

E-5 (Revised and Enlarged)

PROCUREMENT OF GOODS
UNDER
SHOPPING PROCEDURES

*(For Contracts valued more than the
equivalent of US \$ 30,000 and less than
US \$100,000 each)*

**INVITATION FOR QUOTATIONS FOR SUPPLY OF
GOODS UNDER SHOPPING PROCEDURES**

To

Dear Sirs,

Sub: INVITATION FOR QUOTATIONS FOR SUPPLY OF

1. You are invited to submit your most competitive quotation for the supply of following goods:-

Brief Description of the Goods	Specifications*	Quantity	Delivery Period	Place of Delivery	Installation Requirement if any
As given in the list	As attached	As given in the technical specification.	45 days	NCSCM, Anna University Campus, Chennai 25	Required

* Where ISI certification marked goods are available in market, procurement should generally be limited to goods with those or equivalent marking only.

2. Government of India has received a credit from the International Development Association (IDA) in various currencies towards the cost of the _ICZM Project and intends to apply part of the proceeds of this credit to eligible payments under the contract for which this invitation for quotations is issued.
3. To assist you in the preparation and submission of your quotation, we are enclosing the Bid Document.
4. You are requested to provide your offer latest by **10.00** hours on **05.08.2014** .
5. Quotations will be opened in the presence of the Bidders or their authorized representatives who choose to attend at **10.30** hours on **05.08.2014** in the office of NCSCM, Chennai.
We look forward to receiving your quotations and thank you for your interest in this Project.

(Purchaser)

Name: Director, NCSCM.

Address: Koodal Bilding, Anna University
Campus , Chennai

Tel. No. 044 22200159

Fax No. 044 22200158

Instructions to Bidders

A. General

1. Eligible Goods and Services

- 1.1 All goods and ancillary services to be supplied under the Contract shall have their origin in eligible source countries, defined in the IBRD Guidelines for Procurement and all expenditures made under the Contract will be limited to such goods and services.

2. Cost of submission of Quotations:

- 2.1 The Bidder shall bear all costs associated with the preparation and submission of its quotation, and NCSCM, hereinafter referred to as "the Purchaser", will in no case be responsible or liable for these costs, regardless of the conduct or outcome of the bidding process.

B. The Bidding Documents

3. Content of Bidding Document:

- 3.1 The goods required, bidding procedures and contract terms are prescribed in the bidding documents. In addition to the Invitation for Bids, the bidding documents include:

- (a) Instruction to Bidders (ITB) ;
- (b) Schedule of Requirements;
- (c) Technical Specifications;
- (d) Quotation Form and Price Schedules;
- (e) Contract Form;
- (f) Conditions of Contract
- (g) Performance Security Form;
- (h) Performance Statement Form;
- (i) Bid securing declaration

- 3.2 The Bidder is expected to examine all instructions, forms, terms, and specifications in the bidding documents. Failure to furnish all information required by the bidding documents or submission of a quotation not substantially responsive to the bidding documents in every respect will be at the Bidder's risk and may result in rejection of its quotation.

C. Preparation of Quotations

4. Documents Constituting the Quotation:

- 4.1 The quotation prepared by the Bidder shall comprise the following components:

- (a) The completed Quotation Form , Bid securing declaration and Price Schedule;
- (b) Documentary evidence established in accordance with ITB Clause 8 that the Bidder is eligible to quote and is qualified to perform the contract if its quotation is accepted;

5. Quotation Form

5.1 The Bidder shall complete the Quotation Form and the Price Schedule furnished in the bidding documents, indicating the goods to be supplied, a brief description of the goods, and their country of origin, quantity and prices.

6. Bid Prices:

6.1 The Bidder shall indicate on the Price Schedule the unit prices and total bid prices (**in Indian Rupees**) of the goods it proposes to supply under the Contract. To this end, the Bidders are allowed the option to submit the bids for any one or more items specified in the 'Schedule of Requirements' However, Bidders shall quote for the complete requirement of goods and services specified under each item on a single responsibility basis, failing which such bids will not be taken into account for evaluation and will not be considered for award.

6.2 Prices indicated on the Price Schedule shall be entered separately in the following manner:

- (i) The price of the goods, quoted delivered to the consignee including all duties and sales and other taxes already paid or payable;
- (ii) Any sales and other taxes which will be payable on the goods if this Contract is awarded; and
- (iii) The price of other incidental services listed in Clause of Conditions of Contract.

6.3 Prices quoted by the Bidder shall be fixed during the Bidder's performance of the Contract and not subject to variation on any account. A quotation submitted with an adjustable price will be treated as non-responsive and rejected.

7. Bid-Securing Declaration

The Bidder shall furnish as part of its bid, a Bid-Securing Declaration, as per form provided in the bidding document.

7.1 Any bid not accompanied by a substantially responsive Bid Securing Declaration shall be rejected by the Purchaser as non-responsive.

7.2 The Bid Securing Declaration may be executed and the Bidder may be disqualified to be awarded a contract by the Purchaser for 3 years .

(a) if a Bidder withdraws its bid during the period of bid validity specified by the Bidder on the Bid Submission Form; or

(b) if the successful Bidder fails to:

i. sign the Contract; or

ii. furnish a Performance Security

8. Documents Establishing Bidder's Eligibility and Qualifications:

8.1 The Bidder shall furnish, as part of its quotation, following documents to establish the Bidder's eligibility to quote and its qualifications to perform the Contract if its quotation is accepted.

(a) Bidder is manufacturer/agent authorized by the manufacturer/Authorized dealer;

(b) The legal status, place of registration, place of business of the company, or firm or partnership;

(c) In case of manufacturer:

(i) Details of Manufacturing unit;

- (ii) Copy of Manufacturing license duly renewed up to date;
- (iii) Copy of Capacity installation certificate;
- (d) In case of agent Manufacturer's authorization to submit quotation on his behalf;
- (e) In case of authorized dealer, Manufacturer's authorization for the goods for which quotation is being submitted;
- (f) Copy of Annual turnover statement for preceding three years namely (2010-11 to 2012-13);
- (g) Copies of balance sheet of profit and loss account for preceding three years, namely (2010-11 to 2012-13);
- (h) Copy of Registration with Commercial Tax Authorities and TAN number;
- (i) PAN number with self attested copy of PAN;
- (j) Details of experience and past performance of the bidder on equipment offered and those of similar nature during the past three years namely (2010-11 to 2012-13) in the format attached;
- (k) Details of current contracts/commitments on hand in the format attached;
- (l) Certificate of origin of the equipment offered;

9. Documents Establishing Goods' Conformity to Bidding Documents

- 9.1 The documentary evidence of conformity of the goods and services to the bidding documents may be in the form of literature, drawings and data, and shall consist of:
- (a) a detailed description of the essential technical and performance characteristics of the goods
 - (b) a list giving full particulars, including available sources and current prices, of spare parts, special tools, etc., necessary for the proper and continuing functioning of the goods for a period of two years, following commencement of the use of the goods by the Purchaser; and
 - (c) an item-by-item commentary on the Purchaser's Technical Specifications demonstrating substantial responsiveness of the goods and services to those specifications or a statement of deviations and exceptions to the provisions of the Technical Specifications.

10. Period of Validity of Bids

- 10.1 Bids shall remain valid for 60 days after the deadline for submission of quotations prescribed by the Purchaser, A bid valid for a shorter period shall be rejected by the Purchaser as non-responsive. In exceptional circumstances, the Purchaser may solicit the Bidder's consent to an extension of the period of validity. The request and the responses thereto shall be made in writing (or by cable or e-mail or fax). A Bidder granting the request will not be required nor permitted to modify its bid.

11. Format and Signing of Bid

- 11.1 The Bidder shall prepare one copy of the quotation. The quotation shall be typed or written in indelible ink and shall be signed by the Bidder to bind the Bidder to the Contract. All pages of the bid, except for unamended printed literature, shall be initialed by the person signing the quotation. Any interlineations, erasures or overwriting shall be valid only if they are initialed by the persons signing the quotation

D. Submission of Quotation

12. Sealing and marking of quotation:

12.1 The Bidders shall seal the quotation. The envelope containing the quotation shall:

(a) be addressed to the Purchaser at the following address:

(b) bear the Project Name, the Invitation for Quotations (IFQ) title and number, and a statement "Do not open before 10.30 hours on 05.08.2014."

12.2 The envelopes shall also indicate the name and address of the Bidder to enable the quotation to be returned unopened in case it is declared "late".

12.3 If the envelope is not sealed and marked as required by ITB Clause 11.1, the Purchaser will assume no responsibility for the Quotation's misplacement or premature opening.

12.4 E-mail, cable or facsimile bids will be rejected.

13. Deadline for Submission of Quotations

13.1 Quotations must be received by the Purchaser at the address specified under ITB Clause 11.1 (a) no later than the time and date specified in the Invitation for Quotations (Section I). In the event of the specified date for the submission of Bids being declared a holiday for the Purchaser, the Bids will be received up to the appointed time on the next working day.

13.2 The Purchaser may, at its discretion, extend this deadline for submission of quotations by amending the bid documents, in which case all rights and obligations of the Purchaser and Bidders previously subject to the deadline will thereafter be subject to the deadline as extended.

14. Late Bids

14.1 Any quotation received by the Purchaser after (as per Purchaser's clock) the deadline for submission of quotations prescribed by the Purchaser, will be rejected and/or returned unopened to the Bidder.

E. Opening and Evaluation of Quotations

15. Opening of Quotations by the Purchaser

15.1 The Purchaser will open all quotations, in the presence of Bidders' representatives who choose to attend, at 10.30 hours on 05.08.2014 and in the following location:

The Bidders' representatives who are present shall sign a register evidencing their attendance. In the event of the specified date of Quotation opening being declared a holiday for the Purchaser, the Quotations shall be opened at the appointed time and location on the next working day.

15.2 The bidders' names, bid prices, discounts, and such other details as the Purchaser, at its discretion, may consider appropriate, will be announced at the opening. No quotation shall be rejected at bid opening, except for late bids, which shall be returned unopened to the Bidder pursuant to ITB Clause 13. The Purchaser will prepare minutes of the opening of quotations

16. Clarification of Quotations

- 16.1 During evaluation of quotations, the Purchaser may, at its discretion, ask the Bidder for a clarification of its quotation. The request for clarification and the response shall be in writing and no change in prices or substance of the quote shall be sought, offered or permitted

17. Preliminary Examination

- 17.1 The Purchaser will examine the quotations to determine whether they are complete, whether any computational errors have been made, whether the documents have been properly signed, and whether the quotations are generally in order. The Purchaser shall confirm that the following documents and information have been provided in the Bid. If any of these documents or information is missing, the offer shall be rejected:

- (a) Bid Submission Form;
- (b) Price Schedule;
- (c) Bid Declaration.

- 17.2 Arithmetical errors if any be rectified on the following basis. If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected. If there is a discrepancy between words and figures, the amount in words will prevail. If the supplier does not accept the correction of errors, its quotation will be rejected.
- 17.3 The Purchaser may waive any minor informality or non-conformity or irregularity in a quotation which does not constitute a material deviation, provided such a waiver does not prejudice or affect the relative ranking of any Bidder.
- 17.4 Prior to the detailed evaluation, the Purchaser will determine the substantial responsiveness of each quotation to the bidding documents. For purposes of these Clauses, a substantially responsive quotation is one which conforms to all the terms and conditions of the bidding documents without material deviations. Deviations from or objections or reservations to critical provisions such as those concerning Performance Security (GCC Clause 5), Warranty (GCC Clause 13), Payment (GCC Clause 14) and Delivery (GCC Clause 8) will be deemed to be a material deviation. The Purchaser's determination of a quotation's responsiveness is to be based on the contents of the quotation itself without recourse to extrinsic evidence.
- 17.5 If a quotation is not substantially responsive, it will be rejected by the Purchaser and may not subsequently be made responsive by the Bidder by correction of the non-conformity.

18. Evaluation and Comparison of Quotations:

- 18.1 The Purchaser will evaluate and compare the quotations which have been determined to be substantially responsive, for each item separately. No quotation will be considered if the complete requirements covered in the item is not included in the quotation. However, as stated in ITB Clause 6, Bidders are allowed the option to bid for any one or more items and to offer discounts for combined items. These discounts will be taken into account in the evaluation of the quotations so as to determine the quotation or combination of quotations offering the lowest evaluated cost for the Purchaser in deciding award(s) for each item.
- 18.2 The Purchaser's evaluation of a bid will exclude and not take into account, in the case of goods manufactured in India or goods of foreign origin already located in India, sales and other similar taxes, which will be payable on the goods if a contract is awarded to the Bidder.

- 18.3 The Purchaser's evaluation of a bid will take into account, in addition to the bid price (Delivery up to final destination) and price of incidental services, the availability in India of spare parts and after-sales services for the goods / equipment offered in the quotation

F. Award of Contract

19. Post-qualification

- 19.1 The Purchaser will determine to its satisfaction whether the Bidder that is selected as having submitted the lowest evaluated responsive quotation meets the following Qualification Criteria and is qualified to perform the contract satisfactorily.

(a) In the case the Bidder is a Manufacturer, he should have manufactured, tested and supplied the equipment (s) similar to the type specified in the "Schedule of Requirements" up to at least 200% of the quantity required in any one of the past three years (namely 2010-11 to 2012-13). The equipment offered for supply must be of the most recent series models incorporating the latest improvements in design. The models should have been released on or after January, 2012 and be in satisfactory operation for 6 months as on the date of opening of quotations.

(b) In case the bidder is an Agent of the Manufacturer or an Authorized dealer of the Manufacturer of the equipment offered by the bidder, the bidder should furnish the following:

- (i) Document in support of the Manufacturer (of the equipment offered) meeting the requirement as at (a) above;
- (ii) Manufacturer's authorization in case of an Agent and Authorized Dealership in case of an Authorized dealer assuring full Guarantee and Warranty as required in Conditions of Contract;
- (iii) Documents to show that he has supplied and installed and commissioned satisfactorily at least 100% of the quantity similar to the type specified in the "Schedule of Requirements" in any one of the past three years (namely 2010-11 to 2012-13) which must be in satisfactory operation for at least 6 months on the date of opening of quotations.

The bidders should furnish information on all past supplies and satisfactory performance for both (a) and (b) above on the prescribed format attached. (Attachment 3)

- 19.2 The determination will take into account the Bidder's financial, technical and production capabilities. It will be based upon an examination of the documentary evidence of the Bidder's qualifications submitted by the Bidder, pursuant to ITB Clause 7, as well as such other information as the Purchaser deems necessary and appropriate.
- 19.3 An affirmative determination will be a prerequisite for award of the Contract to the Bidder. A negative determination will result in rejection of the Bidder's bid, in which event the Purchaser will proceed to the next lowest evaluated bid to make a similar determination of that Bidder's capabilities to perform the contract satisfactorily.

20. Award of Contract:

- 20.1 The Purchaser will award the Contract to the successful Bidder whose quotation has been determined to be substantially responsive and has been determined as the lowest evaluated quotation, provided further that the Bidder is determined to be qualified to perform the Contract satisfactorily.

21. Purchaser's right to vary Quantities at Time of Award

21.1 The Purchaser reserves the right at the time of Contract award to increase or decrease by up to 25 percent of the quantity of goods and services originally specified in the Schedule of Requirements without any change in unit price or other terms and conditions.

22. Purchaser's Right to accept any quotation and to reject any or all quotations:

22.1 The Purchaser reserves the right to accept or reject any quotation, and to annul the bidding process and reject all quotations at any time prior to contract award, without thereby incurring any liability to the affected Bidder or bidders.

23. Notification of Award:

23.1 Prior to the expiration of the period of quotation validity, the Purchaser will notify the successful bidder in writing by registered letter or by cable/e-mail or fax, to be confirmed in writing by registered letter, that its quotation has been accepted.

23.2 The notification of award will constitute the formation of the Contract.

24. Performance Security:

24.1 Within 10 days of the receipt of notification of award from the Purchaser, the successful Bidder shall furnish the performance security in accordance with the Conditions of Contract, in any of the Form provided in the bidding documents (Attachment 1) and sign the Contract Form in the Office of the Purchaser.

24.2 Failure of the successful Bidder to submit the above-mentioned Performance Security or sign the Contract shall constitute sufficient grounds for the annulment of the award and execution of the Bid-Securing Declaration. In that event the Purchaser may award the Contract to the next lowest evaluated Bidder, whose offer is substantially responsive and is determined by the Purchaser to be qualified to perform the Contract satisfactorily

25. Fraud and Corruption

25.1 It is the Bank's policy to require that Borrowers (including beneficiaries of Bank loans), as well as bidders, suppliers, and contractors and their agents (whether declared or not), personnel, subcontractors, sub-consultants, service providers and suppliers under Bank-financed contracts, observe the highest standard of ethics during the procurement and execution of such contracts.¹ In pursuance of this policy, the Bank:

(a) defines, for the purposes of this provision, the terms set forth below as follows:

(i) "corrupt practice" is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party²;

(ii) "fraudulent practice" is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation³;

(iii) "collusive practice" is an arrangement between two or more parties⁴ designed to achieve an improper purpose, including to influence improperly the actions of another party;

- (iv) “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party⁵;
- (v) “obstructive practice” is
 - (aa) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or
 - (bb) acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for under sub-clause 3.1 (e) below.
- (b) will reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for the contract in question;
- (c) will cancel the portion of the loan allocated to a contract if it determines at any time that representatives of the Borrower or of a beneficiary of the loan engaged in corrupt, fraudulent, collusive, or coercive practices during the procurement or the execution of that contract, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur; and
- (d) will sanction a firm or an individual, at any time, in accordance with prevailing Bank’s sanctions procedures^a, including by publicly declaring such firm or individual ineligible, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; and (ii) to be a nominated^b subcontractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract.

25.2 In further pursuance of this policy, Bidders shall permit the Bank to inspect any accounts and records and other documents relating to the Bid submission and contract performance, and to have them audited by auditors appointed by the Bank.

25.3 Furthermore, Bidders shall be aware of the provision stated in Sub-Clause 20.1 (c) of the Conditions of Contract

^aA firm or an individual may be declared ineligible to be awarded a Bank-financed contract upon completion of the Bank’s sanctions proceedings as per its sanctions procedures, including inter alia: (i) temporary suspension in connection with an ongoing sanctions proceeding; (ii) cross-debarment as agreed with other International Financial Institutions, including Multilateral Development Banks; and (iii) the World Bank Group corporate administrative procurement sanctions procedures for fraud and corruption.

^bA nominated sub-contractor, consultant, manufacturer or supplier, or service provider (different names are used depending on the particular bidding document) is one which either has been: (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that are accounted for in the evaluation of the bidder’s pre-qualification application or the bid; or (ii) appointed by the Borrower.

SCHEDULE OF REQUIREMENTS

Item No.	Brief Description of Item	Unit	Quantity	Delivery Period from signing of contract
1				
2				
3				
4				
5				
6				
7				

TECHNICAL SPECIFICATIONS

[Text of Technical specifications to be inserted in the Bidding Documents by the Purchaser, as applic

QUOTATION FORM

Date :Credit/Loan No :IFQ No :

TO: (Name and address of purchaser)

Gentlemen and/or Ladies :

Having examined the Bidding Documents the receipt of which is hereby duly acknowledged, we, the undersigned, offer to supply and deliver Item numbers in conformity with the said bidding documents at the unit rates as specified in the attached Price Schedule.

We undertake, if our bid is accepted, to deliver the goods in accordance with the delivery schedule specified in the Schedule of Requirements.

If our bid is accepted, we will furnish Performance Security equivalent to percent of the Contract Price for the due performance of the Contract, in the form prescribed by the Purchaser.

We agree to abide by this bid for the Bid validity period specified in ITB Clause 8 of the bidding document and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

Until a formal contract is prepared and executed, this bid, together with your written acceptance thereof and your notification of award shall constitute a binding Contract between us.

We undertake that, in competing for (and, if the award is made to us, in executing) the above contract, we will strictly observe the laws against fraud and corruption in force in India namely "Prevention of Corruption Act 1988".

We understand that you are not bound to accept the lowest or any bid you may receive.

We clarify/confirm that we comply with the eligibility requirements as per ITB Clause 1 of the bidding documents.

Dated this day of 201

(Signature of the Bidder)

PRICE SCHEDULE

Item No	Description of the goods	Quantity	Unit	Quoted unit price for delivery up to destination	Cost of Incidental services including CMC (Rs)	Cost of CMC for 2 years (Present worth to be discounted at 10%) (CMC to be quoted separately for each year)	Total Unit cost (Rs) [Col(5+6+7)]		Amount (Rs) [Col(3x9)]	Sales and other taxes payable
							In Figures	In words		
1	2	3	4	5	6	7	8	9	10	11
Item 1										
Item 2										
Item 3										
Item 4										

We agree to supply the above items of goods in accordance with the technical specifications for the amount against each item as shown in the Price schedule, within the period specified in the Invitation for Quotations.

We hereby certify that we have taken steps to ensure that no person acting for us or on our behalf will engage in bribery or collusive agreements with competitors.

Signature of Supplier

Bid-Securing Declaration

[The Bidder shall fill in this Form in accordance with the instructions indicated.]

Date: *[date (as day, month and year)]*

Bid No.: *[number of bidding process]*

Alternative No.: *[identification No if this is a Bid for an alternative]*

To: *[complete name of Purchaser]*

We, the undersigned, declare that:

We understand that, according to your conditions, bids must be supported by a Bid-Securing Declaration.

We accept that we will automatically be suspended from being eligible for bidding in any contract with the Purchaser for the period of time of 3 years starting on *[date]*, if we are in breach of our obligation(s) under the bid conditions, because we:

- (a) have withdrawn our Bid during the period of bid validity specified in the Form of Bid; or
- (b) having been notified of the acceptance of our Bid by the Purchaser during the period of bid validity, (i) fail or refuse to execute the Contract; or (ii) fail or refuse to furnish the Performance Security, if required, in accordance with the ITB.

We understand this Bid Securing Declaration shall expire if we are not the successful Bidder, upon the earlier of (i) our receipt of your notification to us of the name of the successful Bidder; or (ii) twenty-eight days after the expiration of our Bid.

Signed: *[signature of person whose name and capacity are shown]* In the capacity of *[legal capacity of person signing the Bid Securing Declaration]*

Name: *[complete name of person signing the Bid Securing Declaration]*

Duly authorized to sign the bid for and on behalf of: *[complete name of Bidder]*

Dated on _____ day of _____, _____ *[date of signing]*
Corporate Seal (where appropriate)

CONTRACT FORM

THIS AGREEMENT made theday of....., 2014... Between..... (*Name of purchaser*) (Hereinafter called "the Purchaser") of the one part and..... (*Name of Supplier*) of (Hereinafter called "the Supplier") of the other part:

WHEREAS the Purchaser is desirous that certain Goods and ancillary services viz., (*Brief Description of Goods and Services*) and has accepted a quotation by the Supplier for the supply of those goods and services in the sum of (*Contract Price in Words and Figures*) (Hereinafter called "the Contract Price").

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.
2. The following documents shall be deemed to form and be read and construed as part of this Agreement, viz.:
 - (a) the Quotation Form and the Price Schedule submitted by the Bidder;
 - (b) the Schedule of Requirements;
 - (c) the Technical Specifications;
 - (d) Conditions of Contract; and
 - (e) the Purchaser's Notification of Award.
3. In consideration of the payments to be made by the Purchaser to the Supplier as hereinafter mentioned, the Supplier hereby covenants with the Purchaser to provide the goods and services and to remedy defects therein in conformity in all respects with the provisions of the Contract.
4. The Purchaser hereby covenants to pay the Supplier in consideration of the provision of the goods and services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.

Brief particulars of the goods and services which shall be supplied /provided by the Supplier are as under:

Sl.No	Brief description of goods and services	Quantity to be supplied	Unit rates	Total price	Delivery terms

TOTAL VALUE:

DELIVERY SCHEDULE:

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with their respective laws the day and year first above written.

Signed, Sealed and Delivered by the said (For the Purchaser) in the presence of:.....

Signed, Sealed and Delivered by the

said (For the Supplier)

in the presence of:.....

CONDITIONS OF CONTRACT

1. Definitions

1.1 In this Contract, the following terms shall be interpreted as indicated:

- (a) "The Contract" means the agreement entered into between the Purchaser and the Supplier, as recorded in the Contract Form signed by the parties, including all the attachments and appendices thereto and all documents incorporated by reference therein;
- (b) "The Contract Price" means the price payable to the Supplier under the Contract for the full and proper performance of its contractual obligations;
- (c) "The Goods" means all the equipment, machinery, and/or other materials which the Supplier is required to supply to the Purchaser under the Contract;
- (d) "Services" means services ancillary to the supply of the Goods, such as transportation and insurance, and any other incidental services, such as installation, commissioning, provision of technical assistance, training and other obligations of the Supplier covered under the Contract;
- (e) "CC" mean the Conditions of Contract contained in this section.
- (g) "The Purchaser" means the organization purchasing the Goods, as named in SCC.
- (i) "The Supplier" means the individual or firm supplying the Goods and Services under this Contract

2. Standards

2.1 The Goods supplied under this Contract shall conform to the standards mentioned in the Technical Specifications, and, when no applicable standard is mentioned, to the authoritative standard appropriate to the Goods' country of origin and such standards shall be the latest issued by the concerned institution.

3. Use of Contract Documents and Information; Inspection and Audit by the Bank

- 3.1 The Supplier shall not, without the Purchaser's prior written consent, disclose the Contract, or any provision thereof, to any person other than a person employed by the Supplier in performance of the Contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 3.2 The supplier shall permit the Bank to inspect the Supplier's accounts and records relating to the performance of the Supplier and to have them audited by auditors appointed by the Bank, if so required by the Bank.

4. Patent Rights

4.1 The Supplier shall indemnify the Purchaser against all third-party claims of infringement of patent, trademark or industrial design rights arising from use of the Goods or any part thereof in India.

5. Performance Security:

5.1 Within 10 days of receipt of the notification of contract award, the Supplier shall furnish performance security to the Purchaser for an amount of 5% of the contract value, valid up to 60 days after the date of completion of performance obligations including warranty obligations. The

proceeds of the performance security shall be payable to the Purchaser as compensation for any loss resulting from the Supplier's failure to complete its obligations under the Contract.

5.2 The Performance Security shall be in one of the following forms:

- (a) A Bank guarantee issued by a nationalized/scheduled bank located in India, in the form provided in the bidding documents (**Attachment 1**); or
- (b) A cashier's check, banker's certified check, or crossed demand draft or pay order in favour of Purchaser;

5.3 In the event of any correction of defects or replacement of defective material during the warranty period, the warranty for the corrected/replaced material shall be extended to a further period of 12 months and the Performance Bank Guarantee for proportionate value shall be extended 60 days over and above the extended warranty period.

5.4 In the event of any contract amendment, the Supplier shall, within 15 days of receipt of such amendment, furnish the amendment to the Performance Security, rendering the same valid for the duration of the Contract, as amended for 60 days after the completion of performance obligations including warranty obligations.

5.5 The performance security will be discharged by the Purchaser and returned to the Supplier not later than 60 days following the date of completion of the Supplier's performance obligations, including warranty obligations under the contract and upon the Supplier submitting a bank guarantee for 2.5% of the contract value (less CMC charges) for annual maintenance after warranty period, three months prior to the expiry of the validity period of Performance Guarantee. Failure on the part of the Supplier to submit the bank guarantee for CMC in the period specified above will constitute sufficient grounds for forfeiture of the Performance Guarantee.

6. Inspections and Tests

6.1 The Purchaser or its representative shall have the right to inspect and/or to test the Goods to confirm their conformity to the Contract specifications at no extra cost to the Purchaser. The Technical Specifications shall specify what inspections and tests the Purchaser requires and where they are to be conducted. The Purchaser shall notify the Supplier in writing in a timely manner of the identity of any representatives retained for these purposes.

6.2 The inspections and tests may be conducted on the premises of the Supplier, at the Goods final destination. If conducted on the premises of the Supplier, all reasonable facilities and assistance, including access to drawings and production data - shall be furnished to the inspectors at no charge to the Purchaser.

6.3 Should any inspected or tested Goods fail to conform to the specifications, the Purchaser may reject the goods and the Supplier shall either replace the rejected Goods or make alterations necessary to meet specification requirements free of cost to the Purchaser.

6.4 Nothing in GCC Clause 6 shall in any way release the Supplier from any warranty or other obligations under this Contract.

7. Packing

- 7.1 The Supplier shall provide such packing of the Goods as is required to prevent their damage or deterioration during transit to their final destination as indicated in the Contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit and open storage. Packing case size and weights shall take into consideration, where appropriate, the remoteness of the Goods' final destination and the absence of heavy handling facilities at all points in transit.
- 7.2 The Supplier will be required to make separate packages for each Consignee. Each package will be marked on three sides with proper paint/indelible ink, the following:
- i) Project ii) Contract No. iii) Country of Origin of Goods iv) Supplier's Name, and v) Packing list reference number.

8. Delivery and Documents

- 8.1 Delivery of the Goods shall be made by the Supplier in accordance with the terms specified by the Purchaser in the Notification of Award. Upon delivery of the Goods, the supplier shall notify the purchaser and the insurance company by cable/e-mail/fax the full details of the shipment including contract number, railway receipt number and date, description of goods, quantity, name of the consignee etc. The supplier shall mail the following documents to the purchaser with a copy to the insurance company:
- (i) 2 Copies of the Supplier invoice showing contract number, goods' description, quantity, unit price, total amount;
 - (ii) Railway receipt/acknowledgment of receipt of goods from the consignee(s);
 - (iii) 2 Copies of packing list identifying the contents of each package;
 - (iv) Insurance Certificate;
 - (v) Manufacturer's/Supplier's warranty certificate;
 - (vi) Inspection Certificate issued by the nominated inspection agency, and the Supplier's factory inspection report; and
 - (vii) Certificate of Origin.

The above documents shall be received by the Purchaser before arrival of the Goods (except where the Goods have been delivered directly to the Consignee with all documents) and, if not received, the Supplier will be responsible for any consequent expenses.

9. Insurance

- 9.1 The Goods supplied under the Contract shall be fully insured in Indian Rupees against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery. For delivery of goods at site, the insurance shall be obtained by the Supplier in an amount equal to 110% of the value of the goods from "warehouse to warehouse" (final destinations) on "All Risks" basis including War Risks and Strikes

10. Transportation

10.1 Where the Supplier is required under the Contract to transport the Goods to a specified place of destination, transport to such place of destination including insurance, as shall be specified in the Contract, shall be arranged by the Supplier, and the related cost shall be included in the Contract Price.

11. Incidental Services

11.1 The supplier is required to provide any or all of the following services:

- (a) Unloading, safe storage and handling of the consignment at the delivery site;
- (b) Performance of the on-site assembly, commissioning and start-up of the supplied Goods;
- (c) Furnishing of tools required for assembly and/or maintenance of the supplied Goods;
- (d) Furnishing of detailed operations and maintenance manual for each appropriate unit of supplied Goods;
- (e) training of the Purchaser's personnel (Four Technical Staff), at the Supplier's office or other facility in the assembly, start-up, operation, maintenance and/or repair of the supplied Goods.
- (f) Maintenance repair of the goods at each location during the warranty period including supply of all spares;
- (g) Comprehensive annual maintenance for a period of 2 years after the end of warranty period. Annual Maintenance contract shall be comprehensive and will cover cost of all spare parts required for replacement/repair of equipment except consumable items. CMC should ensure 90% uptime of equipment.

12. Spare Parts

12.1 The Supplier may be required to provide any or all of the following notifications, and information pertaining to spare parts manufactured or distributed by the Supplier:

- (a) In the event of termination of production of the spare parts:
 - (i) Advance notification to the Purchaser of the pending termination, in sufficient time to permit the Purchaser to procure needed requirements; and
 - (ii) Following such termination, furnishing at no cost to the Purchaser, the blueprints, drawings and specifications of the spare parts, if requested.

12.2 Supplier shall carry sufficient inventories to assure ex-stock supply of consumable spares for the Goods, such as gaskets, plugs, washers, belts etc. Other spare parts and components shall be supplied as promptly as possible but in any case within six months of placement of order.

13. Warranty

13.1 The Supplier warrants that the Goods supplied under this Contract are new, unused, of the most recent or current models and those they incorporate all recent improvements in design and materials unless provided otherwise in the Contract. The Supplier further warrants that all Goods supplied under this Contract shall have no defect arising from design, materials or workmanship (except when the design and/or material is required by the Purchaser's Specifications) or from any act or omission of the Supplier, that may develop under normal use of the supplied Goods in the conditions prevailing in the country of final destination.

- 13.2 The warranty period shall be 12 months from date of acceptance of Goods or 15 months from the dates of Shipment, whichever occurs earlier. The Supplier shall, in addition, comply with the performance and/or consumption guarantees specified under the contract.
- 13.3 The Purchaser shall promptly notify the Supplier in writing of any claims arising under this warranty.
- 13.4 Upon receipt of such notice, the Supplier shall, within 15 days and with all reasonable speed, repair or replace the defective goods or parts thereof, free of cost at the ultimate destination. The Supplier shall take over the replaced parts/goods at the time of their replacement. No claim whatsoever shall lie on the Purchaser for the replaced parts/goods thereafter. In the event of any correction of defects or replacement of defective material during the warranty period, the warranty for the corrected/replaced material shall be extended to a further period of 12 month
- 13.5 If the Supplier, having been notified, fails to remedy the defect(s) within 15 days, the Purchaser may proceed to take such remedial action as may be necessary, at the Supplier's risk and expense and without prejudice to any other rights which the Purchaser may have against the Supplier under the Contract.

14. Payment

- 14.1 The method and conditions of payment to be made to the Supplier (in Indian Rupees) under this Contract shall be as under:
- (i) *On Delivery*: Eighty percent of the contract price excluding CMC Costs shall be paid on receipt of Goods at the final destination; and
 - (iii) *On Final Acceptance*: the remaining twenty percent of the Contract Price excluding CMC Costs shall be paid to the supplier within 30 days after the date of the acceptance certificate issued by the Purchaser's representative for the respective delivery
- 14.2 The Supplier's request(s) for payment shall be made to the Purchaser in writing, accompanied by an invoice describing, as appropriate, the Goods delivered and the Services performed, and by documents, submitted and upon fulfillment of other obligations stipulated in the contract.
- 14.3 Payments shall be made promptly by the Purchaser but in no case later than sixty (60) days after submission of the invoice or claim by the Supplier.

14.4 Payment for CMC

The Comprehensive annual maintenance and repair cost (after warranty period) shall be paid in equal quarterly installments within thirty days of receipt of claim at the beginning of each quarter after completion of warranty/maintenance obligations of supply of equipment, at the rates quoted in the price schedule, on receipt of bank guarantee for **2.5%** of the cost of equipment (excluding comprehensive maintenance costs) in the form provided in the bidding documents (Attachment 2) valid for -26months from the date of completion of warranty period.

15. Prices

- 15.1 Prices charged by the Supplier for Goods delivered and Services performed under the Contract shall not vary from the prices quoted by the Supplier in its bid.
- 15.2 Suppliers shall be entirely responsible for all taxes, duties, license fees, octroi, road permits, etc., incurred until delivery of the contracted Goods to the Purchaser.

16. Contract Amendments

16.1 No variation in or modification of the terms of the Contract shall be made except by written amendment signed by the parties.

17. Assignment

17.1 The Supplier shall not assign, in whole or in part, its obligations to perform under the Contract, except with the Purchaser's prior written consent.

18. Delays in the Supplier's Performance

18.1 Delivery of the Goods and performance of the Services shall be made by the Supplier in accordance with the time schedule specified by the Purchaser in the Schedule of Requirements.

18.2 If at any time during performance of the Contract, the Supplier should encounter conditions impeding timely delivery of the Goods and performance of Services, the Supplier shall promptly notify the Purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the Supplier's notice, the Purchaser shall evaluate the situation and may, at its discretion, extend the Supplier's time for performance with or without liquidated damages, in which case the extension shall be ratified by the parties by amendment of the Contract.

18.3 Except as provided under GCC Clause 21, a delay by the Supplier in the performance of its delivery obligations shall render the Supplier liable to the imposition of liquidated damages pursuant to GCC Clause 19, unless an extension of time is agreed upon pursuant to GCC Clause 18.2 without the application of liquidated damages.

19. Liquidated Damages

19.1 Subject to GCC Clause 21, if the Supplier fails to deliver any or all of the Goods or to perform the Services within the period(s) specified in the Contract, the Purchaser shall, without prejudice to its other remedies under the Contract, deduct from the Contract Price, as liquidated damages, a sum equivalent to 0.5% per week of the delivered price of the delayed Goods or unperformed Services for each week or part thereof of delay until actual delivery or performance, up to a maximum deduction of 10% of the Contract Price. Once the maximum is reached, the Purchaser may consider termination of the Contract pursuant to GCC Clause 20

20. Termination for Default

20.1 The Purchaser may, without prejudice to any other remedy for breach of contract, by written notice of default sent to the Supplier, terminate the Contract in whole or part:

- (a) if the Supplier fails to deliver any or all of the Goods within the period(s) specified in the Contract, or within any extension thereof granted by the Purchaser pursuant to CC Clause 18; or
- (b) if the Supplier fails to perform any other obligation(s) under the Contract.
- (c) If the Supplier, in the judgment of the Purchaser has engaged in corrupt or fraudulent practices in competing for or in executing the Contract.

20.2 In the event the Purchaser terminates the Contract in whole or in part, pursuant to CC Clause 20.1, the Purchaser may procure, upon such terms and in such manner as it deems appropriate, Goods or Services similar to those undelivered, and the Supplier shall be liable to the Purchaser for any excess costs for such similar Goods or Services. However, the Supplier shall continue the performance of the Contract to the extent not terminated.

21. Force Majeure

21.1 Notwithstanding the provisions of CC Clauses 18, 19, 20, the Supplier shall not be liable for forfeiture of its performance security, liquidated damages or termination for default, if and to the extent that, it's delay in performance or other failure to perform its obligations under the Contract is the result of an event of Force Majeure.

22. Settlement of Disputes

22.1 The Purchaser and the supplier shall make every effort to resolve amicably by direct informal negotiation any disagreement or dispute arising between them under or in connection with the Contract.

22.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the Purchaser or the Supplier may give notice to the other party of its intention to commence arbitration, as to the matter in dispute, and no arbitration in respect of this matter may be commenced unless such notice is given. Arbitration proceedings shall be conducted by a sole Arbitrator, in accordance with Arbitration and Conciliation Act 1996. The Sole Arbitrator should be appointed by agreement between the parties; failing such agreement, by the appointing authority namely the Indian Council of Arbitration/President of the Institution of Engineers (India)”

23. Fraud and Corruption

23.1 If the Purchaser determines that the Supplier and/or any of its personnel, or its agents, or its Subcontractors, consultants, service providers, suppliers and/or their employees has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices, in competing for or in executing the Contract, then the Purchaser may, after giving 14 days' notice to the Supplier, terminate the Supplier's employment under the Contract and cancel the contract.

For the purposes of this Sub-Clause:

- (i) “corrupt practice” is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party⁶;
- (ii) “fraudulent practice” is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation⁷;
- (iii) “collusive practice” is an arrangement between two or more parties⁸ designed to achieve an improper purpose, including to influence improperly the actions of another party;
- (iv) “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party⁹;

- (v) “obstructive practice” is
 - (aa) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or
 - (bb) acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for under Clause 24 of the Conditions of Contract.[Inspections and Audits by the Bank]

23.2 Should any employee of the Supplier be determined to have engaged in corrupt, fraudulent, collusive, coercive, or obstructive practice during the purchase of the Goods, then that employee shall be removed.”

24. Inspections and Audit by the Bank

24.1 The Supplier shall permit, and shall cause its Subcontractors and consultants to permit, the Bank and/or persons appointed by the Bank to inspect the Supplier’s offices and all accounts and records relating to the performance of the Contract and the submission of the bid, and to have such accounts and records audited by auditors appointed by the Bank if requested by the Bank. The Supplier’s and its Subcontractors and consultants’ attention is drawn to Clause 24 [Fraud and Corruption], which provides, inter alia, that acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for under this Sub-Clause 24.1 constitute a prohibited practice subject to contract termination (as well as to a determination of ineligibility pursuant to the Bank’s prevailing sanctions procedures).”

25 Applicable Law

The Contract shall be interpreted in accordance with the laws of the Union of India.”

PERFORMANCE SECURITY BANK GUARANTEE FORM

TO:

.....
.....
.....

WHEREAS..... (Name of the Supplier) hereinafter called “the Supplier” , has undertaken, in pursuance of Contract to supply..... (Description of equipment and services) hereinafter called “the Contract”

AND WHEREAS it has been stipulated by you in the said Contract that the Supplier shall furnish you with a Bank Guarantee by a national/scheduled Bank located in India for the sum specified therein as security for compliance of the Supplier’s performance obligations in accordance with the Contract.

AND WHEREAS we have agreed to give the Supplier a Guarantee:

THEREFORE WE hereby affirm that we are Guarantors and responsible to you, on behalf of the Supplier up to a total of Rs.....(in figures) (in words) (Amount of Guarantee) and we undertake to pay you up on your written demand declaring the Supplier to be in default under the Contract and without cavil or argument any sum or sums within the limit of Rs. (Amount of Guarantee) without your needing to prove or show grounds or reasons for your demand or the sum specified therein.

This Guarantee is valid until the day of 201...

Date

Signature and seal of Guarantors
Address:.....
.....

Attachment 2

FORMAT FOR BANK GUARANTEE AGAINST ANNUAL MAINTENANCE SECURITY FORMS

(To be stamped in accordance with Stamp Act if any, of the Country of the Issuing Bank)

Bank Guarantee No.: Date:.....

To..... (Name of the Purchaser)

Whereas (Name of the Purchaser) hereinafter called "the Supplier" has undertaken, in pursuance of contract No..... dated..... 20... to supply (Description of Goods and Services) hereinafter called "the Contract".

AND WHEREAS it has been stipulated by you in the said contract that the Supplier shall furnish you with a Bank Guarantee by a national/scheduled Bank for the sum specified therein as security for compliance with the Supplier's performance obligations under the contract for Annual Maintenance and Repairs of the entire system including cost of spares after warranty period for next years.

AND WHEREAS we have agreed to give the Supplier a Guarantee.

THEREFORE WE hereby affirm that we are Guarantors and responsible to you on behalf of the Supplier, up to a total of Rs. (Amount of guarantee in words and figures) being 2.5% of the total cost of equipment and we undertake to pay you, upon your first written demand declaring the Supplier to be in default under the contract and without cavil or argument, any sum or sums within the limit of Rs. (Amount of guarantee) as aforesaid, without your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

This guarantee is valid until day of 20.....

Signature and Seal of Guarantors

.....
.....
Date: 20.....

Attachment 3

Format of Performance Statement for the last three years to be submitted by the Bidder

IFQ No.....

Name of Bidder.....

Order placed by (Full address of Purchaser)	Order No and date	Description and quantity of equipment ordered	Value of order (Rs)	Date of completion of delivery As per contract/ Actual or revised	Quantity of supplies made as on date	Additional supplies to be made in the period of this contract	Remarks indicating reason for late delivery if any	Has the equipment been satisfactorily functioning (Attach a certificate from the Purchaser)
1	2	3	4	5	6	7	8	9