



GHANA FIRST COMPANY LTD

PRESS RELEASE

29th SEPTEMBER, 2020

ALL MEDIA HOUSES

DISCLAIMER: GHANA FIRST COMPANY DOES NOT OWE ANY CONTRACTOR:

The attention of Ghana First Company Limited has been drawn to a media briefing which was held on Tuesday, 29th September, 2020 at the CLOGSSAG building in Adum opposite the Maranatha Evangelical Ministries by a group of contractors parading under the name New World Contractors Association of Ghana who claim that Ghana First Company Limited owes them some quantum of money according to the CONTRACT AGREEMENT they claim to have with them

We hereby state emphatically that Ghana First Company Limited does not know any Association by name New World Contractors Association and has no contract with this purported association.

THE FACT

Ghana First Company Limited is by this release notifying the media and the Ghanaian public at large that

1. Considering the appalling insanitary conditions that cuts across the entire country, Ghana First Company Limited resolved to help address the problem of open defecation in the country by providing ultra-modern basic sanitation facilities comprising toilets, urinals and bathrooms at vantage places like lorry stations, markets places, parks, beaches, along the streets within the cities and towns and along the highways connecting the cities and towns, in all communities with emphasis on the deprived communities in all the Assemblies of Ghana under the theme CLEAN GHANA SANITATION PROJECT..
2. The Ministry of Sanitation and Water Resources, having subjected the facility to technical and financial reviews and finding the facility appropriate issued a LETTER OF SUPPORT AND A LETTER OF INTRODUCTION to stakeholders to accord Ghana First Company Limited the necessary courtesies towards facilitating the project which has the

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potential of reducing open defecation in the country and create jobs for the teeming unemployed youth

3. The Ministry of Local Government and Rural Development followed with a letter of introduction to the MMDAs to enable Ghana First Company Limited engage the MMDAs in a Public Private Partnership (PPP) arrangement.
4. Ghana First Company Limited subsequently entered into a PPP agreement for 30 years with the MMDAs to provide lands for the project which is the MMDAs 10% Equity in the project with Ghana First Company Limited owning 90% Equity.
5. The lands so provided by the MMDAs shall be self-acquired land with title, right and or interest vested in project owner who is authorised to use the land to secure funding only for the project. Clause 3 ii of the contract agreement between Ghana First Company and the MMDAs
6. Since the lands provided by the MMDAs at the inception of the project had no title deeds, the MMDAs gave an undertaking to provide the title deeds within 4 months to enable Ghana First Company Limited use the lands provided as collateral to secure funds for the project.
7. As at date today, 30th September 2020 none of the MMDAs has submitted the title deeds.
8. Ghana First Company Limited then went into a contract agreement with individual contractors to execute the project on Turn Key basis.
9. That the contract agreement executed between the contractors and Ghana First Company Limited required the contractors to complete the projects within 90 days (3 months) commencing from the date of the execution of the contract which is clearly specified in (clause 5 ii).
10. The contract agreement clearly classifies the projects as **Turn Key Projects** and that the contractors shall be paid only upon the full completion and hand over of the entire project to Ghana First Company Limited. You may make reference to Clause 5 iv of the contract document.
11. The contractors have misinterpreted Clause 39.1 of the General conditions of the contract which Ghana First Company Limited has repeatedly explained to them on countless occasions and in the media
12. Clause 39.1 of the General Conditions of the Contract (at page 17) must not be misconstrued as an agreement for Ghana First Company Limited to do midterm payments to any contractor.

13. Moreover the 60% relief in the contract (clause 39 of the general conditions of the contract) is on the **quantum sum** of the project. The payment of that amount which is the final sum to be paid for the project, may be made only after full completion of the project when all variations have been computed and may be exercised only by Ghana First Company Limited during the 3 months period of processing for payment and not that of the contractor.
14. There is no part of the contract document which stipulates that Ghana First Company Limited is under any obligation to provide the contractor with any funds at 60% completion of the project.
15. Besides, there is no agreement between the project manager and approved by the Chief Executive Officer of Ghana First Company Limited that 60% completion means roofing and plastering the structures as claimed by the contractors
16. What is more, the issuance of the interim certificate came about when the contractors started agitating that they had attained 60% completion stage of the project and therefore started demanding payment at that stage which was clearly contrary to the terms and condition of the contract between Ghana First Company Limited and the contractors.
17. It was therefore to verify those claims by the contractors that they had attained 60% completion of the project that the Chief Executive Officer of Ghana First Company Limited exercised his discretion for the preparation and issuance of the interim certificate to verify those claims by the contractors.
18. This was also to enable both parties to ascertain the actual stage of the completion of the project.
19. It was during the issuance of that mid-term certificate that the contractors pleaded with Ghana First Company Limited to come to their aid in completing their projects as they claimed to be in financial distress hence the decision by Ghana First Company Limited to provide those financial assistance.
20. Ghana First Company Limited has however since revoked the mid-term certificate due to the fact that the contractors took undue advantage of it as if it formed part and

parcel of the contractual agreement between Ghana First Company Limited and the contractors which was not the case.

21. Indeed after the said revocation every contractor was duly notified and were asked by Ghana First Company Limited to proceed to site and complete the project in accordance with the terms and conditions of the contract.
22. As it stands now, the contractors have abandoned the project for more than 28 continuous days without prior notice to Ghana First Company Limited and have therefore fundamentally breached the contract as per Clause 5 (xi) and 52(2)(a) of the contractual document.
23. The schedule of work submitted to us do not warrant any break in construction.
24. Ghana First Company Limited and for that matter its project Manager on the other hand has not notified any contractor of any schedule of other contractors or deployment of sub-contractors or issued any instructions to the contractors that will necessitate a break in construction or to delay the progress for you to take advantage of Clause 52(2)(b)
25. Since there is no provision in the Contract Agreement between the contractors and Ghana First Company Limited for any midterm payment, their reliance on Clause 39.1 for mid-term payment and their current agitations is not in the spirit of the contract.
26. The contractors have egregiously breached the terms of the contract and yet rather seek to benefit from the said breaches as stated in clause 52(2) of the General Conditions of the Contract.
27. Ghana Government has no contract with the contractors to warrant demands from the Government for payment
28. We further advise the contractors to be mindful of the following Clauses in the Agreement which states that:
 - 5xi. That in the event of the Contractor abandoning the project for any period of 28 continuous days without prior notice to the Employer, the contract shall stand abrogated and the cost of the abandonment including any delay occasioned to the project thereby shall be surcharged the Contractor.

5xii. Further to clause 5 sub xi, on the occurrence of either the said abandonment and or delay arising from the Contractor leaving some skeletal workers not being its full capacity of workers required for the project within the said 28 days period, **the contract shall not only stand abrogated but any investment made by the Contractor within this period shall be forfeited.**

29. As at 29th September, 2020, no contractor has completed any of the project and has handed over the project for payment

30. In that regards, the contractors' purported class action is of no legal moments or significance.

31. From the foregoing, Ghana First Company Limited had never breached any fundamental terms of the contract and therefore does not owe any contractor as at today 30th September 2020

We remind the contractors that Ghana First Company Limited is being guided by the contractual agreement between us and will respect our contractual obligation accordingly upon full completion of the project.

We would be grateful if the contractors do same and be law abiding and proceed to site for full completion of the project after which payment will be made.

We entreat the media and all Ghanaian public to visit our website for full details of all contract agreements and all documents pertaining to the project

Web site; www.ghanafirstcompany.com

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