

DELEGATION AGREEMENT
FOR MUNICIPAL
SLAUGHTERING FUNCTION

DELEGATION AGREEMENT

THIS AGREEMENT is made and executed on this _____ day of _____, 2012 by and between:

M/s Punjab Agriculture and Meat Company, (formerly M/s Lahore Meat Company) a Company owned by the Govt. of the Punjab & duly registered under Section 42 of the Companies Ordinance, 1984 having its registered office at Shaheen Complex, Egerton Road, Lahore. (Hereinafter referred to as the **“PAMCO”**, which expression shall, where the context permits, includes its successors-in-interest and permitted assigns)

AND

All Town Municipal Administrations in City District, Lahore, established under Section 50 of the Punjab Local Government Ordinance, 2001. (Hereinafter referred to as **“TMAs”** which expression shall, where the context permits, includes their successors-in-interest and permitted assigns)

AND

The City District Government, Lahore represented by the Administrator/DCO, in terms of Section 179-A of the PLGO, 2001 (Hereinafter referred to as **“CDGL”** which expression shall, where the context permits, includes their successors-in-interest and permitted assigns)

WHEREAS;

- i. According to section 54-A (P)(vi) of the Punjab Local Government Ordinance, 2001 (PLGO) the TMAs are mandated to manage, operate, maintain and improve the municipal infrastructure and services especially construction, management, operation, improvement and maintenance of slaughter houses and matters connected with or ancillary to the matters aforesaid; and
- ii. The TMAs under the Ordinance are duty bound to provide the municipal services in their respective jurisdiction to the general public. The authorities vest with the TMAs under this Ordinance is subject to the section 4 of the Ordinance, 2001.
- iii. The TMAs desire to improve the existing, unhygienic, manual system of providing hygienic slaughtering facilities so as fresh and healthy meat and meat products are provided to the public with economy, efficiency and effectiveness. In this regard for achieving the intended results in the area of provision of slaughtering and other allied services and facilities. Keeping, inter

alia, in view, the Chief Executive of the Province has been pleased to order formation and incorporation of PAMCO, formerly known as Lahore Meat Company, with the mandate and for the purposes specified in the relevant documents relating to formation and incorporation of the Company: and

- iv. In compliance with orders of the Chief Executive of the Province, the said PAMCO has been formed and incorporated for the purposes of ,inter alia, construction, management and operation of new slaughter houses and control, operation and management of existing slaughter houses initially within the territorial limits of the Lahore District on and provision of services and performance of functions reasonably related to the objectives of the PAMCO; and
- v. The Government of the Punjab has provided, and has committed to continue to provide, resources to enable the PAMCO to achieve its objectives and the Company has taken actions and intends to undertake further activities, operations, projects and programmes to ensure provision of slaughtering and other allied services and facilities of generally-accepted international standards and to adopt such policies which may make the Company financially self-sustaining to the extent possible; and
- vi. Under the provisions of PLGO, the TMAs are corporate bodies which are authorized to perform their functions either through their officers and servants and persons working on their behalf or through other entities by means of contractual arrangements ; and
- vii. According to section 54-A (P)(vi) of the PLGO, the TMAs have certain functions in respect of slaughter houses but lack adequate organizational capability to satisfactorily perform those functions and they deem it expedient and as provided in section 54 (2) in the public interest the TMA exclusively entrust those functions to the PAMCO to achieve efficiency, economy and effectiveness in performance of those functions;
- viii. The parties being public sector entities mutually agree to invite public objections / suggestions under the provisions of PLGO 2001 and incorporate the same in agreement. This agreement will be deemed final if no objections / suggestions are received within 15 days of the publication of notice to public. In case there are objections / suggestions, parties shall review the objections and may review the agreement; and
- ix. The enforcement mechanism shall remain with the functionaries of the CDGL and the TMAs as provide in PLGO in respect to enforcement of applicable laws regarding slaughtering and other services and proper performance of those enforcement functions is materially relevant for achievement of intended results by the Company; and

NOW, THEREFORE, all TMAs in the City District, Lahore (represented by their respective Administrators appointed under Section 179-A of the PLGO, 2001) and the PAMCO (represented by its Managing Director/Chief Executive Officer on

behalf of its Board of Directors), in order to synergize their efforts to give effect to the policy of the Chief Executive of the Province as expressed in the constituent documents of the company regarding construction, management, regulation and control of slaughter houses to produce quality meat for export or domestic consumption, have decided to enter into this Agreement today on this _____ day of _____, 2012 on the terms and conditions specified and agreed herein below.

1. **DEFINITIONS:**

- a. **PLGO** means the Punjab Local Government Ordinance, 2001.
- b. **Agreement** means this Delegation Agreement for the Municipal Slaughtering function.
- c. **Town Local Fund** means the fund established under Section 107 of the PLGO, 2001.
- d. **CDGL** means the City District Government, Lahore.
- e. **TMA** means the Town Municipal Administration.
- f. **ALLIED SERVICES** means
- g. **PAMCO** or the **Company** means the Punjab Agriculture and Meat Company (formerly Lahore Meat Company Owned by Government of the Punjab).

2. **EXCLUSIVE ENTRUSTMENT OF FUNCTIONS AND RESPONSIBILITIES OF THE PAMCO:**

On coming into force of this contract, the following functions of the TMAs in the City District, Lahore shall stand exclusively entrusted to the Company and shall accordingly be performed or arranged to be performed by the Company and the TMAs shall not continue to perform or engage others to perform these functions on their behalf;

- a. managing, regulating, monitoring and controlling procedures, processes, actions, activities, facilities, operations, schemes, plans, programmes directly or indirectly related to slaughtering and other allied services and facilities;
- b. expansion, increase, enhancement, improvement in existing organizational capability for slaughtering and other allied services and facilities including but not limited to provision of slaughtered animals to whole-sale markets;
- c. introduction of new schemes, plans, programmes, operations, activities, actions, operations, procedures, processes for slaughtering and other allied services and facilities and making and executing decisions to downsize or discontinue schemes, plans, programmes, operations, activities, actions, operations, procedures, processes for slaughtering and other allied services and facilities;

- d. taking all such steps are deemed necessary and expedient by the Company for satisfactory provision of slaughtering and other allied services and facilities in order to provide fresh and healthy meat and also quality meat products to the public and for export.
- e. promoting public awareness of importance of properly-managed slaughtering and allied services and facilities and initiating, carrying out or supporting, by financial means or otherwise, research which, in the opinion of the Company, is relevant to any of the functions assigned to it;
- f. proposing general standards, guidelines and codes of practice relating to slaughtering and other allied services and facilities and suggesting compliance-mechanisms and reporting requirements for enforcement authority for prosecution of offenders;
- g. performing all other functions which are connected with or ancillary to the aforesaid functions or which are necessary for performance of the functions assigned to the Company;

3. **FUNCTIONS AND RESPONSIBILITIES OF TMAs:**

- a. Notwithstanding exclusive entrustment of functions and responsibilities to the PAMCO by the TMAs regarding slaughtering and other allied services and facilities, the TMAs shall continue to perform their enforcement functions for curbing illegal slaughtering as prescribed in or under the relevant laws. Without prejudice to the functions and powers of the functionaries of the TMAs regarding enforcement in areas of slaughtering and other allied services and facilities, the TMAs shall undertake specific enforcement actions or campaigns as and when the Company so requires.
- b. Pending court cases and court cases regarding past transactions relating to slaughtering and other allied services and facilities brought to litigation after the commencing day, shall be the responsibility of the TMAs.
- c. In all such cases where the TMAs and the Company are jointly made parties as defendants, both the parties engage their counsels on their own expense.

4. **ENFORCEMENT OF LAWS BY CDGL:**

The enforcement functions of the functionaries of the CDGL in respect of slaughtering and other allied matters shall be performed in accordance with

law and the Company shall have authority to require those functionaries to take such legal and enforcement actions as the Company may, from time to time, point out.

5. **TERRITORIAL JURISDICTION:**

PAMCO shall provide all slaughtering services agreed under this agreement in the areas falling within jurisdiction of City District Govt. Lahore.

6. **COLLECTION OF RECEIPTS:**

i. On account of services provided by PAMCO under this Agreement monies collected from fees and user charges leviable in connection with slaughtering and other allied services and facilities shall be credited to the Town Local Fund of the respective TMAs in the prescribed manner.

ii. Monies not less than monies shown in collected receipts, on account of fees and user charges leviable in connection with slaughtering and other allied services and facilities shall be transferred to the PAMCO in monthly instalments through issuance of cheques, upon submission of simple receipt form by the PAMCO to the Town Accounts Officers. Amounts not less than amounts shown in collected receipts on account of fees and user charges leviable in connection with slaughtering and other allied services and facilities shall be budgeted for transfer to the PAMCO under object "Transfer Payment" subject to the approval of the competent authority.

iii. The TMAs and the PAMCO shall carryout reconciliation of figures of receipts realized during a quarter and the budgeted amounts to be transferred during the ensuing quarter shall be readjusted on the basis of actual collection as ascertained through such reconciliation.

7. **TERM OF AGREEMENT:**

The currency of this Agreement is twenty years reckonable from the date of commencement which is extendable. Date of signing of this Agreement shall be the date of commencement of this Agreement.

8. **DISPUTE RESOLUTION:**

Any dispute or difference arising out of this Agreement shall be referred to the Secretary to the Government of the Punjab, Local Government and Community Development Department who shall act as sole arbitrator in respect of that dispute and will deliver an award not later than thirty days of receipt of reference from any party to this Agreement or jointly from more than one parties. The award of the arbitrator shall be final and binding for the parties.

9. **FORCE MAJURE:**

Neither Party shall be liable for any failure or delay in performance of his obligations under this Agreement which is caused by circumstances beyond the control of the Parties e.g. emergency, war, civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, nationalization, requisition, change of law and prohibitive governmental regulations.

10. **INDEMNIFICATION:**

The PAMCO agrees to indemnify the TMAs, its officers, agents and employees against, and will hold and save them and each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities that may be asserted or claimed by any entity arising out of or in connection with negligent performance of work, operations or activities of the PAMCO, its agents, employees, sub Contractors, or invitees, or arising from negligent acts or omissions of the PAMCO, or arising from the PAMCO's negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement but excluding such claims or liabilities arising from negligence or wilful misconduct of the TMAs, its officers, agents or employees and environmental liabilities of completed or on-going solid waste management activities initiated by the TMAs. The PAMCO will defend any action or actions filed in connection with any of the said claims or liabilities and will pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith.

11. **AMENDMENT IN AGREEMENT:**

- i. This Agreement may be amended at any time by the mutual consent of the Parties by an instrument in writing signed by duly authorized representatives of the Parties. During first year of agreement the parties shall meet on quarterly basis to review and refine the agreement in better public interest.
- ii. Either party to this Agreement shall, at the request and expenses of the other Party, execute and do any acts, deeds or other things reasonably necessary to carry out the purposes and provisions of this Agreement or to make it easier to enforce.

12. **BREACH OF AGREEMENT:**

A breach of this Agreement will be a material breach by either Party of its obligations under this Agreement. The aggrieved Party may, through a notice in writing, require the other party to perform its obligations under this Agreement within such reasonable period as may be specified in the said notice and if the breach still persists, refer the issue to the sole arbitrator for action in accordance with Clause 8 of this Agreement. The sole arbitrator shall, besides deciding the issues referred to him, also determine the quantum of loss caused by the defaulting party through breach of this Agreement to the aggrieved party and shall set aside that loss through imposition of penalty on the defaulting party which shall be payable to the aggrieved party.

13. **REMOVAL OF DIFFICULTIES:**

- i. If a part of this Agreement is declared invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the Parties to this Agreement unless the invalid provision is so material that its invalidity deprives either Party of the basic benefit of their bargain or renders this Agreement meaningless.
- ii. For removal of difficulties, as may arise from time to time in implementation of this Agreement, the Town Nazims/Administrators/Successors concerned and the Managing Director of the PAMCO may take measures as deemed appropriate for implementation of this Agreement.

14. **NOTICES:**

Any notice to be given under this Agreement shall be in writing and shall be sent by air mail, or by facsimile, to the address of the other Party or to the relevant facsimile number, or such other address or facsimile number as that Party may from time to time notify to the other Party. Notices sent as above shall be deemed to have been received two working days after the date of posting (in case of air mail), or on the next working day after transmission (in the case of facsimile messages, but only if a transmission report is generated by the sender's facsimile machine recording a message from the recipient's facsimile machine, confirming that the facsimile was sent to the number indicated therein and confirming that all pages were successfully transmitted). In proving service of a notice, it shall be sufficient to prove that the envelope containing the notice was properly addressed and posted, or that the applicable means of telecommunication was addressed and dispatched and dispatch of the transmission was confirmed or acknowledged as the case may be.

15. **TERMINATION OF AGREEMENT:**

- i. This Agreement may be terminated by either party, with prior written orders of the Chief Executive of the Province, by issuing a show-cause notice to the other party on grounds of breach of duties as agreed in this Agreement, material illegalities, unsatisfactory performance, massive frauds and misappropriations, at least 90 days prior to the date specified in the said show-cause notice.
- ii. The Chief Executive of the Province may also before issuing any written order refer the matter to any other government authority/agency or administrative department for giving its recommendations after hearing the concerned parties and, on receipt of its recommendations, may set aside the show-cause notice or issue orders as he may deem appropriate.

16. **SUCCESSOR-IN-INTEREST:**

In case of termination of this Agreement or winding up of the PAMCO, the Secretary Local Government and Community Development Department of the Government of the Punjab shall determine and pass appropriate orders for the successor-in-interest in respect of this Agreement lawfully executed by the PAMCO for slaughtering and other allied services and facilities and all assets held and liabilities lawfully incurred in consequence of this Agreement.

IN WITNESS WHEREOF, the Parties have, through their authorized representatives, executed and entered into this Agreement on the date first above-written;

For and on Behalf of CDGL
Administrator/DCO Lahore

For and on Behalf of PAMCO,
MANAGING DIRECTOR

ADMINISTRATOR
Data Gunj Bukhsh Town

ADMINISTRATOR
Gulberg Town

ADMINISTRATOR
Ravi Town

ADMINISTRATOR
Allam Iqbal Town

ADMINISTRATOR
Aziz Bhatti Town

ADMINISTRATOR
Wahga Town

ADMINISTRATOR
Nishtar Town

ADMINISTRATOR
Saman Abad Town

ADMINISTRATOR
Shalamar Town

WITNESSES:

1. _____

2. _____