also received your letter dated 23rd March 2010 (received 25th March 2010) inviting JEVIC to attend a meeting on the 16th April 2010.

It is JEVIC’s intention to work with the Ministry and UNBS to find the best possible solution in order to protect the pathway and the interests of the Ugandan people as purchasers of imported vehicles.

We look forward to openly discussing the contractual arrangements in good faith.

We realize the importance of this meeting and do not wish to delay the proceedings, but unfortunately we have immovable prior commitments and humbly request a shift to the week following. Available dates for us are **Wednesday the 21st of April through to Friday the 23rd of April**. Any one of these days would be convenient for JEVIC or dates thereafter.

We also look forward to your advice of a convenient date for the meeting.

Kind regards

Damon Jackson  
Manager Director  
JEVIC Co Ltd

Cc: Hellen Wenene, Legal Counsel, UNBS
26 March 2010

Dr Terry Kahuma
Executive Director
Uganda National Bureau of Standards
P.O. Box 6329, Kampala, Uganda
Telephone +256 414 505 995
Facsimile +256 414 286 123
Email unbs@infocom.co.ug

Damon Jackson
Manager Director
JEVIC Co Ltd
Yokohama, Japan


Dr. Terry Kahuma,

We are extremely concerned to have heard that UNBS may have submitted a draft contract to East Africa Automobile Service Co., Ltd (*EAA*) and that it could be executed by UNBS on Monday.

If this is correct, then we will have no alternative but to take immediate legal action through the Ugandan Court to set aside that contract and claim substantial damages against UNBS.

We sincerely hope that this rumor is indeed untrue, and that UNBS will engage in dialogue with us prior to taking any action to grant a contract to EAA or any other entity.

For the sake of clarification of our position we have indicated that we are prepared to cooperate by entering into discussions with UNBS, as indicated yesterday.

However this must not be taken as an indication that we are prepared at this juncture to agree to a contract being awarded. That can only legally happen by agreement of both UNBS and JEVIC.

We also wish to present information to you that we believe will persuade UNBS that granting a contract to EAA is not in the public interest. These matters can be fully discussed if a meeting takes place, and hearing the information is essential to UNBS being able to make a properly informed decision as to whether it still wishes to proceed and seek our agreement to a contract being granted.

The way that this situation is being managed by UNBS is giving us very grave concerns, and we are also considering taking the matter up with the Ugandan Inspectorate General to investigate why it is occurring.
We also understand that the consent of the Solicitor General of Uganda would normally be required in these circumstances, and questionable that this has been obtained.

If UNBS does proceed and award a contract to EAA or any other entity without our discussion and agreement then we will need to review our decision to consult with you, as it would appear that in that case only assertive action through the Ugandan agencies referred to above would resolve the matter.

We strongly urge you to respond positively to this letter, and request your assurance that you will co-operate as requested.

If indeed the information is incorrect, then our apologies for having to address you in connection with it, and we look forward to meeting with you about the matter generally.

Kind regards

Damon Jackson
Manager Director
JEVIC Co Ltd

Cc: Hellen Wenene, Legal Counsel, UNBS
29th March 2010

Executive Director
Uganda National Bureau of Standards
Kampala

As you are aware, the contract for Inspection of Vehicles commenced in November 2009. However, since then, numerous complaints have been received by this office regarding the distribution of zones of inspection.

A company based in Japan was allocated to inspect in Dubai, UAE, without fairness and against proper procedure governing procurement regulations. Zones were not mentioned in the solicitation document, rendering the evaluation, contract award (in zones) and contract signing not based on law.

I therefore wrote to you to achieve a contract amendment, which has been frustrated by JEVIC, who we now find, is using facilities not belonging to him, thus rendering him unviable as an inspector of vehicles.

I will not look kindly at more than five(5) months delay to sort out this matter considering the implications of improper and faulty inspections and potentially adverse legal implications if the matter goes to court.

I therefore now direct you to sign the amended contract in which all bidders have a right to operate throughout the world. I am aware that the Solicitor General's Office has not yet cleared the contract, nor has JEVIC submitted no-objection or consent regarding the proposed amendments. I take political responsibility for this directive and will in time brief the Solicitor General and Cabinet.

The signing ceremony of this contract with all the bidders will take place on 29th March 2010 at 10.00 a.m. in my Office.

[Signature]
Kagende Otaiire
MINISTER
Monday, August 29, 2011

Dr Terry Kahuma  
Executive Director  
Uganda National Bureau of Standards  
P.O. Box 6329,  
Kampala,  
Uganda

Damon Jackson  
Managing Director  
Japan Export Vehicle Inspection Center Co. Ltd. (JEVIC)  
Yokohama  
Japan

Dear Dr. Kahuma,

Reference: Pre-Shipment Verification Of Conformity To Standards Of Used Vehicles Ref: UNBS/Cons/08-09/00001/02

I would like to bring back your attention to the PVoC Used Vehicle inspection program, and of JEVIC’s continual struggle to attain justice. JEVIC hold the only legitimate contract for the pre-shipment inspection of used vehicles originating in Japan, United Kingdom, Singapore and South Africa.

The subsequent contract that UNBS signed with East Africa Auto Mobile Service Co. Ltd. (EAA), providing access to Japan and an extended 5-year term, is both immoral and illegal.

JEVIC request that the contract between UNBS and EAA be dissolved, and JEVIC be compensated accordingly.

In review of the timeline as evidence of our claims;

In late 2008 JEVIC initiated its bid for the UNBS Pre-Shipment Verification Of Conformity To Standards Of Used Vehicles Ref: UNBS/Cons/08-09/00001/02.

Being successful, JEVIC received a Letter of Bid Acceptance (Ref: UNBS/PROC/00001/2) dated the 29/06/2009 which awarded the contract with “Special notes: JEVIC was recommended for the contract award to inspected used vehicles in Japan and the rest of the world except United Arab Emirates, while East Africa Auto Mobile Service Co. Ltd. and Jabal Kilimanjaro Auto Elect. Mechanic & Paints recommended for the Contract Award to inspect used Motor Vehicles in the United Arab Emirates Region.”
UNBS subsequently invited all parties for negotiations on 23rd July 2009, the contract was cleared by the Solicitor General’s Office (Ref: ADM/7/158/01) on the 24th August 2009 and was signed on the 1st September 2009. Public announcements were made by UNBS (Ref: BO/UNBS/083) on the 04-09-2009 as to the start of the inspections from the 1st November 2009.

JEVIC then received a letter from UNBS on the 5th November 2009 requesting that we enter into re-negotiation with UNBS (Ref: UNBS/PROC/83), to forestall any legal challenge from East Africa Auto Mobile Service Co. Ltd. (EAA) as they had complained the award had been unfair.

On the 26th November 2009 JEVIC replied to UNBS declining the offer to re-negotiate the signed contract.

In addition rejecting the assertion that the award to EAA for only Dubai was unfair, as JEVIC had been involved closely in the tender process and had observed a true and transparent procedure. EAA had claimed in its tender document that it had a presence in Dubai, and publically presented this during the Kampala sensitization seminars in October 2009. Therefore EAA got what it sort in its Tender Proposal.

UNBS then chose to unilaterally re-negotiate the contract with EAA, providing both access to Japan and extending the contract to a 5 year term. This was not cleared by the Solicitor General, as required under law.

This has disadvantaged JEVIC immensely with respect to;
- The legally binding contract between UNBS and JEVIC.
- Unfair procedures and process for one company.
- Removed market share, directly causing financial hardship.

JEVIC seeks to have this addressed immediately. Requesting that UNBS and the Government of Uganda dissolve the illegal contract signed between UNBS and EAA providing a 5-year term and access to Japan. In addition, providing pecuniary compensation for every vehicle that EAA inspected in Japan during this term.

Sincere regards

Damon Jackson
Managing Director
JEVIC

CC. Minister of Trade Industry and Cooperatives Honorable Amelia Kyambadde
2 September 2010

Hon Minister
Ministry of Finance, Planning and
Economic Development
Kampala

IMMEDIATE SUSPENSION OF PRE-SHIPMENT ROAD WORTHINESS
INSPECTION OF IMPORTED USED CARS

I have received a copy of the letter dated 25 August 2010 written to you by Mr Nelson Tugume, the National Chairman Uganda Motor Vehicle Importers and Dealers Association. In that letter, the Uganda Motor Vehicle Importers complained to you about the directive from Uganda National Bureau of Standards to subject all imported used cars to a pre-shipment road worthiness inspection scheme. They have stated several reasons why this directive disadvantages Uganda. I have attached a copy of the letter for ease of your reference.

I request you to brief me on that directive against the complaints raised by the motor vehicle importers. Brief me on your informed position on this matter by 30 September 2010.

[Signature]
Professor Apolo R Nsibambi
PRIME MINISTER

c.c. Hon Ministers of State, Ministry of Finance, Planning and Economic Development

c.c. Permanent Secretary/Secretary to the Treasury

c.c. Mr Nelson Tugume, National Chairman Uganda Motor Vehicle Importers and Dealers Association
enc
that it is premised on the principle of restitution in integrum. Damages are intended to restore the wronged party into the position he would have been in if there had been no breach of contract. Thus, in the case of employment for a fixed period which is not terminable, if there is no wrongful termination, the employee would serve the full period and receive the full remuneration for it. And in the case of the contract terminable on notice, if the termination provision is complied with, the employee would serve the stipulated notice period and receive remuneration for that period, or would be paid in lieu of the notice.

Although the case dealt with breach of an employment contract the principle of law restated therein, i.e., of restitution in integrum, is applicable generally to contracts that have fixed periods or termination clauses such as the one between the parties in this reference.

In summary, the claim in this Reference is partially allowed and the Claimant is hereby awarded:

1. Special damages for loss of income in the sum of ¥53,951,625 (fifty three million nine hundred and fifty one thousand six hundred and twenty six Japanese Yen) or USS $574,197.79 (five hundred and seventy four thousand one hundred and ninety seven United States Dollars and seventy nine cents);

2. General damages in the sum of USS 30,000 (thirty thousand United States Dollars).
3. Reimbursement of Ug.Shs.79,084,012/= (seventy nine million and eighty four thousand and twelve Uganda Shillings) being the Respondent's share of the costs of arbitration:

4. Half of the Claimant’s costs of the arbitration to be agreed between the parties within 30 days from the date hereof failing which to be taxed by the Tribunal as an Additional Award within a further 15 days therefrom.

DATED and delivered at Kampala this 6th day of July 2012.

__________________________  __________________________  __________________________
Patricia Basaza Wasswa      Didas Nkurunjiza         Christopher Bwanika
Member                     Chairperson                   Member
Monday, October 26, 2015
Ref.: UG261012015_01a

The Honourable Amelia Kyambadde,
Minister of Trade and Industry & Cooperatives
Farmers House, Parliament Avenue
Kampala
Uganda

Dear Madam,

RE: UNBS JEVIC ARBITRATION AWARD SETTLEMENT

May I refer to the above subject and first of all thank you for the keen effort and time so far expended by you at reaching a settlement in this matter.

We are on course as agreed to attend the upcoming meeting scheduled for the 29th of this month.

In the interest of abridging the negotiation process we thought it would be in order for us to share with you one of the proposal that if agreeable to may be able to settle this matter in a mutually beneficial manner particularly given the history of the matter.

As the Honourable Minister may know, JEVIC’s grievance which led to the reference to arbitration, stemmed from the unilateral alteration of a three year exclusive contract duly awarded to it after due process under the laws of Uganda, by the introduction of two additional service providers to offer similar services and thereby significantly compromise JEVIC’s benefits under the contract. JEVIC reluctantly invoked the arbitration procedure and the Arbitral Award given in 2012 and quantified in damages against UNBS has been the net effect.

Conversant with government process relating to procurement of funds JEVIC extended sufficient time to UNBS a to enable it see through this process. It was hoped by us that if these sums were not immediately available to UNBS, they would at least be budgeted into the ensuing fiscal budget and payment made to JEVIC. Three fiscal years down the road no payment has been forthcoming. Hence the recourse to enforcement.
JEVIC would like to propose that it will be willing to forego the Arbitral Award if the Government of Uganda read as UNBS were to enter into agreement to:

1. Extend JEVIC’s existing contract, in a single service provider capacity (exclusive), for a three-five year period beyond its expiry in June 2018; and also

2. JEVIC would in further consideration take on the existing obligations of UNBS to pay the Bailiff’s costs and Legal costs.

We are cognisant off the fact that the proposal as it is would require consultation among government agencies and as such thought it pertinent to run it by you ahead of the meeting.

Once again we reiterate our commitment to the programme and our continued support to it. As UNBS may attest, our commitment over the years has seen us provide support to the programme over and above what is contemplated under the contract. None of the other service providers has been forthcoming in that regard. Our extra-contractual support has included the provision of funding for sensitisation of the public and the car dealers and importers on the modalities and merits of the programme, the supply to UNBS of equipment such as computers and laptops, helping in the set up of functional operations of the program at the main boarder entry points etc.. We still remain committed in that regard.

We trust that with your wise counsel this proposal shall be given due consideration and assist in the resolution of the present detraction from the mutually beneficial inspection programme. We look forward to a fruitful meeting.

Sincere regards

Damon Jackson
President
JEVIC Co. Ltd.
Yokohama, Japan

CC. The Permanent Secretary, Ministry of Trade, Industry & Cooperatives.
CC. The Executive Director, UNBS
Annexes for NOC Report:

1. Letter from Delegation which travelled to Dubai & Japan

2. Letter from UNBS seeking clearance of the 3 contracts dated 14th Aug, 2000

3. Letter from the Solicitor General clearing the contracts
   - 2 contracts - JEVIC - 4
   - EAA - 5
   - Jabai Kilimanjaro - 6

4. Letter from the Minister about need to amend the contracts

5. Letter from the Solicitor General advising on draft proposed amendments to the contracts

6. Attempts to engage JEVIC to approve the amended contracts
   - JEVIC rejection & request for meeting with UNBS to resolve the matter

7. Letter from Jabai Kilimanjaro directing UNBS to sign the amended contracts

8. JEVIC objection to the amended contracts

9. Letter from PM to MFEPD to halt NOC Programme

10. Letter from Minister of Trade directing UNBS to sign the amended contracts

11. Copy of arbitral award

12. JEVIC proposal to settle arbitral award