

TENDER DOCUMENT

Supply of Machinery and Transfer of Technical know-how

For

Composites Based Sports Goods

**Product Development Centre (PDC) For Composites
Based Sports Goods, Sialkot**

January - 2019

Product Development Centre (PDC) for Composites Based Sports Goods, Sialkot
A project of Ministry of Industries and Production, Government of Pakistan

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**INSTRUCTIONS
TO
BIDDERS**

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INSTRUCTIONS TO BIDDERS

A. GENERAL

IB.1 Scope of Bid and Source of Funds

1.1 Scope of Bid

Product Development Center (PDC) For Composites Based Sports Goods, Sialkot (hereinafter called “the Employer”) wishes to receive bids for the following scope of work:

Supply, installation, commission, testing and Transfer of knowhow of Composites Based Sports Goods manufacturing plant and machinery as per the detail given in Schedule A to Bid.

Bidders can quote for the complete scope of work as per Section – A & B of specific work data or for part scope of work as per Section – A or B of specific work data.

1.2 Source of Funds

The Employer has received funding from the Public Sector Development Program, Government of Pakistan in Pak Rupees towards the cost of the ‘Product Development Center (PDC) For Composites Based Sports Goods, Sialkot’ and it is intended that part of the proceeds of this funding will be applied to eligible payments under the Contract for which these Bidding Documents are issued.

IB.2 Eligible Bidders

2.1 Bidding is open to all firms and persons meeting all of the following requirements:

- a) Having license/registrations with any Public or Private bodies in Pakistan required to supply the Work.
- b) From eligible countries of Pakistan listed in Appendix ‘A’ to Instructions to Bidders.

IB.3 Eligible Goods and Services

3.1 All Goods and ancillary Services to be supplied under this Contract shall have their origin in eligible countries according to the laws of Pakistan and all expenditures made under the Contract will be limited to such Goods and Services.

3.2 For purpose of this Clause, “origin” means the place where the Goods are mined, grown or produced or from where the ancillary services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembling of components, a commercially recognized product results that is substantially different in basic characteristics or in purpose or utility from its components.

3.3 The origin of Goods and Services is distinct from the nationality of the Bidder.

IB.4 Cost of Bidding

4.1 The bidder shall bear all costs associated with the preparation and submission of its bid and the Employer will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

B. BIDDING DOCUMENTS

IB.5 Contents of Bidding Documents

5.1 In addition to Invitations for Bids, the Bidding Documents are those stated below, and should be read in conjunction with any Addendum issued in accordance with Clause IB.7.

1. Instructions to Bidders with Appendices
2. Form of Bid & Schedules to Bid

Schedules to Bid are the following:

- (i) Schedule A: Specific Works Data
- (ii) Schedule B: Work to be Performed by Subcontractors
- (iii) Schedule C: Proposed Programme of Works
- (iv) Schedule D: Deviations from Technical Provisions
- (v) Schedule E: Deviations from Contractual Conditions
- (vi) Schedule F: Method of Performing Works
- (vii) Schedule G: Proposed Organization
- (viii) Schedule H: Integrity Pact

3. Schedule of Prices
4. Preamble to Conditions of Contract
5. General Conditions of Contract
6. Particular Conditions of Contract
7. Standard Forms

Forms include the following:

- (i) Form of Bid Security
- (ii) Form of Contract Agreement
- (iii) Form of Performance Security
- (iv) Form of Bank Guarantee/Bond for Advance Payment

8. Specifications - Special Provisions
9. Specifications - Technical Provisions
10. Drawings

5.2 The bidders are expected to examine carefully the contents of all the above documents. Failure to comply with the requirements of bid submission will be at the bidders own risk. Pursuant to Clause IB.24, bids which are not substantially responsive to the

requirements of the Bidding Documents will be rejected.

IB.6 Clarification of Bidding Documents

- 6.1 A prospective bidder requiring any clarification(s) in respect of the Bidding Documents may notify the Employer with a copy to the Engineer in writing or by Fax / E-mail at the address:

Employer / Engineer:

Project Director, Product Development Center (PDC) For Composites Based Sports Goods, Sialkot.14-Km Motra, Adjacent to Imam Bukhari University, Daska Road, Sialkot - Pakistan.Tel: +92-52-6227309-10, Fax: +92-52-6227311 E-mail: info@sidc.org.pk, URL: www.sidc.org.pk

Employer will examine the request for clarification of the Bidding Documents which it receives not later than two (2) weeks prior to the deadline for the submission of bids and if needed will issue the clarification/amendment of the Bidding Documents at least Ten (10) days before the date of submission of Bids (without identifying the source of enquiry) to all prospective bidders who have purchased the Bidding Documents.

IB.7 Amendment of Bidding Documents

- 7.1 At any time prior to the deadline for submission of bids, the Employer may, for any reason, whether at his own initiative or in response to a clarification requested by a prospective bidder, modify the Bidding Documents by issuing addendum.
- 7.2 Any addendum thus issued shall be part of the Bidding Documents pursuant to Sub-Clause 7.1 hereof, and shall be communicated in writing to all purchasers of the Bidding Documents. Prospective bidders shall acknowledge receipt of each addendum in writing to the Employer. The bidder shall also confirm in the Form of Bid that the information contained in such addenda have been considered in preparing his bid.
- 7.3 To afford prospective bidders reasonable time in which to take an addendum into account in preparing their bids, the Employer may at its discretion extend the deadline for submission of bids in accordance with Clause IB.19.

C. PREPARATION OF BIDS

IB.8 Language of Bid

- 8.1 The Bid prepared by the Bidder and all correspondence and documents relating to the Bid, exchanged by the Bidder and the Engineer shall be written in the English language, provided that any printed literature furnished by the Bidder may be written in another language so long as accompanied by an English translation of its pertinent passages in which case, for purposes of interpretation of the Bid, the English translation shall govern.

IB.9 Documents Comprising the Bid

9.1 The bid prepared by the bidder shall comprise the following components:

- (a) Covering Letter
- (b) Form of Bid duly filled, signed and sealed, in accordance with Clause IB.17.
- (c) Schedules (A to H) to Bid duly filled and signed, in accordance with the instructions contained therein.
- (d) Schedule of Prices completed in accordance with Clauses IB.11 and 12.
- (e) Bid Security furnished in accordance with Clause IB.15.
- (f) Power of Attorney in accordance with Clause IB 17.5.
- (g) Joint Venture Agreement (if applicable).
- (h) Documentary evidence established in accordance with Clause IB.13 that the bidder is eligible to bid and is qualified to perform the contract if its bid is accepted.
- (i) Documentary evidence established in accordance with Clause IB.14 that the Goods and ancillary Services to be supplied by the bidder are eligible Goods and Services and conform to the Bidding Documents.
- (j) Bidders applying for eligibility for domestic preference in bid evaluation shall supply all information & evidence to establish the claim for domestic preference required to satisfy the criteria for eligibility as described in Clause IB.27. The particulars for domestic Goods prescribed in Appendix C to these Instructions shall also be filled in to substantiate claim for domestic preference.
- (k) Any other documents prescribed in Particular Conditions of Contract or Technical Provisions to be submitted with the bid.

IB.10 Form of Bid and Schedules

10.1 The bidder shall complete, sign and seal the Form of Bid, Schedules (A to H, or as modified) to Bid and Schedule of Prices furnished in the Bidding Documents and shall also enclose other information as detailed in Clause IB.9.

10.2 For the purpose of granting a margin of domestic preference pursuant to Clause IB.27, the Employer/Engineer will classify the bids, when submitted in one of three groups as follows:

- (a) **Group 'A' Bid.** (i) For Goods for which labour, raw materials and components from within Pakistan account for at least 20% of the ex-factory bid price of the products offered (ii) For Goods for which labour, raw materials and

components from within Pakistan account for over 20% and up to 30% of the ex-factory bid price of the products offered (iii) For Goods for which labour, raw materials and components from within Pakistan account for over 30% of the ex-factory bid price of the products offered.

- (b) **Group ‘B’ Bid.** For Goods manufactured in Pakistan for which the domestic value added in the manufacturing cost is less than 20% of the ex-factory bid price; and
- (c) **Group ‘C’ Bid.** For Goods of foreign origin.

In preparing their bids, the bidders, whether local or foreign, shall enter in the Schedule of Prices ex-factory price for indigenously manufactured products and CIF price as well as customs duty and sales tax and other import charges for products to be imported from outside Pakistan.

IB.11 Bid Prices

- 11.1 The bidder shall fill up the Schedule of Prices attached to these documents indicating the unit rates and prices of the Works to be performed under the Contract. Prices on the Schedule of Prices shall be entered keeping in view the instructions contained in the Preamble to the Schedule of Prices.
- 11.2 The bidder shall fill in rates and prices for all items of the Works described in the Schedule of Prices. Items against which no rate or price is entered by a bidder will not be paid for by the Employer when executed and shall be deemed covered by rates and prices for other items in the Schedule of Prices.
- 11.3 The bidder’s separation of price components in accordance with Sub-Clause 11.1 above will be solely for the purpose of facilitating the comparison of bids by the Employer/Engineer and will not in any way limit its right to contract on any of the terms offered.
- 11.4 The prices quoted by the bidder shall remain fixed during the bidder’s performance of the Contract and not subject to variation on any account. Any bid submitted with an adjustable price quotation will be treated as non-responsive and rejected, pursuant to Clause IB.24.
- 11.5 Any discount offered shall be valid for at least the period of validity of the bid. A discount valid for lesser period shall be considered null and void.

IB.12 Currencies of Bid

- 12.1 Prices shall be quoted in the following currencies:
 - (a) For Goods and Services which the bidder will supply from within Pakistan, the prices shall be quoted in the Pak. Rupees.
 - (b) For Goods and Services which the bidder will supply from outside Pakistan, the prices shall be quoted in freely convertible currencies.

- 12.2 Further, a bidder expecting to incur a portion of its expenditure in the performance of the Contract in more than one currency (but use no more than 3 foreign currencies), and wishing to be paid accordingly, shall so indicate in its bid.
- 12.3 The currencies of payment shall be as stated in Particular Conditions of Contract. However, provisions in Sub-Clauses 12.1 & 12.2 above shall not in any way constitute a contractual or legal binding on the Employer for the payment in the currencies required by the Contractor.

IB.13 Documents Establishing Bidder’s Eligibility and Qualifications

- 13.1 Pursuant to Clause IB.9, the bidder shall furnish, as part of its bid, documents establishing the bidder’s eligibility to bid and its qualifications to perform the Contract if its bid is accepted.
- 13.2 The documentary evidence of the bidder’s eligibility to bid shall establish to the Employer’s satisfaction that the bidder, at the time of submission of its bid is from an eligible source country as defined under Clause IB.2.
- 13.3 The documentary evidence of the bidder’s qualification to perform the Contract if its bid is accepted, shall establish to the Employer’s/Engineer’s satisfaction:
- (a) that, in the case of a bidder offering to supply Goods under the Contract which the bidder did not manufacture or otherwise produce, the bidder has been duly authorized by the Goods manufacturer or producer to supply the Goods to Pakistan;
 - (b) that the Bidder/Manufacturer has the financial, technical and production capability necessary to perform the Contract; and
 - (c) that, in the case of a bidder not doing business within Pakistan the bidder is or will be (if successful) represented by an agent in Pakistan equipped and able to carry out the Supplier’s maintenance, repair and spare parts stocking obligations prescribed by the Conditions of Contract and/or Technical Provisions.

- 13.4 (a) Bidder/Manufacturer must possess and provide evidence of the following experience.

Having license/registrations with any Public or Private bodies in Pakistan required to supply the Work.

Capability in designing the machinery & equipment

Experience in successful installation of same/similar plants elsewhere

Experience in successful commissioning of same/similar plants elsewhere

Experience in successfully transferring the know-how of Sports Goods manufacturing elsewhere

Capable to train for required technology/equipment and machinery attach list of qualified experts/staff with their CVs

Capacity to manufacture similar technology/equipment and machinery attach

detail of in-house manufacturing facilities and technical staff

The Bidder shall certify the capacity and capability of the plant (from which Goods are now offered) for manufacturing, quality assurance and testing facilities, qualified man-power and production/delivery of quality materials according to bid specifications and delivery requirements. Besides, such plant should have produced same items for at least 05 years and such Goods shall have proven successful in the field for at least 02 years and the bidder shall submit with the bid all necessary documentation in this regard. Moreover, the bidder shall produce evidence of installing at least 01 similar project elsewhere to the satisfaction of the employer. The Employer/Engineer will have the right to verify the particulars regarding the plant and other related information furnished with the bid and the joint venture as well as the partners thereof shall be liable for disqualification in the event of any mis-statement/ mis-representation on their part.

The bidder shall furnish documentary evidence of qualification on the Form “Evidence of Bidder’s Capability” (Appendix B to these Instructions)

- (b) The bidder should have an average annual turnover in the last five years equal to or more than the Total Bid Price. Alternately, the bidder should have successfully completed in the last five years any specific project having value equal to or higher than the total Bid Price.

13.5 Joint Venture

In order for a Joint Venture to qualify:

- (a) At least one of the partners of joint venture shall satisfy the relevant experience criteria specified in Sub-Clause 13.4(a) hereinabove.
- (b) All firms comprising the joint venture shall be legally constituted and shall meet the eligibility requirement of Sub-Clause 2.1 hereof.
- (c) All partners of the joint venture shall at all times and under all circumstances be liable jointly and severally to Employer for the execution of the entire Contract in accordance with the Contract terms and conditions and a statement to this effect shall be included in the authorization mentioned under Para (f) below as well as in the Form of Bid and Form of Contract Agreement (in case of a successful bidder).
- (d) The Form of Bid, and in the case of successful bidder, the Form of Contract Agreement, shall be signed so as to be legally binding on all partners.
- (e) One of the joint venture partners shall be nominated as being in-charge and this authorization shall be evidenced by submitting a power of attorney signed by legally authorized signatories of all the joint venture partners.
- (f) The partner-in-charge shall be authorized to incur liabilities, receive payments and receive instructions for and on behalf of any or all partners of the joint venture.

- (g) A copy of the agreement entered into by the joint venture partners shall be submitted with the bid stating the conditions under which it will function, its period of duration, the persons authorized to represent and obligate it and which persons will be directly responsible for due performance of the Contract and can give valid receipts on behalf of the joint venture, the proportionate participation of the several firms forming the joint venture, and any other information necessary to permit a full appraisal of its functioning. No amendments / modifications whatsoever in the joint venture agreement shall be agreed to between the joint venture partner without prior written consent of the Employer.

13.6 The Bidder shall propose, in order of his priority; plant, equipment or goods of not more than three Manufacturers. Employer at his own jurisdiction will evaluate the plant, equipment or goods of only one or more of such Manufacturers.

IB.14 Documents Establishing Goods' Eligibility and Conformity to Bidding Documents

14.1 Pursuant to Clause IB.9, the bidder shall furnish, as part of its bid, documents establishing the eligibility and conformity to the Bidding Documents of all Goods and Services which the bidder proposes to perform under the Contract.

14.2 The documentary evidence of the Goods and Services eligibility shall establish to the Employer's satisfaction that they will have their origin in an eligible source country as defined under Clause IB.3. A certificate of origin issued at the time of shipment will satisfy the requirements of the said Clause.

14.3 The documentary evidence of the Goods and Services' conformity to the Bidding Documents may be in the form of literature, drawings and data and shall furnish:

- (a) A detailed description of the Goods, essential technical and performance characteristics.
- (b) Complete set of technical information, description data, literature and drawings as required in accordance with Schedule A to Bid, Specific Works Data. This will include but not be limited to the following:
 - (i) A sufficient number of drawings, photographs, catalogues, illustrations and such other information as is necessary to illustrate clearly the significant characteristics such as general construction dimensions and other relevant information about the Goods to be furnished.
 - (ii) Details of equipment and machinery with capacity.
 - (iii) Any other information which is required for evaluation purposes.
- (c) A clause-by-clause commentary on Technical Provisions, provided with the Bidding Documents, demonstrating the Goods' and Services' substantial responsiveness to those Specifications or a statement of deviations and exceptions to the provisions of the Technical Provisions as required in Schedule D to Bid.

- 14.4 For purpose of the commentary to be furnished pursuant to Sub-Clause 14.3(c) above, the Bidder shall note that standards for workmanship, material and equipment, and references to brand names or catalogue numbers, designated by the Engineer in the Technical Provisions are intended to be descriptive only and not restrictive. The bidder may substitute alternative standards, brand names and/or catalogue numbers in its bid, provided that it demonstrates to the Engineer's satisfaction that the substitutions are substantially equivalent or superior to those designated in the Technical Provisions. Copies of the standards proposed by the bidder other than those specified in the Bidding Documents shall be furnished.
- 14.5 The bidder will along with the bid submit a warranty certificate stating that the machinery and equipment being supplied are capable of producing Products according to terms, conditions and standards mentioned in "Transfer of technical know-how" clause as given in Schedule A to bid.

IB.15 Bid Security

- 15.1 Each bidder shall furnish, as part of his bid, a Bid Security in the Pak Rupees or an equivalent amount in a freely convertible currency equal to 01 % of the bid amount.
- 15.2 The Bid Security shall be, at the option of the bidder, in the form of (1) Call at Deposit (2) Bank Draft (3) Bank Guarantee issued by a scheduled Bank in Pakistan or from a foreign bank duly counter-guaranteed by a Scheduled Bank in Pakistan in favor of the Employer.
- 15.3 The Bid Security is required to protect the Employer against the risk of bidder's conduct which would warrant the security's forfeiture, pursuant to Sub-Clause 15.7 hereof.
- 15.4 Any bid not accompanied by an acceptable Bid Security shall be rejected by the Employer as non-responsive, pursuant to Clause IB.24.
- 15.5 The bid securities of unsuccessful bidders will be returned upon award of contract to the successful bidder or on the expiry of validity of Bid Security whichever is earlier.
- 15.6 The Bid Security of the successful bidder will be returned when the bidder has furnished the required Performance Security, pursuant to Clause IB.34 and signed the Contract Agreement, pursuant to Clause IB.35.
- 15.7 The Bid Security may be forfeited:
- (a) If a bidder withdraws his bid during the period of bid validity; or
 - (b) If a bidder does not accept the correction of his Bid Price, pursuant to Sub-Clause 24.2 hereof; or
 - (c) In the case of a successful bidder, if he fails to:
 - (i) Furnish the required Performance Security in accordance with Clause IB.34, or
 - (ii) Sign the Contract Agreement, in accordance with Clause IB.35.

IB.16 Validity of Bids

- 16.1 Bids shall remain valid for 150 days after the date of bid opening as prescribed in

Clause IB.19.

- 16.2 In exceptional circumstances prior to expiry of original bid validity period, the Employer may request the bidders to extend the period of validity for a specified additional period which shall in no case be more than the original bid validity period. The request and the responses thereto shall be made in writing. A bidder may refuse the request without forfeiture of his Bid Security. A bidder agreeing to the request will be required to extend the validity of his Bid Security for the period of the extension, and in compliance with Clause IB.15 in all respects in which case, the Employer will be obligated to compensate the bidders, upon substantiation for their increase in costs (if it is a fixed price bid).

IB.17 Format and Signing of Bid

- 17.1 Bidders are particularly directed that the amount entered on the Form of Bid shall be for performing the Contract strictly in accordance with the Bidding Documents.
- 17.2 All Schedules to Bid are to be properly completed, signed and stamped.
- 17.3 No alteration is to be made in the Form of Bid nor in the Schedules thereto except in filling up the blanks as directed. If any alteration be made or if these instructions be not fully complied with, the bid may be rejected.
- 17.4 Each bidder shall prepare one (1) Original and 03 Copies, of the documents comprising the bid as described in Clause IB.9 and clearly mark them "ORIGINAL" and "COPY" as appropriate. In the event of discrepancy between them, the original shall prevail.
- 17.5 The original and all copies of the bid shall be typed or written in indelible ink and shall be signed by a person or persons duly authorized to sign (in the case of copies, Photostats are also acceptable). This shall be indicated by submitting a written Power of Attorney authorizing the signatory of the bidder to act for and on behalf of the bidder. All pages of the bid shall be initialed and stamped by the person or persons signing the bid.
- 17.6 The bid shall contain no alterations, omissions or additions, except to comply with instructions issued by the Employer, or as are necessary to correct errors made by the bidder, in which case such corrections shall be initialed by the person or persons signing the bid.
- 17.7 Bidders shall indicate in the space provided in the Form of Bid their full and proper addresses at which notices may be legally served on them and to which all correspondence in connection with their bids and the Contract is to be sent.
- 17.8 Bidders should retain a copy of the Bidding Documents as their file copy.

D. SUBMISSION OF BIDS

IB.18 Sealing and Marking of Bids

- 18.1 Bidding procedure will be two stages as per Rule 36(d) of PPRA Rules, 2004:

PPRA Rule 36 (d):

TWO STAGE TWO ENVELOPE BIDDING PROCEDURES

First stage

- (i) the bid shall comprise a single package containing two separate envelopes. Each envelope shall contain separately the financial proposal and the technical proposal;
- (ii) the envelopes shall be marked as “FINANCIAL PROPOSAL” and “TECHNICAL PROPOSAL” in bold and legible letters to avoid confusion;
- (iii) initially, only the envelope marked “TECHNICAL PROPOSAL” shall be opened;
- (iv) the envelope marked as “FINANCIAL PROPOSAL” shall be retained in the custody of the procuring agency without being opened;
- (v) the technical proposal shall be discussed with the bidders with reference to the procuring agency’s technical requirements;
- (vi) those bidders willing to meet the requirements of the procuring agency shall be allowed to revise their technical proposals following these discussions;
- (vii) bidders not willing to conform their technical proposal to the revised requirements of the procuring agency shall be allowed to withdraw their respective bids without forfeiture of their bid security;

Second stage

- (viii) after agreement between the procuring agency and the bidders on the technical requirements, bidders who are willing to conform to the revised technical specifications and whose bids have not already been rejected shall submit a revised technical proposal and supplementary financial proposal, according to the technical requirement;
- (ix) the revised technical proposal along with the original financial proposal and supplementary financial proposal shall be opened at a date, time and venue announced in advance by the procuring agency:

Provided that in setting the date for the submission of the revised technical proposal and supplementary price proposal a procuring agency shall allow sufficient time to the bidders to incorporate the agreed upon changes in the technical proposal and to prepare the required supplementary financial proposal; and

- (x) the procuring agency shall evaluate the whole proposal in accordance with the evaluation criteria and the bid found to be the lowest evaluated bid shall be accepted.

18.2 Each bidder shall submit his bid as under:

- (a) ORIGINAL and each COPY of the Bid shall be separately sealed and put in

separate envelopes and marked as such.

- (b) The envelopes containing the ORIGINAL and COPIES will be put in one sealed envelope and addressed / identified as given in Sub- Clause 18.2 hereof.

18.3 The inner and outer envelopes shall;

- (a) Be addressed to the Employer at the address given in Sub-Clause 6.1 heretofore.
- (b) Bear the Project name, Bid Reference No. and Date of opening of Bid.
- (c) Provide a warning not to open before the time and date for bid opening.

18.4 The Bid shall be delivered in person or sent by registered mail or couriered at the address to Employer as given in Sub-Clause 6.1 heretofore.

18.5 In addition to the identification required in Sub-Clause 18.2 hereof, the inner envelope shall indicate the name and address of the bidder to enable the bid to be returned unopened in case it is declared “late” pursuant to Clause IB.20.

18.6 If the outer envelope is not sealed and marked as above, the Employer will assume no responsibility for the misplacement or premature opening of the bid.

IB.19 Deadline for Submission of Bids

19.1 (a) **Technical Bids** must be received by the Employer at the address specified in Sub-Clause 6.1 hereof not later than the time and date stipulated in the Invitation for Bids. Only the successful technical bids will be asked to participate in second stage on any additional terms and conditions (if any) and date mentioned in the letter addressed to successful technical bidders.

- (b) Bids with charges payable will not be accepted, nor will arrangements be undertaken to collect the bids from any delivery point other than that specified above. Bidders shall bear all expenses incurred in the preparation and delivery of bids.

- (c) Where delivery of a bid is by mail and the bidder wishes to receive an acknowledgment of receipt of such bid, he shall make a request for such acknowledgment in a separate letter attached to but not included in the sealed bid package.

- (d) Upon request, acknowledgment of receipt of bids will be provided to those making delivery in person or by messenger.

19.2 Bids submitted through telegraph, telex, fax or e-mail shall not be considered.

19.3 The Employer may, at his discretion, extend the deadline for submission of technical bids by issuing an addendum in accordance with Clause IB.7 and second stage bidding, in which case all rights and obligations of the Employer and the bidders previously subject to the original deadline will thereafter be subject to the deadline as extended.

IB.20 Late Bids

- 20.1 (a) Any bid received by the Employer after the deadline for submission of bids (first and second stage as the case may be) prescribed in Clause IB.19 will be returned unopened to such bidder.
- (b) Delays in the mail, delays of person in transit, or delivery of a bid to the wrong office shall not be accepted as an excuse for failure to deliver a bid at the proper place and time. It shall be the bidder's responsibility to determine the manner in which timely delivery of his bid will be accomplished either in person, by messenger or by mail.

IB.21 Modification, Substitution and Withdrawal of Bids

- 21.1 Any bidder may modify, substitute or withdraw his bid after bid submission provided that modification, substitution or written notice of the withdrawal is received by the Employer prior to the deadline for submission of bids (first and second stage as the case may be).
- 21.2 The modification, substitution or notice for withdrawal of any bid shall be prepared, sealed, marked and delivered in accordance with the provisions of Clause IB.18 with the outer and inner envelopes additionally marked "MODIFICATION", "SUBSTITUTION" or "WITHDRAWAL", as appropriate.
- 21.3 Withdrawal of second stage bid during the interval between the deadline for submission of bids and the expiration of the period of bid validity specified in the Form of Bid may result in forfeiture of the Bid Security pursuant to Clause IB.15.

E. BID OPENING AND EVALUATION

IB.22 Bid Opening

- 22.1 A committee consisting of nominated members by the Employer will open the bids for both stages, including withdrawals, substitution and modifications made pursuant to Clause IB.21, in the presence of bidders' representatives who choose to attend, at the time, date and location stipulated in the Invitation for Bids.

At first stage only technical bids will be opened by the committee and in second stage only the bids of the bidders whose technical proposals or bids have not been rejected and who are willing to confirm their bids to the revised technical requirements shall be opened. The bidders' representatives who are present shall sign in a register evidencing their attendance.

- 22.2 Envelopes marked "MODIFICATION", "SUBSTITUTION" or "WITHDRAWAL" shall be opened and read out first and the name of the Bidder shall be read out. Bids for which an acceptable notice of withdrawal has been submitted pursuant to Clause IB.21 shall not be opened.
- 22.3 The bidder's name, Bid Prices, unit rates, any discount and price of any Alternate Proposal(s), bid modifications, substitutions and withdrawals, the presence or absence of Bid Security, and such other details as the Employer at its discretion may consider appropriate, will be announced by the Employer at the opening of bid at second stage. The Employer will record minutes of bid opening.

Any Bid Price or discount which is not read out and recorded at bid opening will not be taken into account in the evaluation of bid.

22.4 Discounts offered for lesser period than the bid validity shall not be considered in evaluation.

IB.23 Clarification of Bids

23.1 To assist in the examination, evaluation and comparison of Bids the Engineer may, at its discretion, ask the Bidder for a clarification of its Bid (first and second stage as the case may be). The request for clarification and the response shall be in writing and no change in the price or substance of the Bid shall be sought, offered or permitted.

IB.24 Preliminary Examination & Determination of Responsiveness of Bids

24.1 Only technical proposals at first stage accompanied by bid security valid for required period will be evaluated for second stage of bidding and detailed evaluation of bids will be done in second stage of bidding and prior to the detailed evaluation of bids, pursuant to Clause IB.26,

(a) the Engineer/Employer will examine the Bids to determine whether;

- (i) The Bid is complete and does not deviate from the scope,
- (ii) Any computational errors have been made,
- (iii) Required sureties have been furnished,
- (iv) The documents have been properly signed,
- (v) The Bid is valid till required period,
- (vi) The Bid prices are firm during currency of contract if it is a fixed price bid,
- (vii) Completion period offered is within specified limits,
- (viii) The Bidder/Manufacturer is eligible to Bid and possesses the requisite experience,
- (ix) The Bid does not deviate from basic technical requirements and
- (x) The Bids are generally in order.

(b) A bid is likely not to be considered, if;

- (i) It is unsigned,
- (ii) Its validity is less than specified,
- (iii) It is not submitted as per scope of work,
- (iv) It indicates that Works and materials to be supplied do not meet eligibility requirements,
- (v) It indicates that Bid prices do not include the amount of income tax,

(c) A bid will not be considered, if;

- (i) It is not accompanied with bid security,
- (ii) It is submitted by a bidder who has participated in more than one bid,
- (iii) It is received after the deadline for submission of bids,
- (iv) It is submitted through fax, telex, telegram or email,

- (v) It indicates that prices quoted are not firm during currency of the contract whereas the bidders are required to quote fixed price(s),
- (vi) The bidder refuses to accept arithmetic correction,
- (vii) It is materially and substantially different from the Conditions/Specifications of the Bidding Documents.

24.2 Arithmetical errors will be rectified on the following basis:

If there is a discrepancy between the unit price and 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 the words and figures the amount in words shall prevail. If there is a discrepancy between the total Bid price entered in Form of Bid and the total shown in Schedule of Prices Summary, the amount stated in the Form of Bid will be corrected by the Employer/Engineer in accordance with the Corrected Schedule of Prices.

If the Bidder does not accept the corrected amount of Bid, his Bid will be rejected and his Bid Security forfeited.

24.3 Prior to the detailed evaluation, pursuant to Clause IB.26 the Employer/Engineer will determine the substantial responsiveness of each Bid to the Bidding Documents. For purpose of these Clauses, a substantially responsive Bid is one which conforms to all the terms and conditions of the Bidding Documents without material deviations.

A material deviation or reservation is one

- (i) Which affects in any substantial way the scope, quality or performance of the Works.
- (ii) Which limits in any substantial way, inconsistent with the Bidding Documents, the Employer's rights or the bidder's obligations under the Contract; or
- (iii) Whoserectification/adoption would affect unfairly the competitive position of other bidders presenting substantially responsive bids.

The Employer's/Engineer's determination of a Bid's responsiveness will be based on the contents of the Bid itself without recourse to extrinsic evidence.

24.4 A Bid determined as substantially non-responsive will be rejected and will not subsequently be made responsive by the Bidder by correction of the non-conformity.

24.5 Any minor informality or non-conformity or irregularity in a Bid which does not constitute a material deviation may be waived by Employer, provided such waiver does not prejudice or affect the relative ranking of any Bidder.

IB.25 Conversion to Single Currency

25.1 To facilitate evaluation and comparison, the Employer/Engineer will convert, all Bid Prices expressed in the amount in various currencies in which Bid Price is payable, to Pak. Rupees at the Telegraphic Transfer and Over Draft (TT&OD) composite (selling) exchange rates published/authorized by State Bank of Pakistan and applicable to similar transactions, on the date of the opening of Bids.

IB.26 Detailed Evaluation of Bids

26.1 The Employer/Engineer will evaluate and compare only the bids previously determined to be substantially responsive pursuant to Clause IB.24 as per requirements given hereunder.

26.2 Evaluation and Comparison of Bids

- (a) Bids will be evaluated for each item and/or complete scope of work.
- (b) **Basis of Price Comparison**
The prices will be compared on the basis of the Evaluated Bid Price pursuant to Para (e) herein below.
- (c) **Technical Evaluation**
It will be examined in detail whether the Goods offered by the bidder comply with the Technical Provisions of the Bidding Documents. For this purpose, the bidder's data submitted with the bid will be compared with the specific work data prescribed by the Employer and technical features/criteria of the Goods detailed in the Technical Provisions. Other technical information submitted with the bid regarding the Scope of Work will also be reviewed.
- (d) **Commercial Evaluation**
It will be examined in detail whether the bids comply with the commercial/contractual conditions of the Bidding Documents. It is expected that no major deviation/stipulation shall be taken by the bidders.
- (e) **Evaluated Bid Price**
In evaluating the bids, the Employer will determine for each bid in addition to the Bid Price, the following factors (adjustments) in the manner and to the extent indicated below to determine the Evaluated Bid Price:
 - (i) Making any correction for errors pursuant to Sub-Clause 24.2 hereof.
 - (ii) Excluding Provisional Sums, if any, but including priced Day work.
 - (iii) Making an appropriate adjustment for any other acceptable variation or deviation.

26.3 Evaluation Methods

Pursuant to Sub-Clause 26.2, Para (e)(iii) following evaluation methods for price adjustments will be followed:

- (a) Price Adjustment for each item and/or complete scope of work
- (b) Price Adjustment for Technical Compliance
- (c) Price Adjustment for Commercial Compliance
- (d) Price Adjustment for Deviations in Terms of Payment
- (e) Price Adjustment for Completion Schedule
- (i) Price Adjustment for each item and/or complete scope of work
In case of omission in the scope of work of a quoted item no price adjustment for the omitted item(s) shall be applied provided that the Bidder has mentioned in his bid that the same is covered in any other item.

The price adjustment shall not justify any additional payment by the Employer.

The price(s) of omitted item(s) shall be deemed covered by other prices of the Schedule of Prices.

(ii) Price Adjustment for Technical Compliance

The cost of making good any deficiency resulting from technical non compliance will be added to the Corrected Total Bid Price for comparison purposes only. The adjustments will be applied taking the highest price quoted by other Bidders being evaluated in detail in their original Bids for corresponding item. In case of non availability of price from other Bidders, the price will be estimated by the Engineer.

(iii) Price Adjustment for Commercial Compliance

The cost of making good any deficiency resulting from any quantifiable variations and deviations from the Bid Schedules and Conditions of Contract, as determined by the Engineer will be added to the Corrected Total Bid Price for comparison purpose only. Adjustment for commercial compliance will be based on Corrected Total Bid Prices.

(iv) Price Adjustment for Deviation in Terms of Payment

If a bid deviates from the terms of payment/payment conditions as specified in the Conditions of Contract and if such deviation is considered acceptable to the Employer, mark-up earned for any earlier payments involved in the terms outlined in the Bid as compared to those stipulated in the Conditions of Contract shall be calculated at the following mark-up rates:

- for foreign currency component: LIBOR+1% per annum
(insert rate)
- for local currency component: KIBOR+2% per annum
(insert rate)

and shall be added to the Corrected Total Bid Price for comparison purposes only.

(v) Price Adjustment for Completion Schedule

Bids indicating completion in advance of the dates stated in Preamble to Conditions of Contract, no credit will be given in this evaluation.

Bids indicating completion period later than the period set out in Preamble to Conditions of Contract shall be adjusted in the evaluation by adding a factor of 0.05% of the Corrected Total Bid Price for each calendar day of completion later than specified period of the completion.

Bids indicating completion beyond 30 days later than the dates set out in Preamble to Conditions of Contract shall not be considered and rejected as non-responsive.

26.4 If the bid of the successful bidder is seriously unbalanced in relation to the Employer's estimate of the cost of work to be performed under the Contract, the Employer may require the bidder to produce detailed price analyses for any or all items of the Schedule of Prices to demonstrate the internal consistency of those prices with the construction methods and schedule proposed. After evaluation of the price analyses,

the Employer may require that the amount of the Performance Security set forth in Clause IB.34 be increased at the expense of the successful bidder to a level sufficient to protect the Employer against financial loss in the event of default of the successful bidder under the Contract.

IB.27. Domestic Preference

- 27.1 In the comparison of evaluated Bids, the Goods manufactured in Pakistan, will be granted a margin of preference in accordance with the following procedures, provided the bidder shall have established to the satisfaction of Employer that the manufacturing cost of such Goods includes a domestic value addition equal to at least 20% of the ex-factory Bid price of such Goods. Bidders applying for domestic preference shall fill in Appendix C to these Instructions to substantiate their claim.
- 27.2 The Employer/Engineer will first review the Bids to determine, the Bid group classification in accordance with Sub-Clause 10.2 hereof.
- 27.3 The comparison shall be Ex-factory price of the Goods to be offered from within Pakistan (such prices to include all costs as well as custom duties and taxes paid or payable on raw materials and components incorporated or to be incorporated in the Goods) and the DDP (CIF + Customs duty, sales tax and other import charges) Pakistan seaport price of the Goods to be offered from outside Pakistan.
- 27.4 The lowest evaluated bid of each Group shall first be determined by comparing all evaluated bids in each Group among themselves taking into account:
- (a) In the case of Goods manufactured in Pakistan, sales tax, local body charges and other similar taxes which will be payable on the furnished Goods in Pakistan.
 - (b) In the case of Goods of foreign origin offered from abroad, customs duties, sales tax and other import charges which will be payable on furnished Goods in Pakistan.
 - (c) In the case of Goods of foreign origin already located in Pakistan, customs duty, sales tax and import charges on CIF price as applicable for Sub-Clause 27.4(b) here above.
- 27.5 The price preference to Group A bids will be:
- (i) 15% of the ex-factory bid price, if the value addition through indigenous manufacturing is at least 20%;
 - (ii) 20% of the ex-factory bid price, if the value addition through indigenous manufacturing is over 20% and up to 30%; and
 - (iii) 25% of the ex-factory bid price, if the value addition through indigenous manufacturing is over 30%.
- 27.6 The applicable price preference i.e., as per Sub-Clause 27.5 here above will be applied to Group A Bid by reducing the ex-factory bid price.

IB.28 Process to be Confidential

- 28.1 Subject to Clause 23 heretofore, no Bidder shall contact Employer and/or Engineer on any matter relating to its Bid from the time of the Bid opening to the time the bid evaluation result is announced by the Employer. The evaluation result shall be announced at least ten (10) days prior to award of Contract. The announcement to all bidders will include table(s) comprising read out prices, discounted prices, price adjustments made, final evaluated prices and recommendations against all the bids evaluated.
- 28.2 Any effort by a Bidder to influence Employer and/or Engineer in the Bid evaluation, Bid comparison or Contract Award decisions may result in the rejection of his Bid. Whereas any bidder feeling aggrieved may lodge a written complaint not later than seven (07) days after the announcement of the bid evaluation result; however, mere fact of lodging a complaint shall not warrant suspension of the procurement process.

F. AWARD OF CONTRACT

IB.29. Post-Qualification

- 29.1 The Employer, at any stage of the bid evaluation, having credible reasons for or *prima facie* evidence of any defect in supplier's or contractor's capacities, may require the suppliers or contractors to provide information concerning their professional, technical, financial, legal or managerial competence whether already pre-qualified or not:

Provided that such qualification shall only be laid down after recording reasons therefore in writing. They shall form part of the records of that bid evaluation report.

- 29.2 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 qualification submitted under Appendix B to Instructions to Bidders "Evidence of Bidder's Capability" by the bidder pursuant to Clause IB.13 as well as such other information as required under the Bidding Documents.
- 29.3 An affirmative determination will be a pre-requisite for award of the Contract to the lowest evaluated bidder. A negative determination will result in rejection of that bidder's bid in which event, Employer will proceed to undertake a similar determination of the next lowest evaluated bidder's capabilities to perform the Contract satisfactorily.

IB.30 Award Criteria

- 30.1 Subject to Clause IB.32, the Employer will award the Contract to the bidder whose bid has been determined to be substantially responsive to the Bidding Documents and who has offered the lowest evaluated Bid Price, provided that such bidder has been determined to be qualified to satisfactorily perform the Contract in accordance with the provisions of Clause IB.29.
- 30.2 Weightage Criteria to Evaluate the Bids is as under:

A-	Technical Bid	60 Marks
B-	Financial Bid	40 Marks
	Total Score	100 Marks

Sections	Score	Scoreobtained
A. Experience	25	
B. Implementation Schedule, compliance & international certificate after sale services	45	
C. Staff Strength (Technical)	30	
Total	100	

17.8.1 Technical evaluation Proforma

A. Experience

Sr. No.	Attributes	Max. Marks	Requirement
1	Total experience of the Firm. (No. of years since its registration / incorporation)	5	Maximum Marks will be assigned to the bidder having 10 years of experience. Relative Marking for others.
2	Successful completion of reference able projects of similar nature.	15	Maximum Marks will be assigned to bidder who have successfully completed highest number of Projects. Rest will be evaluated on relative marking.
3	Manufacturing facility for similar machinery & equipment (Number of years)	5	Maximum Marks will be assigned to bidder who itself / Principal / Partner owns a manufacturing facility for similar products for at least 5 years. Relative Marking for others. In case there is no manufacturing facility, no score will be assigned.
	Total	25	

B. Implementation Schedule, compliance & international certificate after sale services

Sr. No.	Attributes	Max. Marks	Requirements
1	Completion Time (supply, installation / commissioning, and staff	20	Maximum completion time is 06 months after signing of contract agreement. Maximum Marks will be assigned to bidder

Sr. No.	Attributes	Max. Marks	Requirements
	training etc.)		who will complete the assignment within shortest time, relative marking for others.
2	Environment Standards Certifications	5	Availability of Quality, Environment or other international Certification(s).
3	Product registration & Licensing	5	Marks will be assigned as per following criteria: Patent and Trademark owner – 5 Marks Licensee (under a License) – 3 Marks Without Patent, Trade Mark or License – 0 Mark
4	Availability of after sales service	10	Availability of spare parts at least for 5 years from successful installation and commissioning of supplied machinery / equipment. Marks will be assigned based on the period for definite availability of spare parts (Maximum marks 6). Relative Marking for others.
		5	Provision of On-site Maintenance Services after warranty period. On-site Maintenance Services, if available - 5 Marks, else 0 Marks
	Total	45	

C. Key Technical Personnel -

Sr. No.	Attributes	Ma x.	Requirements															
1.	Key Technical Staff – Designated for this assignment	30	<p>No. Key Technical Staff: Maximum marks will be assigned against maximum number of staff. Relative marking criteria will be applied to other bidders.</p> <p>Relevant technical qualification (%):</p> <table border="1"> <thead> <tr> <th>Description</th> <th>Weight (%age)</th> <th>Min Experience (years)</th> </tr> </thead> <tbody> <tr> <td>Bachelors</td> <td>100%</td> <td>3</td> </tr> <tr> <td>03 Years Diploma</td> <td>70%</td> <td>5</td> </tr> <tr> <td>01 Year Certificate / Relevant Technician</td> <td>60%</td> <td>7</td> </tr> <tr> <td>Others</td> <td>20%</td> <td>-</td> </tr> </tbody> </table> <p>Experience (%): Maximum experience for each position will be considered as 100% and remaining will be calculated on relative basis.</p> <p>Total Marks: Marks for No. of Staff * (Avg. Relevant Qualification % * Avg. Experience %)</p>	Description	Weight (%age)	Min Experience (years)	Bachelors	100%	3	03 Years Diploma	70%	5	01 Year Certificate / Relevant Technician	60%	7	Others	20%	-
Description			Weight (%age)	Min Experience (years)														
Bachelors			100%	3														
03 Years Diploma			70%	5														
01 Year Certificate / Relevant Technician			60%	7														
Others	20%	-																
	Total	30																

Cut-off level: At least 70% Marks will be required to qualify technically and subsequent eligibility for participation in the financial evaluation. Financial Bids of bidders scoring less than 70% marks in the Technical Evaluation would be returned un-opened.

TechnicalBid:60%,FinancialBid:40%

- 1- Marks obtained by Firm / 100 * 60% = _____
- 2- Minimum Bid (M) / The Bid value (B) * W(40%) = _____
(Relevant Percentage)

M → Minimum Bid
 B → the bid Value
 W → Weightage (40%)

Total Score = Technical Bid Score + Financial Bid Score
 Bidder with highest Total Score would be considered as successful bidder

➤ Bidders are required to submit the necessary documentary evidence to support the requirements prescribed above.

IB.31 Employer's Right to Vary Quantities

- 31.1 Employer reserves the right at the time of award of Contract to increase or decrease the quantity of goods and services specified in the Schedule of Prices without any change in the unit price or other terms and conditions. After the award of Contract, the employer reserves the right to increase or decrease by 15% the quantity of goods/services specified in the Schedule of Prices without any change in the unit price or other terms and conditions

IB.32 Employer's Right to accept any Bid and to Reject any or all Bids

- 32.1 Notwithstanding Clause IB.30, the Employer reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids, at any time prior to award of Contract, without thereby incurring any liability to the affected bidders or any obligation to inform the affected bidders of the grounds for the Employer's action except that the grounds for its rejection shall upon request be communicated, to any bidder who submitted a bid, without justification of grounds. Rejection of all bids shall be notified to all bidders promptly.
- 32.2 No negotiations with the bidder having been evaluated as lowest responsive or any other bidder shall be permitted. However, the Employer may have clarification meeting(s) to get to clarify any item(s) in the bid evaluation report.

IB.33 Notification of Award

- 33.1 Prior to expiration of the period of bid validity prescribed by the Employer, the Employer will issue "Letter of Interest" to the lowest bidder. The bidder within 03 weeks after receipt of "Letter of Interest" shall arrange a visit of delegation comprising of 3-5 persons (nominated by the employer) for not less than a week to its productions facilities, bearing all the costs for the whole delegation including boarding, lodging, meals, local and international travelling, visa, airport taxes, local taxes, etc. The delegation will determine if the bidder is capable enough to execute the contract to be awarded.
- 33.2 Prior to expiration of the period of bid validity prescribed by the Employer and upon positive recommendations of the delegation as stated in above Clause 33.1, the Employer will notify the successful bidder in writing ("Letter of Acceptance") that his bid has been accepted. This letter shall name the sum which the Employer will pay the Contractor in consideration of the execution and completion of the Works by the Contractor as prescribed by the Contract (hereinafter and in the Conditions of Contract called the "Contract Price").
- 33.3 The Letter of Acceptance and its acceptance by the bidder will constitute the formation of the Contract, binding the Employer and the Bidder till signing of the formal Contract Agreement.
- 33.4 Upon furnishing by the successful bidder of a Performance Security, the Employer will promptly notify the other bidders that their bids have been unsuccessful and return their bid securities.

IB.34 Performance Security

- 34.1 The successful bidder shall furnish to the Employer a Performance Security in the form and the amount stipulated in the Conditions of Contract within a period of twenty-eight (28) days after the receipt of Letter of Acceptance. The performance Security shall remain valid for 18 (eighteen) months from the date of the bill of lading.
- 34.2 Failure of the successful bidder to comply with the requirements of Sub-Clause IB.34.1 or Clause IB.35 or Clause IB.43 shall constitute sufficient grounds for the annulment of the award and forfeiture of the Bid Security.

IB.35 Signing of Contract Agreement

- 35.1 Within fourteen (14) days from the date of furnishing of acceptable Performance Security under the Conditions of Contract, the Employer will send to the successful bidder the Form of Contract Agreement provided in the Bidding Documents, duly filled in and incorporating all agreements between the parties for signing and return it to the Employer.
- 35.2 The formal Agreement between the Employer and the successful bidder shall be executed within fourteen (14) days of the receipt of such Form of Contract Agreement by the successful bidder from the Employer.
- 35.3 Within fifteen (15) days of signing of Contract Agreement, the contractor shall furnish complete plant layout, machinery foundation design, floor designs, process design including utility flow diagram (electrical wiring, lighting arrangement, steam, compressed air and water piping design in hard and soft form).

G. ADDITIONAL INSTRUCTIONS

IB.36 Instructions not Part of Contract

- 36.1 Bids shall be prepared and submitted in accordance with these Instructions which are provided to assist bidders in preparing their bids, and do not constitute part of the Bid or the Contract Documents.

IB.37 Contract Documents

- 37.1 The Documents which will be included in the Contract are listed in the Form of Contract Agreement set out in these Bidding Documents.

IB.38 Sufficiency of Bid

- 38.1 Each bidder shall satisfy himself before Bidding as to the correctness and sufficiency of his Bid and of the rates and prices entered in the Schedule of Prices. Except insofar as it is otherwise expressly provided in the Contract, the rates and prices entered in the Schedule of Prices shall cover all his obligations under the Contract and all matters and things necessary for the proper completion of the Works.

IB.39 One Bid per Bidder

- 39.1 Each bidder shall submit only one bid either by himself, or as a partner in a joint venture. A bidder who submits or participates in more than one bid (other than alternatives pursuant to Clause IB.41) will be disqualified and bids submitted by him shall not be considered for evaluation and award.

IB.40 Bidder to Inform Himself

- 40.1 The bidder is advised to obtain for himself at his own cost and responsibility all information that may be necessary for preparing the bid and entering into a Contract for execution of the Works. This shall include but not be limited to the following:
- (a) Inquiries on Pakistani Income Tax/Sales Tax to the Commissioner of the Income Tax and Sales Tax, Lahore – Pakistan.
 - (b) Inquiries on customs duties and other import taxes, to the concerned authorities of Customs and Excise Department.
 - (c) Information regarding port clearance facilities, loading and unloading facilities, storage facilities, transportation facilities and congestion at Pakistan seaports.
 - (d) Investigations regarding transport conditions and the probable conditions which will exist at the time the Goods will be actually transported.

IB.41 Alternate Proposals by Bidder

- 41.1 Should any bidder consider that he can offer any advantage to the Employer by a modification to the designs, specifications or other conditions, he may, in addition to his bid to be submitted in strict compliance with the Bidding Documents, submit any Alternate Proposal(s) containing (a) relevant design calculations; (b) technical specifications; (c) proposed construction methodology; and (d) any other relevant details / conditions at first stage, provided always that the total sum entered on the Form of Bid shall be that which represents complete compliance with the Bidding Documents.

IB.42 Local Conditions

- 42.1 Bidder must verify and supplement by his own investigations the information about site and local conditions. However, Employer will assist the Bidder wherever practicable and possible.

IB.43 Integrity Pact

The Bidder shall sign and stamp the Integrity Pact provided at Schedule-H to Bid in the Bidding Document for all Federal Government procurement contracts exceeding Rupees ten million. Failure to provide such Integrity Pact shall make the bid non-responsive.

**Appendix A to
Instructions to Bidders**

NAME OF ELIGIBLE COUNTRIES

[User to list down the Name of eligible countries as per Clause 2 of Instructions to Bidders]

Countries which are eligible as per Government of Pakistan rules and regulation

Except otherwise provided by the Government of Pakistan, all Countries presently exporting composites machinery including Far East Asian region countries.

**Appendix B to
Instructions to Bidders**

EVIDENCE OF BIDDER'S CAPABILITY

[Note: Bidders to provide the following information with the bid separately and indicate herein its references where this information is available.]

Sr. No.	Information to be Supplied	Bid References
1.	Name of bidder, business address and country of incorporation, country of origin, and country of manufacturing License.	
2.	Type of firm whether individually owned, partnership, corporation or joint venture and the names of its owners or partners.	
3.	The annual reports or qualification statements giving general description of the firm, sort of business carried out, balance sheets, profit and loss statements, turn over and business done by the firm, duly authenticated, for the last three (3) years. Audited Balance Sheets for the preceding 3 years and projected assets and liabilities for the next 2 years shall be provided.	
4.	Location and address of manufacturing facilities.	
5.	Full description of factories owned and the annual manufacturing capacities of various items made therein.	
6.	Details of the factory or factories where the offered equipment is proposed to be manufactured. This description should include the facilities and capacities of the particular factories including testing facilities and the processes used in manufacturing and testing. Where parts or components are purchased	
Sr.No.	Information to be Supplied	Bid References

from outside, the details of equipment purchased and the names and experience record of the suppliers. Copy of Sales Tax registration.

7. Detailed description of the quality control testing and research facilities. If the equipment is manufactured under license, the name of the licensor and details of the licensing arrangements, such as the duration of the license, the facilities provided to the bidder by the licensor and whether future improvements are available or not etc. A copy of the license agreement may be attached.
8. Names, qualifications and experience of the key technical personnel.
9. The time since the manufacturer has been in this business and the time since he has been doing work of similar nature.
10. The time since the particular equipment offered has been manufactured and the time for which it has been in service. The manufacturer shall have the following experience.
Refer to IB.13 sub clause 13.4(a)
11. Reference lists of similar works done by the bidder in its country and abroad indicating the name of customer, description and quantity of product, year of supply and the approximate value.
12. Details of projects under execution and future contractual commitments (for each partner, in case of a joint venture).

Sr. No.	Information to be Supplied	Bid References
13.	Banking reference, names of banks and addresses may be given to whom reference regarding financial capability of the bidder may be made, with authority to make inquiries from the bidder's bankers and clients regarding any financial and technical aspects (for each partner, in case of a joint venture).	
14.	Information on any litigation or arbitration	

resulting from contracts completed or under execution by the bidder over the last ten (10) years. The information shall indicate the parties concerned, the matter of dispute, the disputed amounts and the result thereof (for each partner, in case of a joint venture).

**Appendix C to
Instructions to Bidders**

Domestic Goods (Value added in Pakistan)

[Bidders claiming eligibility for domestic preference should fill in for supply items only, all columns hereunder and provide necessary documentation to substantiate their claim]

Sr. No.	Description of Indigenous Goods	Unit	Qty	Total Price of Goods Ex-Factory (Pak Rs.)	Domestic value added in the manufacturing cost as percentage of Ex-Factory Price	Amount of value addition (Pak Rs.)
1	2	3	4	5	6	7
Total in columns 5 & 7						

Computations:

- A. Total amount of Value Addition (from Col.7) Rs _____
- B. Total Ex-Factory Price of Indigenous Goods (from Col.5) Rs _____
- C. Total DDP Price of imported supply items Eqv. Rs _____
- D. Total Price of supply items [B+C] Eqv. Rs _____
- E. % of value addition = [(A/D)x100] _____%
- F. Domestic Preference =(15,20 or 25)% of B Rs _____

FORM OF BID AND SCHEDULES TO BID

FORM OF BID
(LETTER OF OFFER)

Bid Reference No. _____

(Name of Works)

To:

Gentlemen,

1. Having examined the Bidding Documents including Instructions to Bidders, Conditions of Contract, Specifications, Drawings, Schedule of Prices and Addenda Nos. _____ for the execution of the above-named Works, we, the undersigned, being a company doing business under the name of and address _____
_____ and being duly incorporated under the laws of _____ hereby offer to execute and complete such Works and remedy any defects therein in conformity with the said Documents including Addenda thereto for the Total Bid Price comprising Foreign Currency Component of _____ (_____) and Local Currency Component of Rs. _____ (Rupees _____) or such other sum as may be ascertained in accordance with the said Documents.
2. We understand that all the Schedules attached hereto form part of this Bid.
3. As security for due performance of the undertakings and obligations of this Bid, we submit herewith a Bid Security in the amount of _____ drawn in your favor or made payable to you and valid for a period twenty eight (28) days beyond the period of validity of Bid.
4. We undertake, if our Bid is accepted, to commence the Works and to deliver and complete the whole of the Works comprised in the Contract within the time(s) stated in Preamble to the Conditions of Contract.
5. We agree to abide by this Bid for the period of _____ days from the date fixed for receiving the same and it shall remain binding upon us and may be accepted at any time before the expiration of that period.
6. Unless and until a formal Agreement is prepared and executed, this Bid, together with your written acceptance thereof, shall constitute a binding contract between us.
7. We undertake, if our Bid is accepted, to execute the Performance Security referred to in Clause 10 of Conditions of Contract for the due performance of the Contract.

8. We understand that you are not bound to accept the lowest or any Bid you may receive.
9. We do hereby declare that the Bid is made without any collusion, comparison of figures or arrangement with any other person or persons making a Bid for the Works.
10. We confirm, if our Bid is accepted, that all partners of the joint venture shall be liable jointly and severally for the execution of the Contract and the composition or the constitution of the joint venture shall not be altered without the prior consent of the Employer. (Please delete in case of Bid from a single firm).

Dated this _____ day of _____ 20_____

Signature _____ in the capacity of _____ duly

authorized to sign bids for and on behalf of _____
(Name of Bidder in Block Capitals)
(Seal)

Address

Witness:

(Signature) _____

(Name) _____

Address: _____

Occupation _____

SCHEDULES TO BID INCLUDE THE FOLLOWING:

- Schedule A to Bid: Specific Works Data
- Schedule B to Bid: Work to be Performed by Subcontractors
- Schedule C to Bid: Proposed Programme of Works
- Schedule D to Bid: Deviations from Technical Provisions
- Schedule E to Bid: Deviations from Contractual Conditions
- Schedule F to Bid: Method of Performing Works
- Schedule G to Bid: Proposed Organization
- Schedule H to Bid: Integrity Pact

SCHEDULE – A TO BID

SPECIFIC WORKS DATA

PLANT, EQUIPMENT & MACHINERY

Quantity and indicative list of machinery for production of Composites Based Sports Goods is as under but bidder will be at liberty to quote equivalent machinery with latest/modern and computerized Technology without compromising the desired results regarding quality and production capacity.

Section –A Supply of Equipment & Machinery

1) Equipment & Machinery for Composites Based Sports Goods respectively

Sr. #	Description	No. of Units	Remarks
a	For All Solvent Type Prepeg		
1	Prepeg Machine (Two drums: 190 CM CIR x 200CM, Release Paper Guide, Resin Auto Supply and Circular System, Tension Control System), Including all Accessories e.g. Linear Cutting Plate, Paper Roll Stand, Air Conditioning system 4.5 ton, Heating Chamber with hot air circular system including exhaust & Heating Chamber Sheet Trolley, Working Table with laminate stands, Sizing Table with scale and angle cutting (laminate sizing), Laminate Segregation Rack, Nylon Tube Stand, Resting Table, Wrapping Jigs (Rough Molds).	1	
b	Tennis / Badminton / Squash / Paddle Rackets		
1	Hot Press (Working daylight 400x1300x140 mmx5, Electric Heated) with Hydraulic Pump.	1	
2	Cooling Press (Working daylight 400x1300x140 mmx5, (Daylight Water Cooling)	1	
3	Lifter with Table Face as per Hot press specification	1	
4	Molds with Basic Cutting Dies	10	
c	Field, Roller, Floor ball Hockey Sticks, Cricket Bat		
1	Hydraulic Pump Auto Control, Main Motor 7.5 HP High/Low Pressure Auto Control	1	
2	Molds with Basic Cutting Dies	9	
d	Ice Hockey Stick / Rowing Paddle		
1	Hot Press (Working daylight 450x1800x300 mm x 3, Electric Heater) with hydraulic pump	1	

2	Cooling Press (Working daylight 450x1800x300 mm x 3) with Hydraulic Pump.	1	
3	Lifter with Table Face with 3Mould opening Lifter as per Hot Press.	1	
4	Molds with specified cutting dies	6	
e	Fishing Tackle/Baseball bat/Ski Pole, Billiard Cue/Golf Stick		
1	Rolling Table (8 Feet)	1	
2	Mandrel	3	
3	Opp Taping Machine	1	
4	Filament winding machine (CNC multi axis) with complete accessories	1	
5	Curing Oven	1	
6	Mandrel Extractor	1	
7	Opp Remove Machine	1	
8	Auto Cutting Machine	1	
9	Auto Grinding machine	1	
10	Molds with specified cutting dies	18	
f	Development & Prototyping Section		
1	Wet Layup& Controlled Resin Spray Fabrication facility (15*10 ft or larger)	1	
2	Twin Blade Kneader	1	
3	Miscellaneous Jigs, Fixtures & Stands for different technologies (stands for sheet handling, drying) working tables. Cooling / Resting drums or pipes (for segregation) and Cutting Machine for openings (Nylon opening), working table with laminate stands, perforate by hand machine, Grommet machine, Badminton/Tennis Striging machine	1 each	
4	Molds, Tools and Dies (reference / training)	5	
5	Paint Booth (1200-1600 * 1800-2000 * 1800 mm operational) with controlled environment and respective accessories including heating chamber & stand	1	
6	Paint Spray Guns 2-6 nos. of different types (air less/anti static/conventional) including standing tables with water taps, trays and drains, high light potty and transfer / label application table.	1	
7	Different product samples	1 each	
g	Maintenance Workshop		
1	Measuring Tools	1	
2	Pneumatic Polishing Equipment	1	

3	Tools & Accessories	1	
4	3-Axis Milling Machine	1	
5	Pallet Trucks	1	
6	Argon Welding unit	1	
h	Allied Machinery		
1	Air Compressor (100-300 psig with 400-700 lit. or plus tank capacity, preferred screw type with accessories of air regulator, lubricator, cleaner, dryer, fittings/control valves etc)	1	
2	Vacuum Pump	1	
3	Air Pressure & vacuum chamber lines, fittings and Accessories	1	
4	Miscellaneous Shop Tools & Equipment (as per workshop requirement)	1 each	
5	Cooling Tower with water pump, storage tank and accessories	1	
6	Training, Fixtures & Screen Printing Equipments including 30 aluminum frames with printing tables & frame holders, Screen Tightening machine, Kasol Application Machine (Automatic), exposing box, screen printing machine conveyer type.	1	

- i.** Installation, commission and Testing of Equipments and Machinery
- ii.** Mandatory consumable spares parts for one year and repair & maintenance tools with maintenance procedures and quality analysis procedure along with mandatory lab apparatus will be supplied along with Equipment and Machinery. Installation of air handling and cooling / heating system as per production requirement along with piping.
- iii.** Bidder will ensure the availability with providing list of spares parts required during operation for further two years.

2) Transfer of Knowledge for Operation and Maintenance

Knowledge, experience and all skills required for the designing and manufacturing of Composites Based Sports Goods known to the bidder, including:

- a) Production of 1000 items of different composite based sports goods as required by the employer in accordance with the relevant International Association standards. Production of at least 100 quantity of each of the items.
- b) Samples of these sports goods must be tested by a laboratory certifying compliance with above stated standards.
- c) Providing minimum three weeks training to the Master trainers of employer in the processes including but not limited to machine operations, trouble shooting, machine repair and maintenance, etc. by qualified experts. The experts must be able

to communicate in English/Urdu languages or alternatively an interpreter having necessary language translation skills will be arranged by the bidder.

d) Bidder will provide the Manuals of the all operating machineries for operation & maintenance of machines or provide Standard Operating Procedures (SOPs) of all the production processes.

e) Provision of manufacturing drawings for the replaceable components of all machines supplied.

Section – B Supply of Composites Testing Equipment

1) Composites Testing Equipment for Composites Based Sports Goods respectively

a	Composite Mechanic Properties Test Equipment		
1	Rod Flexible Testing Machine, Mechanical testing machine, Tennis racket deforming machine, Tennis racket reciprocating fatigue testing machine, B racket reciprocating fatigue testing machine, Tennis racket unidirectional fatigue testing machine, Racket drop tester	1 each	
2	Rod Torsion Testing Machine, A Racket torsional strength tester, C Racket torsional strength tester, Middle pipe bending testing machine, Badminton bounce tester, Computer control system badminton racket force fatigue testing machine	1 each	
3	Impact Testing Machine, XYZ three way amplitude tester for racket beating, Full test machine for torsional deformation angle of racket handle, Badminton wool and ball head bonding fastness testing machine, beach racket drilling machine, Baseball bat reciprocating fatigue testing machine, Hockey stick and baseball stick rigidity test machine, RA testing MC for racket line tension	1 each	
4	Microscope, TMA Thermo mechanical analyzer, Video inspection camera-Recordable, Digital psychrometer/thermo-hygrometer, ultrasonic leak detector, ultrasonic thickness guage,	1 each	
b	Other Testing Equipment		
1	Assorted laboratory glass equipment for testing with accessories	As per test requirement	
2	3D scanner along with 3D printer, pin less moisture meter, infrared thermometer, exposing box, semi auto printing machine	1 each	

- i.** Installation, commission and Testing of Equipments
- ii.** Mandatory consumable spares parts for one year and repair & maintenance tools with

maintenance procedures and quality analysis procedure will be supplied along with Equipment. Installation of air handling and cooling system as per requirement along with piping where required.

- iii. Bidder will ensure the availability with providing list of spares parts required during operation for further two years.

2) Transfer of Knowledge for Operation and Maintenance of Composites Testing Equipment

Knowledge, experience and all skills required for the testing of Composites Based Sports Goods known to the bidder, including:

- a) Providing minimum three weeks training to the Master trainers of employer including but not limited to Testing equipment operations, trouble shooting, repair and maintenance, etc. by qualified experts. The experts must be able to communicate in English/Urdu languages or alternatively an interpreter having necessary language translation skills will be arranged by the bidder.
- b) Bidder will provide the Manuals of the all Testing equipments for operation & maintenance of machines or provide Standard Operating Procedures (SOPs) of all the equipments.

SCHEDULE – B TO BID

WORK TO BE PERFORMED BY SUBCONTRACTORS

The bidder will do the work with his own forces except the work listed below which he intends to sub-contract.

<u>Items of Work to be Sub-Contracted</u>	<u>Name and address of Sub-Contractor</u>	<u>Statement of similar works previously executed (attach evidence)</u>
---	---	---

Note:

1. No change of Sub-Contractor shall be made by the bidder without prior approval of the Employer.
2. The truthfulness and accuracy of the statement as to the experience of Sub-Contractors is guaranteed by the bidder. The Employer's judgment shall be final as to the evaluation of the experience of Sub-Contractors submitted by the bidder.
3. Statement of similar works shall include description, location & value of work, year completed and name & address of the clients.

SCHEDULE – C TO BID

PROPOSED PROGRAMME OF WORKS

Bidder shall provide a programme in a bar-chart/CPM/PERT form showing the sequence of work items by which he proposes to complete the work of the entire Contract. The programme should indicate the sequence of work items and the period of time during which he proposes to complete the Works including the activities like designing, schedule of submittal of drawings, ordering and procurement of materials, manufacturing, delivering, construction of civil works, erection, testing and commissioning of Works to be supplied under the Contract.

SCHEDULE – D TO BID

**DEVIATIONS
FROM
TECHNICAL PROVISIONS**

It is presumed that the bidder shall not take any deviation. However, if he intends to take deviations to the specified terms, those must be listed in the space provided below:

Sr. No.	Clause No. / Section No.	Deviations/Clarifications
---------	--------------------------	---------------------------

[Note: Attach additional sheets, if necessary]

SCHEDULE – E TO BID

**DEVIATIONS
FROM
CONTRACTUAL CONDITIONS**

It is presumed that the bidder shall not take any deviation. However, if he intends to take deviations to the specified Contractual/Commercial Conditions, those must be listed in the space provided below:

Sr. No.	Clause No. / Section No.	Deviations/Clarifications
---------	--------------------------	---------------------------

[Note: Attach additional sheets, if necessary]

SCHEDULE – F TO BID

METHOD OF PERFORMING WORKS

The bidder is required to submit a narrative outlining the method of performing the Works. The narrative should indicate in detail and include but not be limited to:

- The sequence and methods in which he proposes to carry out the Works, including the number of shifts per day and hours per shift, he expects to work.
- A list of all major items of constructional and erection plant, tools and vehicles proposed to be used in carrying out the Works at Site, including number of each kind, make, type, capacity of all equipment, working condition, which shall be deployed by him for Civil Work and Erection, Testing and Commissioning of the Works, in sufficient detail to demonstrate fully that the equipment will meet all the requirements of the Technical Provisions.
- The procedure for installation of equipment and transportation of equipment and materials to the site.
- Details regarding mobilization in Pakistan, the type of facilities including personnel accommodation, office accommodation, provision for maintenance and for storage, communications, security and other services to be used.
- Organization chart indicating head office & field office personnel involved in management, supervision and engineering of the Works to be done under the Contract.

SCHEDULE – G TO BID

PROPOSED ORGANISATION

The bidder shall list in this Schedule the key personnel he will employ from Head office and from Site office to direct and execute the Works, together with their names, qualifications, experience, positions held and their nationalities.

Designation	Name of	Summary of Qualifications Experience, Present Position and Nationality
-------------	---------	---

- Head Office:

- Site Office:

Contractor's Representative
Site Superintendent
Supervising Engineer
Plant Erectors
Construction Supervisors
Other Key Staff

SCHEDULE – H TO BID

(INTEGRITY PACT)

**DECLARATION OF FEES, COMMISSION AND BROKERAGE ETC.
PAYABLE BY THE SUPPLIERS OF GOODS, SERVICES & WORKS IN
CONTRACTS WORTH PAK RS. 10.00 MILLION OR MORE**

Contract No. _____ Dated _____

Contract Value: _____

Contract Title: _____

..... [Name of Supplier] hereby declares that it has not obtained or induced the procurement of any contract, right, interest, privilege or other obligation or benefit from Government of Pakistan (GoP) or any administrative subdivision or agency thereof or any other entity owned or controlled by GoP through any corrupt business practice.

Without limiting the generality of the foregoing, [name of Supplier] represents and warrants that it has fully declared the brokerage, commission, fees etc. paid or payable to anyone and not given or agreed to give and shall not give or agree to give to anyone within or outside Pakistan either directly or indirectly through any natural or juridical person, including its affiliate, agent, associate, broker, consultant, director, promoter, shareholder, sponsor or subsidiary, any commission, gratification, bribe, finder's fee or kickback, whether described as consultation fee or otherwise, with the object of obtaining or inducing the procurement of a contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoP, except that which has been expressly declared pursuant hereto.

[Name of Supplier] certifies that it has made and will make full disclosure of all agreements and arrangements with all persons in respect of or related to the transaction with GoP and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty.

[Name of Supplier] accepts full responsibility and strict liability for making any false declaration, not making full disclosure, misrepresenting facts or taking any action likely to defeat the purpose of this declaration, representation and warranty. It agrees that any contract, right, interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other rights and remedies available to GoP under any law, contract or other instrument, be voidable at the option of GoP.

Notwithstanding any rights and remedies exercised by GoP in this regard, [name of Supplier] agrees to indemnify GoP for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to GoP in an amount equivalent to ten times the sum of any commission, gratification, bribe, finder's fee or kickback given by [Name of Supplier] as aforesaid for the purpose of obtaining or inducing the procurement of any contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoP.

Name of Buyer:

Name of Seller/Supplier:

Signature:

Signature:

[Seal]

[Seal]

SCHEDULE OF PRICES

	Description	Page No.
1.	Preamble to Schedule of Prices	48
2.	Schedule of Prices	
2. (a)	Summary of Bid Prices	58
2. (b)	Schedule of Prices – Equipment, Erection, Testing, Commissioning & Transfer of Technical Know- now	59
2. (c)	Schedule of Prices – Civil Works	60
2. (d)	Schedule of Prices – Daywork	61
2. (e)	Schedule of Prices – Additional Recommended Erection and Testing Equipment & Maintenance Tools	62
2. (f)	Additional Recommended Spare Parts	63

1. PREAMBLE TO SCHEDULE OF PRICES

1. General

- 1.1 The Schedule of Prices shall be read in conjunction with the Conditions of Contract together with the Specifications and Drawings.
- 1.2 The Contract shall be for the whole or part of the Works as described in these Bidding Documents. Bids must be for the whole or part scope of Work as per specific work data.

2. Description

- 2.1 The general directions and descriptions of work and materials are not necessarily repeated nor summarized in the Schedule of Prices. References to the relevant sections of the Bidding Documents shall be made before entering prices against each item in the Schedule of Prices.
- 2.2 The quantities shown in the Schedule of Prices are estimated quantities only as an indication of the Scope of Work to enable the bidder to bid for different items of the Works for his estimate of costs. The estimated quantities shall be used for comparing the bids. It is, however, to be noted that in the event of any increase or decrease in the quantity of any item of Works and subject to provisions of the Conditions of Contract herein, the actual quantities executed will be paid.

3. Units & Abbreviations

- 3.1 Units of measurement, symbols and abbreviations expressed in the Bidding Documents shall comply with the System International d' Unites (SI Units).

The following abbreviations shall be used in the Schedule of Prices:

	<u>Abbreviation</u>
Foreign Currency Component	FCC
Local Currency Component	LCC
United States Dollars	US\$
Pakistani Rupees	PKR/Rs
Number	No.
Kilometer	km
Kilogram	Kg
Cubic Meter	Cu.m
Provisional Sum	PS
Percent	%

4. Rates and Prices

- 4.1 Except as otherwise expressly provided under the Conditions of Contract, the rates and amounts entered in the Schedule of Prices shall be the rates at which the Contractor shall be paid and shall be the full inclusive value of the work set

forth or implied in the Contract; except for the amounts reimbursable to the Contractor under the Contract.

- 4.2 Unless otherwise stipulated in the Conditions of Contract, the rates and prices entered by the bidder shall not be subject to adjustment during the performance of the Contract.
- 4.3 All duties, taxes and other levies payable by the Contractor under the Contract, or for any other cause, as on the date twenty eight (28) days prior to the deadline for submission of bids shall be included in the rates and prices and the total Bid Price submitted by a bidder.

Additional/reduced duties, taxes and levies due to subsequent additions or changes in legislation shall be reimbursed/deducted as per provisions of the Conditions of Contract.

- 4.4 The whole cost of complying with the provisions of the Contract shall be included in the items provided in the priced Schedule of Prices, and where no items are provided, the cost shall be deemed to be distributed among the rates and prices entered for the related items of the Works and no separate payment will be made for those items.

The rates, prices and amounts shall be entered against each item in the Schedule of Prices. Any item against which no rate or price is entered by the bidder will not be paid for by the Employer when executed and shall be deemed covered by the rates and prices for other items in the Schedule of Prices.

- 4.5 The bidder shall be deemed to have obtained all information as to port clearance facilities and charges, loading and unloading facilities and charges, storage facilities and charges, transportation facilities and charges, congestion and/or other conditions to be expected at KarachiPort and or any other seaport of Pakistan and all requirements related thereto.

The Contractor shall be responsible to make complete arrangements for the transportation of the Plant to the Site.

The bidder shall be deemed to have included all clearing, forwarding and other incidental costs in this regard in his bid. The Contractor will have the option to use either KarachiPort or any other seaport of Pakistan.

- 4.6 The Contractor shall provide for all parts of the Works to be completed in every respect for commercial operation. Notwithstanding that any details, accessories, etc. required for the complete installation and satisfactory operation of the Plant, are not specifically mentioned in the Specifications, such details shall be considered as included in the Contract Price.

5. Bid Prices

- 5.1 Break-up of Bid Prices

The various elements of Bid Prices shall be quoted as detailed below:

a) FOB Port of Shipment

The bidder shall quote prices for FOB Port of Shipment for all individual items and for each sub-total of Plant, Erection Equipment and Spare Parts to be supplied from outside Pakistan on FOB (Port of Shipment) basis. The FOB Port of Shipment price shall include the cost of the following:

- i) Design, manufacture, finishing, factory testing, packing for transport and all transportation costs incurred in placing the Plant, Erection Equipment and Spare Parts and other materials on board the vessel.
- ii) Provision of clean on-board bills of lading.
- iii) Export taxes, fees or charges levied on exporting Plant, Erection Equipment and Spare Parts and other materials in the country of origin, in the case of Plant imported to Pakistan.
- iv) Provision of certificates of origin, consular invoices (if required) or any other documents issued in the country of origin.

b) Insurance & Shipping

i) Insurance

The bidder shall quote prices for insurance cover from ex-factory/ ex-works to the Site for the sub-totals of the Plant, Erection Equipment, Spare Parts and other materials to be imported for the Contract. Such prices shall include all insurance costs covering the responsibility for all loss or damages while loading, unloading, storing and trimming on board or on inland carrier and transportation to Site.

The prices for transportation/marine insurance cover shall be quoted on the basis of insurance through insurers from National Insurance Company Limited (NICL), Pakistan.

ii) Shipping

The bidder shall quote prices for shipping from port of shipment to the port of entry in Pakistan for the sub-totals of the Plant, Erection Equipment, Spare Parts and other materials to be imported for the Contract in Pakistan. Such prices shall include all marine transportation costs including ocean freight and other charges, etc.

The prices for shipping/marine transportation shall be quoted for

shipment through reputed shipping lines including Pakistan National Shipping Corporation (PNSC). Partial shipment is not allowed.

Cost of shipment(s) effected by the Contractor at his option by aircraft shall be deemed to be included in the Total Bid Price.

c) CIF (Pakistan Seaport) Price

CIF (Pakistan Seaports) price will be the total of FOB price, insurance and shipping prices, described here above.

d) Customs Duties

Customs duty for Plant, Erection Equipment, Spare Parts and other materials, if any, offered from outside Pakistan shall also include sales tax, import duty and other import charges.

e) DDP (Pakistan Seaport) Price

DDP (Pakistan Seaport) price will be the total of CIF price and customs duties, described here above.

f) Ex-factory Price for Local Goods

The bidder shall quote prices for Local Goods, materials (other than materials required for civil works such as concrete and reinforcement etc. Cost of which will be included in the price of civil works) and equipment in the relevant column of Ex-Factory (Pakistan) of "Schedule of Prices". Such prices shall include:

- i) Design documentation, drawings, drafting, planning services, manufacturing, testing and packing of finished goods ready for delivery to Site.
- ii) All custom duties, sales tax and other taxes already paid or payable on the components and raw materials used in the manufacture or assembly of Local Goods, materials and equipments.

g) Insurance of Local Goods

Insurance of Local Goods and other materials from factory to Site shall include all insurance costs covering the responsibility of all losses or damages, while loading, unloading, storing, trimming on the carrier and transporting to Site. Checking and verifying of consignments, issuance of receiving reports and damage reports (when applicable) shall be the Contractor's responsibility. The cost of insurance shall be quoted on the basis of insurance through National Insurance Company Limited (NICL) of Pakistan.

h) Local Transport

Inland transportation for the Plant, Erection Equipment and Spare Parts shall be the Contractor's responsibility in respect of:

- i) The Plant, Erection Equipment, Spare Parts and other materials offered from outside Pakistan; from the port of entry in Pakistan to the storage area at the Site.
- ii) Indigenous Plant, Erection Equipment, Spare Parts and other materials if any, offered from within Pakistan; from the factory in Pakistan to the storage area at the Site.
- iii) All charges occurring there from including octroi, zila tax, fees etc. and charges for loading, forwarding and unloading expenses shall be borne by the Contractor. Unloading at the Site, handling of the Plant, Erection Equipment, Spare Parts and other materials to the designated point of Site storage, checking and verifying all shipments received against shipping documents, issue of all receiving reports and issues of damage reports (when applicable) shall be the Contractor's responsibility.
- iv) The bidder shall recognize such elements of the costs which he expects to incur in the performance of the Works and shall include all such costs in the rates and amounts entered in the Schedule of Prices.

i) Erection & Other Work

The bidder shall quote prices for Erection & Other Work (foreign and local currency portion) for the sub-totals of the Plant at the Site. Such prices shall include the costs of handling of the Plant and other materials from Site storage to point of final installation, erection, installation, testing, commissioning including all inspection, reliability tests, the cost of foreign and local erection staff and labour, tools and equipment, etc. It shall also cover the services of qualified representative(s) of the supplier(s) of Plant or adviser(s) to assure proper erection and commissioning of the Plant. The price shall also include cost of arranging insurance in respect of Contractor's operations in Pakistan which insurance shall be affected by the Contractor with the National Insurance Company Limited (NICL) of Pakistan.

5.2 Total Bid Price

The total of bid prices under foreign currency and local currency columns in the Schedule of Prices shall be entered in the Summary of Bid Prices. The unit rates and prices and lump sum amount entered in the Schedule of Prices will be the rates at which the Contractor will be paid, and shall be deemed to be the full inclusive value of the work including all costs of performing the Works such as overheads, income tax, super tax, profits, costs of accepting the general

risks, liabilities and obligations set forth or implied in the Contract except for the amounts reimbursable, if any, to the Contractor under the Contract. The rates shall also include Contractor's cost for providing Performance Security and other Bank Guarantees required for performance of the Contract.

6. Erection and Testing Equipment and Maintenance Tools

- 6.1 The bidder shall also list, in the space provided in the Schedule of Prices, Additional Recommended Testing Equipment and Maintenance Tools, any Testing Equipment and Maintenance Tools which he recommends be provided for the Works, in addition to those already specified by the Employer in the Schedule of Prices. The bidder shall enter against each such item, its recommended quantity, and price. The cost of such Additional Recommended Erection and Testing Equipment and Maintenance Tools will not be taken into account in the evaluation of bids.

The Additional Recommended Testing Equipment and Maintenance Tools may be selected by the Engineer/Employer and the Contract Price will be adjusted in accordance with the prices set against those items in the Schedule of Prices at the exchange rate of US\$ Vs Pak RS as standard transaction cost.

7. Spare Parts

- 7.1 Mandatory and consumable spares parts for one year and repair & maintenance tools will be supplied along with Equipment and Machinery.
- 7.2 Bidder will ensure the availability with providing list of spares parts required during operation for further two years.

8. Reimbursable Costs

- 8.1 If provided in the Particular Conditions of Contract, the Contractor shall be reimbursed the actual amounts (without any overhead charges and profits) disbursed by him in respect of non-exempt Pakistani customs, import duties, and taxes, levied upon Plant, Erection Equipment and Spare Parts imported directly by him or his subcontractors into Pakistan for the purpose of this Contract for incorporation in the Works.
- 8.2 The bidder shall recognize such elements of the costs which he expects to incur in the performance of the Works and which are reimbursable, and he shall not include any such costs in the rates and amounts entered in the Schedule of Prices.

9. Provisional Sums

- 9.1 Provisional Sums included and so designated in the Schedule of Prices if any, shall be expended in whole or in part at the direction and discretion of the Employer/ Engineer. The Contractor will only receive payment in respect of Provisional Sums if he has been instructed by the Employer/Engineer to utilize such sums.

DAYWORK SCHEDULE

1. General

- 1.1 Work shall not be executed on a Day work basis except by written Order of the Engineer. The rates for Day work items entered in the Schedule of Prices shall apply to any quantity of Day work ordered by the Engineer. Nominal quantities have been indicated against each item of Day work, and the extended total for Day work shall be carried forward as a provisional sum to the Summary of Bid Prices.

2. Day work - Labour

- 2.1 In calculating payments due to the Contractor for the execution of Day work, the hours for labour shall be reckoned from the time of arrival of the labour at the job Site to execute the particular item of Day work to the time of departure, but excluding meal breaks and rest periods. Only the times of classes of labour directly doing work ordered by the Engineer and for which they are competent to perform shall be measured.

The time of Plant Erectors or other expatriate supervisory personnel shall not be measured unless their time on Site is extended by Variation Order. The rates entered by the Bidder for these categories shall be daily rates inclusive of all allowances and overheads.

- 2.2 For labour other than Plant Erectors or other expatriate supervisory personnel, the Contractor shall be entitled to payment in respect of the total time that labour is employed on Day work, calculated at the basic rates entered by him in the Schedule of "Day work Rates – Labour" together with an additional percentage payments on basic rates representing the Contractor's profit, overheads, etc., as described below:

- a) The basic rates for labour shall cover all direct costs to the Contractor, including (but not limited to) the amount of wages paid to such labour, transportation time, overtime, subsistence allowances and any sums paid to or on behalf of such labour for social benefits in accordance with Pakistan Labour laws. The basic rates will be payable in Pak. Rupees only, and
- b) The additional percentage payment to be quoted by the Bidder and applied to costs shall be deemed to cover the Contractor's overheads, profits, superintendence, liabilities and insurances and allowances to labour, timekeeping and clerical and office work, the use of consumable stores, water, lighting and power; the use and repair of staging, scaffolding, workshops and stores, portable power tools, manual plant and tools;

supervision by the Contractor's staff, foremen and other supervisory personnel; and charges incidental to the foregoing. Payments under this item shall be made in foreign currency and local currency at the percentages entered in the Day work Schedule.

- 2.3 Rates entered in the Day work Schedule shall apply to labour of trade and qualification as described and to labour of other trades with similar skill and qualification.

3. Day work - Contractor's Equipment

- 3.1 The Contractor shall be entitled to payments in respect of Contractor's Equipment already on Site and employed on Day work at the basic rental rates entered by him in the "Schedule of Day work Rate - Contractor's Equipment". The said rates shall be deemed to include complete allowance for depreciation, interest, indemnity and insurance, repairs, maintenance, supplies, fuel, lubricants and other consumables and all overheads, profit and administrative costs related to the use of such equipment.
- 3.2 In calculating the payment due to the Contractor for Contractor's Equipment employed on Day work, only the actual number of working hours will be eligible for payment, except that, where applicable and agreed with the Engineer, the travelling time from the part of the Site where the Contractor's Equipment was located when ordered by the Engineer to be employed on Day work and the time for the return journey thereto shall be included for payment.
- 3.3 The rental rates for Contractor's Equipment employed on Day work shall be stated in Pakistani Rupees but payments to the Contractor will be made in local and foreign currencies according to the rates entered in the Schedule.

4. Day work-Materials

- 4.1 The Contractor shall be entitled to the following payments in respect of materials used for Day work (except for materials for which the cost is included in the percentage addition to labour costs) which are actually incorporated into the Works:
- a) The net cost of such materials delivered to warehouse or workyard area or storage area at the Site. Such cost shall be calculated by the Contractor on the basis of the invoiced price and freight and insurance as certified by the Engineer on the basis of invoices produced.
 - b) Percentage addition, in local and/or foreign currency, of such net cost of materials to cover the Contractor's handling charges, overheads and profits.
- 4.2 Payment of the net cost to the Contractor of Day work materials shall be made

in the same currency as the invoice. Payment of the addition for handling charges, overheads and profit shall be in local and/or foreign currency as entered in the Schedule of Day work - Materials.

2. SCHEDULE OF PRICES – SUMMARY OF BID PRICES

Item No.	Description	TOTAL PRICE	
		Foreign Currency Component	Local Currency Component
2(a)	Schedule of Prices- Section –A 1- Equipment& Machinery, Erection, Testing, Commissioning 2- Transfer of Technical Know-how		
2(b)	Schedule of Prices-Civil Works		
2(c)	Schedule of Prices-Day Work		
2(d)	Schedule of Prices- Section –B 1- Composites Testing Equipment, Erection, Testing, Commissioning 2- Transfer of Technical Know-how		
Total Bid Price (The amount to be entered in Paragraph 1 of the Form of Bid) (In Words)			

(Note: Total Price, in each currency, shall be provided in figures as well as in words)

**2. (a) SCHEDULE OF PRICES – EQUIPMENT,
ERECTION, TESTING, COMMISSIONING & TRANSFER of TECHNICAL KNOW
HOW**

Item No.	Description	Unit	Qty	Unit Rate											Total Price		
				Foreign Currency Component						Local Currency Component					Foreign Currency Component	Local Currency Component	
				FOB Price	Shipping	Insurance	CIFPak SeaPort	Erection & Other Work	Total	Customs Duty for Col No.8	Ex- FactoryPa kistan (For Local Goods)	Local Trans- port	Erection & Other Work	Total			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
	<u>Section-A</u>																
	<u>Supply of Equipment and Machinery</u>																
1.	1. Supply of equipment and machinery to produce Composites- Based Sports Goods.																
	Installation, Testing & Commissioning of Machinery and Equipments																
2.	2. Transfer of Technical know how																
	Provisional Sum																
Total (to be carried to Summary of Bid Price)																	

[Note: Ref: Col. 12 above, the bidder claiming margin of domestic preference for Goods manufactured in Pakistan shall also fill Appendix C to Instructions to Bidders.]

2. (b) SCHEDULE OF PRICES – CIVIL WORKS

Item No.	Description	Unit	Qty	Volume of Concrete per Foundation (m ³)	Weight of Steel per Foundation (kg)	Unit Rate of Concrete per m ³ (Rs.)	Unit Rate of Steel per kg (Rs.)	Unit Rate per Foundation (Rs.)	Total (Pak. Rupees)
Total (to be carried to Summary of Bid Price)									

2. (c) SCHEDULE OF PRICES – DAYWORK

Item No.	Description	Nominal Quantity	UNIT RATE		TOTAL AMOUNT	
			FCC	LCC (PKR)	FCC	LCC (PKR)
1.	Day work- Labour					
2.	Day work - Contractor's Equipment					
3.	Day work – Materials					
Total (to be carried to Summary of Bid Price)						

**2. (d) SCHEDULE OF PRICES – TESTING EQUIPMENT,
ERECTION, TESTING, COMMISSIONING & TRANSFER of TECHNICAL KNOW
HOW**

Item No.	Description	Unit	Qty	Unit Rate											Total Price		
				Foreign Currency Component						Local Currency Component					Foreign Currency Component	Local Currency Component	
				FOB Price	Shipping	Insurance	CIFPak SeaPort	Erection & Other Work	Total	Customs Duty for Col No.8	Ex- FactoryPa kistan (For Local Goods)	Local Trans- port	Erection & Other Work	Total			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
	<u>Section-B</u>																
	<u>Supply of Composites Testing Equipment</u>																
1.	1. Supply of composites testing equipment to test Composites- Based Sports Goods.																
	Installation, Testing & Commissioning of testing Equipments																
2.	2. Transfer of Technical know how																
	Provisional Sum																
Total (to be carried to Summary of Bid Price)																	

[Note: Ref: Col. 12 above, the bidder claiming margin of domestic preference for Goods manufactured in Pakistan shall also fill Appendix C to Instructions to Bidders.]

**2. (e) SCHEDULE OF PRICES – ADDITIONAL
RECOMMENDED ERECTION AND TESTING EQUIPMENT &
MAINTENANCE TOOLS**

1. The bidder shall propose in the space provided, a detailed list of Erection and Testing Equipment & Maintenance Tools which are recommended by him in addition to those specified by the Employer under Schedule 2(a) & 2(d) above.
2. The purchase of additional recommended Erection and Testing Equipment & Maintenance Tools would be at the discretion of the Employer and the cost of such equipment will not be taken into consideration in the evaluation of bids. However, the Contract Price will be adjusted to include the cost of additional Erection and Testing Equipment & Maintenance Tools which are selected by the Employer.
3. The list of Erection and Testing Equipment & Maintenance Tools shall include description as well as quantity of each item and the unit rate and prices for the total quantity proposed for each item of Erection and Testing Equipment & Maintenance Tools.

Item No.	Description	Unit	Qty	Unit Rate									Total Price		
				Foreign Currency Component					Local Currency Component				Foreign Currency Component	Local Currency Component	
				FOB Price	Shipping	Insurance	CIF Pak SeaPort	Total	Customs Duty for Col No.8	Ex-Factory Pakistan (For Local Goods)	Local Transport	Total			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1.	Erection Equipment														
2.	Testing Equipment														
3.	Maintenance Tools														
Total (not to be carried to Summary of Bid Price)															

**2. (f) SCHEDULE OF PRICES – ADDITIONAL
RECOMMENDED SPARE PARTS**

1. The bidder shall propose in the space provided, a detailed list of Spare Parts which are recommended by him in addition to those specified by the Employer under Schedule 2(a) & 2(d) above.
2. The purchase of additional recommended Spare Parts would be at the discretion of the Employer and the cost of such equipment will not be taken into consideration in the evaluation of bids. However, the Contract Price will be adjusted to include the cost of additional Spare Parts which are selected by the Employer.
3. The list of Spare Parts shall include description as well as quantity of each item and the unit rate and prices for the total quantity proposed for each item of Spare Parts.

Item No.	Description	Unit	Qty	Unit Rate									Total Price		
				Foreign Currency Component					Local Currency Component				Foreign Currency Component	Local Currency Component	
				FOB Price	Shipping	Insurance	CI/Pak SeaPort	Total	Customs Duty for Col No.8	Ex-FactoryPakistan (For Local Goods)	Local Transport	Total			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Total (not to be carried to Summary of Bid Price)															

**PREAMBLE
TO
CONDITIONS OF CONTRACT**

PREAMBLE TO CONDITIONS OF CONTRACT

- Commencement Date** Sub-Clause 1.1.1.(i)
The date for commencement of the Works is the date of issuance of “Letter of Acceptance”
- Defect Liability Period** Sub-Clause 1.1.11
The Defect Liability Period is 01 year from issuance of “Taken over certificate”
- The Employer / Engineer** Sub-Clause 1.1.15.
Project Director, Product Development Center (PDC) For Composites Based Sports Goods, Sialkot.14-Km Motra, Adjacent to Imam Bukhari University, Daska Road, Sialkot - Pakistan.
Tel: +92-52-6227309-10, Fax: +92-52-6227311,
E-mail:info@sidc.org.pk,
URL:www.sidc.org.pk
- Time for Completion** Sub-Clause 1.1.35.
The Time for Completion is 180 days from the Commencement Date.
- Warranty Period** Sub-Clause 1.1.40.
The Warranty Period is 01 years from the expiry of defect liability period
- Engineer’s Duties & Authorities** Sub-Clause 2.1
Amount of Variation Order in emergency is 15%
- Confirmation in Writing** Sub-Clause 2.6
(i) If the Contractor shall require the confirmation it shall be notified to the Engineer within 28 days.
(ii) Engineer shall confirm the decision/instruction within 15 days.
- Ruling Language** Sub-Clause 5.1.
The version in English language (ruling language) shall prevail.
- Day to Day Communications** Sub-Clause 5.2.
The language for day to day communications is English.
- As-Built Drawings** Sub-Clause 6.10
As-Built drawings shall be provided to the Engineer within 15 days from the date of issue of Taking Over Certificate.
- General Obligations** Sub-Clause 8.1
Detail of Erection and Testing Equipment and Maintenance Tools is

given herein below:

All equipment used in the erection, testing and commissioning shall be the responsibility of the bidder.

Programme to be Furnished	Sub-Clause 12.1. The Programme must be submitted in the form of <u>Hard and SoftCopies</u>
Electricity Water, Gas and Other Services	Sub-Clause 14.3. Other Services: The contractor shall provide for his labor and staff facilities required under labor laws in Pakistan with free first aid facilities and treatment at the Site and shall, for this purpose, establish a properly equipped First Aid Post at the Site _____ _____
Employer's Equipment	Sub-Clause 14.4. The following Employer's equipment is available for use by the Contractor under the Employer's operation: <u>NIL</u> _____ _____
Working Hours	Sub-Clause 18.3. The normal working hours for project are: 0900 – 1700
Time for Completion	Sub-Clause 25.1 (a) Place of the Project of <u>Product Development Center (PDC) For Composites Based Sports Goods, Sialkot. 14 – Km, Motra, Daska Road, Sialkot</u> (b) Period <u>180 days from the Commencement date</u>
Earlier Completion	Sub-Clause 26.3 (i) Amount of Bonus per day <u>NIL</u> (ii) Max. Amount of Bonus <u>NIL</u>
Delay in Completion	Sub-Clause 27.1. Failure to meet the Time for Completion entitles the Employer to reduction in Contract Price as follows: Percentage per day <u>0.066 % of remaining work</u> Maximum <u>10 % of remaining work</u>
Prolonged Delay	Equal to that part of the Contract Price which is attributable to that part of the Works which cannot by reason of the Contractor's failure be put to the intended use plus 10% of the contract price of the remaining work as liquidated damages.
Terms of Payment	Sub-Clause 33.1. Subject to Clause 33 of the Conditions of Contract

- * 100% payment or part thereof shall be carried out by opening an irrevocable Letter of Credit in favor of contractor. (All LC charges will be borne by the Contractor)
- * Contractor shall be responsible to complete Works at Site (Sialkot-Pakistan) with payment including all taxes, duties, charges, freights etc...

Payment shall be settled as follows:

- * Advance up to 30% of contract value can be availed by a successful bidder/firm against Bank Guarantee issued by a schedule Bank in Pakistan or from a foreign bank duly counter-guaranteed by a Scheduled Bank in Pakistan in favor of the employer. Advance payment adjustable in payments.
- * Payments shall be released by the Employer to the Contractor, at Employer's choice, either in the form of Irrevocable Inland Letter of Credit (LC) at Sight opened in the favor of Contractor. If Letter of Credit is opened in favor of contractor the cost (commission and bank charges) of L/C shall be the responsibility of the Contractor. Or in the form of Cheque/(s) drawn in the favor of the Contractor
- * Part supply and part payment allowed.

A. Payment for Equipment & Machinery and or Testing Equipments

60% of contract value for Equipment & Machinery through an Irrevocable Letter of Credit At Sight in favour of contractor upon submission of following documents:

- (i) Commercial Invoice (3 originals)
- (ii) Bill of Lading (3 originals) if applicable
- (iii) Packing List (3 originals)
- (iv) Submission of Certificate of Origin
- (v) Submission of Pre-shipment Inspection Certificate.

- * 20% of contract value for Equipment & Machinery / Testing on submission of employer certificate of successful installation, commissioning & trial run
- * 15% of contract value for Equipment & Machinery on submission of employer certificate of successful production of 1000 product complying with relevant standards.
- * 5% after issuance of Last Certificate of Payment on completion of warranty period.

B. Payment for Transfer of Technical know-how (ToT)

- * 20% of contract value for Transfer of Technical know-how on submission of employer certificate of mobilization of staff.
- * 20% of contract value for Transfer of Technical know-how upon submission of Standard Operating Procedures (SOPs) of all the production processes, provision of manufacturing drawings for replaceable plant and equipment components, training program including the schedule, etc.,
- * 20% of contract value for Transfer of Technical know-how on submission of employer certificate of successful completion of Master Trainers in all the processes of machinery supplied.
- * 40% of contract value for Transfer of Technical know-how on

submission of employer certificate of successful production/ testing equipment of required prototype product / testing of samples complying with relevant standards where applicable

(*) Payment will also be made on following documents (which ever applicable):

- (i) Invoice dully filled
- (ii) Goods received Note
- (iii) Warranty Certificate
- (iv) Taken over Certificate
- (v) Completion Certificate

Payment	Sub-Clause 33.5
Payment in Foreign Currencies	Sub-Clause 35.1 Payment in foreign currencies shall be arranged as follows: <u>As per terms & conditions made in Letter of Acceptance</u>
Insurance of Works	Sub-Clause 43.1. The deductible limits in the insurance cover of the Works shall not exceed from 20% of the Contract Price Sub-Clause 43.1.(a) The additional risks to be insured are: Labor and provisional works and services
Third Party Liability	Sub-Clause 43.3. The amount of insurance against third party liability taken out by the Contractor shall not be less than 50% of the contract price.
Payment on Termination for Employer's Default	Sub-Clause 46.3. The additional amount payable by the Employer on termination shall not exceed: 5% of the amount calculated in accordance with Sub-Clause 44.8.
Labour, Materials and Transport	Sub-Clause 47.1. The method of calculating adjustments for changes in costs shall be: <u>No Adjustment being Fixed cost tender</u>
Notices to Employer	Sub-Clause 49.2. The address of the Employer for notices is: <u>Project Director, Product Development Center (PDC) For Composites Based Sports Goods, Sialkot. 14-Km Motra, Adjacent to Imam Bukhari University, Daska Road, Sialkot - Pakistan. Tel: +92-52-6227309-10, Fax: +92-52-6227311, E-mail: info@sidc.org.pk, URL:www.sidc.org.pk</u>
Disputes & Arbitration	Sub-Clause 50.4 Venue of Arbitration <u>Small and Medium Enterprise Development Authority (SMEDA), 3rd Floor, Building # 03, Aiwan-e-Iqbal Complex, Egerton Road, Lahore-Pakistan.</u>
Applicable Law	Sub-Clause 51.1. The applicable laws of Pakistan.
Procedural Law	Sub-Clause 51.2.

- for Arbitration** The procedural law for arbitration is Arbitration Act 1940 and rules made there under and statutory notification issued by Government of Pakistan in this regard
- Language and** Sub-Clause 51.3.
Place of The language of arbitration is English language.
Arbitration The place of arbitration is Lahore, Pakistan.

GENERAL CONDITIONS OF CONTRACT

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PART-I: GENERAL CONDITIONS

Definitions and Interpretations

1.1 Definitions

In the Contract (as hereinafter defined) the following words and expressions shall have the meanings hereby assigned to them:

- 1.1.1** "Commencement Date" means whichever is the latest of:
- i) The date specified in the Preamble as the date for commencement of the Works or the date when the Contractor receives:
 - ii) Such payment in advance of the commencement of the Works as may be specified in the terms of payment, or
 - iii) Notice of the issue of any import license necessary for commencing performance of the Contract, or
 - iv) Notice that any legal requirements necessary for the Contract to enter into force have been fulfilled, or
 - v) Notice that any necessary financial or administrative requirements specified in Part II as conditions precedent to commencement have been fulfilled.
- 1.1.2** "Conditions" means the Preamble to and these Conditions of Contract, Parts I and II.
- 1.1.3** "Contract" means the agreement between the Employer and the Contractor for the execution of the Works incorporating the Conditions, Specification, Employer's Drawings and Contractor's Drawings, priced and completed Schedules, Tender, Letter of Acceptance and such further documents as may be expressly incorporated by the Letter of Acceptance.
- 1.1.4** "Contract Agreement" means the documents recording the terms of the Contract between the Employer and the Contractor.
- 1.1.5** "Contract Price" means the sum stated in the Letter of Acceptance as payable to the Contractor for the execution of the Works.
- 1.1.6** "Contractor" means the person whose tender has been accepted by the Employer and the legal successors in title to the Contractor but not (except with the consent of the Employer) any assignee of the Contractor.
- 1.1.7** "Contractor's Drawings" means all drawings, samples, patterns, models and operation and maintenance manuals to be submitted by the Contractor in accordance with Clause 6.

- 1.1.8** "Contractor's Equipment" means all appliances or things of whatsoever nature required for the purposes of the Works but does not include Plant.
- 1.1.9** "Contractor's Risks" means the risks defined in Sub-Clause 37.3.
- 1.1.10** "Defects Liability Certificate" means the certificate to be issued by the Engineer to the Contractor in accordance with Sub-Clause 30.11.
- 1.1.11** "Defects Liability Period" means one year or the period stated in Part II following taking over, during which the Contractor is responsible for making good defects and damage in accordance with Clause 30.
- 1.1.12** "Employer" means the person named as such in the Preamble and the legal successors in title to the Employer but not (except with the consent of the Contractor) any assignee of the Employer.
- 1.1.13** "Employer's Drawings" means all the drawings and information provided by the Employer or the Engineer to the Contractor under the Contract.
- 1.1.14** "Employer's Risks" means those risks defined in Sub-Clause 37.2.
- 1.1.15** "Engineer" means the person appointed by the Employer to act as Engineer for the purposes of the Contract and designated as such in the Preamble
- 1.1.16** "Engineer's Representative" means any representative of the Engineer appointed from time to time by the Engineer under Sub-Clause 2.2.
- 1.1.17** "Final Certificate of Payment", means the certificate to be issued by the Engineer to the Employer in accordance with Sub-Clause 33.10.
- 1.1.18** "Force Majeure" has the meaning assigned to it under Sub-Clause 44.1.
- 1.1.19** "Foreign Currency" means a currency of a country other than that in which Plant is to be installed.
- 1.1.20** "Gross Misconduct" means any act or omission of the Contractor in violation of the most elementary rules of diligence which a conscientious contractor in the same position and under the same circumstances would have followed.
- 1.1.21** "Letter of Acceptance" means the formal acceptance by the Employer of the Tender incorporating any adjustments or variations to the Tender agreed between the Employer and the Contractor.
- 1.1.22** "Performance Security" means the security to be provided by the Contractor in accordance with Sub-clause 10.1. for the due performance of the Contract.
- 1.1.23** "Plant" means machinery, apparatus, materials and all things to be provided under the Contract for incorporation in the Works.

- 1.1.24** "Programme" means the Programme to be submitted by the Contractor in accordance with Sub-Clause 12.1 and any approved revision thereto.
- 1.1.25** "Provisional Sum" means a sum, described as such for the execution of work or for the supply of goods or services, to be used in accordance with Sub-Clause 36.1.
- 1.1.26** "Risks Transfer Date" means the date when the risk of loss of or damage to the Works passes from the Contractor to the Employer in accordance with Sub-Clause 39.1.
- 1.1.27** "Schedule of Prices" means the completed and priced Schedule of Prices, or any part or individual schedule thereof, submitted by the Contractor with his Tender and forming a part of the Contract documents.
- 1.1.28** "Section" means a part of the Works specifically identified as such as in the Contract.
- 1.1.29** "Site" means the place or places, provided or made available by the Employer where work is to be done by the Contractor or to which Plant is to be delivered, together with so much of the area surrounding the same as the Contractor shall with the consent of the Employer use in connection with the Works otherwise than merely for the purposes of access.

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- 1.1.30** "Specification" means the specification of the Works included in the Contract and any modification thereof made in accordance with Clause 31.
- 1.1.31** "Subcontractor" means any person (other than the Contractor) named in the Contract for any part of the Works, or any person to whom any part of the Contract has been subcontracted with the consent of the Engineer, and the Subcontractor's legal successors in title but not any assignee of the Subcontractor.
- 1.1.32** "Taking-Over Certificate" means the certificate to be given by the Engineer to the Contractor in accordance with Clause 29.
- 1.1.33** "Tender" means the Contractor's priced offer to the Employer for the Execution of the Works.
- 1.1.34** "Tests on Completion" means the tests specified in the Contract or otherwise agreed by the Engineer and the Contractor to be performed before the Works are taken over by the Employer.
- 1.1.35** "Time for Completion" means the time stated in the Preamble for completing the Works or any Section thereof and passing the Tests on Completion calculated from the Commencement Date unless extended in accordance with Clause 26.
- 1.1.36** "Variation Order" means any written order, identified as such, issued to the Contractor by the Engineer under Sub-Clause 31.1.
- 1.1.37** "Works" means all Plant to be provided and work to be done by the Contractor under the Contract.

1.2 Headings and Titles

The headings and titles in these Conditions shall not be deemed part thereof or be taken into consideration in the interpretation or construction of the Contract.

1.3 Interpretation

Words importing persons or parties shall include firms and corporations and any organization having legal capacity.

Words importing the singular only also include the plural and vice versa where the context requires.

1.4 Written Communications

Wherever in the contract provision is made for a communication to be "written" or "in writing" this means any hand-written, type-written or printed communication, including telex, cable and facsimile transmission.

1.5 Notices, Consents and Approvals

Wherever in the Contract provision is made for the giving of notice, consent or approval by any person, such consent or approval shall not be unreasonably withheld. Unless otherwise specified, such notice, consent or approval shall be in writing and the word "notify" shall be construed accordingly.

1.6 Costs, Overhead Charges and Profit

Whenever by these Conditions the Contractor is entitled to be paid cost, such cost shall be properly incurred and shall include any overhead charges properly allocable thereto but not profit unless so stated. Any profit entitlement shall be added to cost at the percentage stated in the Preamble.

1.7 Periods

In these Conditions "days" means calendar day and "year" means 365 days.

Engineer and Engineer's Representative

2.1 Engineer's Duties

The Engineer shall carry out the duties specified in the Contract.

If the Engineer is required, under the terms of his appointment by the Employer, to obtain the specific approval of the Employer before carrying out any of these duties, full particulars of such requirements shall be set out in Part-II.

Except as expressly stated in the Contract the Engineer shall have no authority to relieve the Contractor of any of his obligations under the Contract.

2.2 Engineer's Representative

The Engineer's Representative shall be appointed by and be responsible to the Engineer and shall only carry out such duties and exercise such authority as may be delegated to him by the Engineer under Sub-Clause 2.3.

2.3 Engineer's Power to Delegate

The Engineer may from time to time delegate to the Engineer's Representative any of the duties vested in the Engineer and may at any time revoke such delegation.

Any such delegation or revocation shall be in writing and shall not take effect until a copy thereof has been delivered to the Contractor and the Employer.

Any decision, instruction or approval given by the Engineer's Representative to the Contractor in accordance with such delegation shall have the same effect as though it had been given by the Engineer. However:

(a) Any failure of the Engineer's Representative to disapprove any Plant or workmanship shall not prejudice the right of the Engineer to disapprove such Plant or workmanship and to give instructions for the rectification thereof;

(b) If the Contractor questions any decision or instruction of the Engineer's Representative he may refer the matter to the Engineer who shall confirm, reverse or vary such decision or instruction.

2.4 Engineer to Act Impartially

Wherever under the Contract the Engineer is required to exercise his discretion by:

(a) Giving his decision, opinion or consent, or

(b) Expressing his satisfaction or approval, or

(c) Determining value, or

(d) Otherwise taking action which may affect the rights and obligations of the Employer or the Contractor,

He shall exercise such discretion impartially within the terms of the Contract and having regard to all the circumstances.

2.5 Engineer's Decisions and Instructions

The Contractor shall proceed with the decisions and instructions given by the Engineer in accordance with these Conditions.

2.6 Confirmation in Writing

The Contractor may require the Engineer to confirm in writing any decision or instruction of the Engineer which is not in writing. The Contractor shall notify the Engineer of such requirement without undue delay. Such a decision or instruction

shall not be effective until written confirmation thereof has been received by the Contractor.

2.7 Disputing Engineer's Decisions and Instructions

If the Contractor disputes or questions any decision or instruction under Clause 2.5 or a written confirmation under Clause 2.6, he shall give notice to the Engineer within 28 days after receipt thereof, giving his reasons.

The Engineer shall within a further period of 28 days by notice to the Contractor and the Employer with reasons, confirm, reverse or vary such decision or instruction.

If either party disagrees with the action taken by the Engineer, or if the Engineer fails to reply to the Contractor's notice within the stipulated 28 days, and the matter cannot be settled amicably that party shall be at liberty, subject to Sub-Clause 50.1, to refer the matter to arbitration in accordance with the Contract.

2.8 Replacement of Engineer

The Employer shall not appoint any person to act in replacement of the Engineer without the consent of the Contractor.

Assignment and Subcontracting

3.1 Assignment

The Contractor shall not assign the Contract or any part of his obligations under the Contract. A charge in favour of the Contractor's bankers of any monies due under the Contract shall not be considered an assignment.

4.1 Subcontracting

The Contractor shall not subcontract the whole of the Works.

Except where otherwise provided by the Contract the Contractor shall not subcontract any part of the Works without the prior consent of the Engineer.

The Contractor shall however, not require such consent for purchases of materials or to place contracts for minor details or for any part of the Works of which the manufacturer or supplier is named in the Contract.

The Contractor shall be responsible for the acts, defaults and neglects of any Subcontractor, his agents or employees as fully as if they were the acts, defaults or neglects of the Contractor, his agents or employees.

Contract Documents

5.1 Ruling Language

Where versions of the Contract are prepared in different languages, the version which is to prevail shall be specified in the Preamble. The language of such version is referred to as the ruling language.

5.2 Day to Day Communications

The language for day to day communications is stated in the Preamble.

5.3 Priority of Contract Documents

Unless otherwise provided in the Contract the priority of the Contract documents shall be as follows:

1. The Letter of Acceptance
2. The Preamble
3. The Conditions of Contract, Part II
4. The Conditions of Contract, Part I
5. Any other documents forming part of the Contract.

5.4 Documents Mutually Explanatory

Subject to Sub-Clause 5.3. The Contract documents shall be taken as mutually explanatory. Any ambiguities or discrepancies shall be resolved by the Engineer, who shall then instruct the Contractor thereon.

If the Contractor considers that compliance with such instructions will result in any cost which the Contractor could not reasonably have anticipated, he shall forthwith inform the Engineer with full supporting details. The Engineer shall then, if he approves, certify such costs as may be reasonable, together with profit where appropriate, which shall be added to the Contract Price.

If on the other hand compliance with such instructions results in lower costs for the Contractor than he had reason to anticipate, the Engineer shall certify a deduction from the Contract Price allowing for profit where appropriate.

6.1 Contractor's Drawings

The Contractor shall submit to the Engineer for approval:

- (a) Within the time given in the Contract or in the Programme such drawings, samples, models or information as may be called for therein, and in the numbers therein required, and
- (b) During the progress of the Works, such drawings of the general arrangement and details of the Works as specified in the Contract or as the Engineer may require.

The Engineer shall signify his approval or disapproval thereof. If he fails to do so within the time given in the Contract or the Programme or if no time limit is specified, within 28 days of receipt, they shall be deemed to be approved.

Approved drawings, samples and models shall be signed or otherwise identified by the Engineer.

The Contractor shall supply additional copies of approved drawings in the form and numbers stated in the Contract.

6.2 Consequences of Disapproval of Contractor's Drawings

Any Contractor's Drawings which the Engineer disapproves shall be forthwith modified to meet the requirements of the Engineer and shall be re-submitted.

6.3 Approved Contractor's Drawings

Approved Contractor's Drawings shall not be departed from except as provided in Clause 31.

6.4 Inspection of Contractor's Drawings

The Engineer shall have the right at all reasonable times to inspect, at Contractor's premises, all Contractors' Drawings of any part of the Works.

6.5 Erection Information

The Contractor shall provide, within the times stated in the Contract or in the Programme, drawings showing how the Plant is to be affixed and any other information required for:

- (a) Preparing suitable foundations or other means of support, and
- (b) Providing suitable access on the Site for the Plant and any necessary equipment to the place where the Plant is to be erected, and
- (c) Making necessary connections to the Plant

6.6 Operation and Maintenance Manuals

Before the Works are taken over in accordance with Clause 29 the Contractor shall supply operation and maintenance manuals together with drawings of the Works as built. These shall be in such detail as will enable the Employer to operate, maintain, adjust and repair all parts of the Works.

Unless otherwise stated in Part II the manuals and drawings shall be in the ruling language, and in such form and numbers as stated in the Contract.

Unless otherwise agreed, the Works shall not be considered to be completed for the purposes of taking over until such manuals and drawings have been supplied to the Employer.

6.7 Employer's Use of Contractor's Drawings

Contractor's Drawings may be used by the Employer for no other purpose than completing, operating, maintaining, adjusting and repairing the Works.

6.8 Contractor's Use of Employer's Drawings

The Employer's Drawings, Specification and other information submitted by the Employer or the Engineer to the Contractor shall remain the property of the Employer. They shall not, without the consent of the Employer, be used, copied or communicated to a third party by the Contractor unless necessary for the purposes of the Contract.

6.9 Manufacturing Drawings

Unless otherwise specified in Part II the Contractor shall not be required to disclose to the Employer or the Engineer the Contractor's confidential manufacturing drawings, designs, know-how or manufacturing practices, processes or operations.

7.1 Errors in Contractor's Drawings

The Contractor shall be responsible for any errors or omissions in the Contractor's Drawings unless they are due to incorrect Employer's Drawings or other written information supplied by the Employer or the Engineer. Approval by the Engineer of the Contractor's Drawings shall not relieve the Contractor from any responsibility under this Sub-Clause.

The Contractor shall bear any costs he may incur as a result of delay in providing Contractor's Drawings and other information or as a result of errors or omissions therein, for which the Contractor is responsible.

The Contractor shall at his own cost carry out any alterations or remedial work necessitated by such errors or omissions for which he is responsible and modifies the Contractor's Drawings and such other information accordingly.

The performance of his obligations under this Clause shall be in full satisfaction of the Contractor's liability under this Clause but shall not relieve him of his liability under Sub-Clause 27.1.

7.2 Errors by Employer or Engineer

The Employer shall be responsible for the Employer's Drawings and for other written information supplied by the Employer or the Engineer and for the details of special work specified by either of them. If such Employer's Drawings, information or details are incorrect and necessitate alterations of the work, the Employer shall pay the Contractor the cost of the alterations together with profit as certified by the Engineer.

Obligations of the Contractor

8.1 General Obligations

The Contractor shall, in accordance with the Contract, with due care and diligence, design, manufacture, deliver to Site, erect, test and commission the Plant and carry out the Works within the Time for Completion. The Contractor shall also provide all necessary Contractor's Equipment, superintendence, labour and, except as stated in Part II, all necessary facilities therefore.

8.2 Setting Out

The Contractor shall set out the Works in relation to original points, lines and levels of reference given by the Engineer in writing and provide all necessary instruments, appliances and labour for such purposes.

If, at any time during the execution of the Works, any error appears in the positions, levels, dimensions or alignment of the Works, the Contractor shall rectify the error.

The Contractor shall bear the cost of rectifying the error, unless the error results from incorrect information supplied in writing by the Employer, the Engineer or from default by another contractor, in which case the cost together with profit shall be borne by the Employer.

The checking of any setting-out by the Engineer shall not relieve the Contractor of his responsibility for the accuracy thereof.

9.1 Contract Agreement

The Contractor shall, if called upon so to do, execute a Contract Agreement recording all the terms of the Contract, to be prepared by and completed at the cost of the Employer in the form annexed hereto.

10.1 Performance Security

If Part II requires the Contractor to obtain a Performance Security, he shall obtain the same in the sum required, within 28 days after the receipt of the Letter of Acceptance. The Performance Security shall be provided by a person and in a form approved by the Employer. The cost of complying with the requirements of this Clause shall be borne by the Contractor.

10.2 Period of Validity

The Performance Security shall be valid until the Contractor has executed, completed and remedied defects in the Works in accordance with the Contract. No claim shall be made against the Performance Security after the issue of the Defects Liability Certificate and the Performance Security shall be returned to the Contractor within 14 days of the issue of the Defects Liability Certificate.

10.3 Claims under Performance Security

Whether or not the Performance Security is stated by its terms to be payable on the demand of the Employer the Employer shall not make a claim under the Performance Security unless one of the following conditions is satisfied:

(a) The Contractor is in breach of the Contract and fails to remedy the breach within 42 days after receiving written notice from the Employer requiring him so to do. The notice shall state the intention to claim under the Performance Security, the amount claimed and the breach relied upon, or

(b) The Employer and the Contractor have agreed in writing that the amount demanded is payable to the Employer, and the amount has not been paid within 42 days thereafter, or

(c) The Employer has obtained an award in arbitration under Clause 50 and the amount awarded has not been paid within 42 days after the award, or

(d) The Contractor has gone into liquidation or is bankrupt.

In every case the Employer shall, when making the claim, send a copy to the Contractor.

11.1 Site Data

The Tender shall be deemed to have been based on such data on climatic, hydrological and general conditions on the Site and for the operation of the Works as the Employer or the Engineer has made available to the Contractor for the purposes of the Tender. The Contractor shall be responsible for his own interpretation of such data.

11.2 Sufficiency of Contract Price

The Contractor shall be deemed to have satisfied himself on and taken account of in his Tender:

(a) All the conditions and circumstances affecting the Contract Price,

(b) The possibility of carrying out the Works as described in the Contract,

(c) The general circumstances at the Site (if access has been made available to him) and

(d) The general labour position at the Site.

The Contractor shall not be responsible for the accuracy of information given in writing by the Employer or the Engineer but shall be responsible for his interpretation of information received from whatever source.

11.3 Physical Obstructions and Conditions

If during the execution of the Works on Site the Contractor encounters physical

obstructions or conditions of the kind stipulated in Sub-Clause 26.1.c) the Contractor shall be entitled to recover the additional cost incurred in consequence.

The Engineer shall certify and there shall be added to the Contract Price the additional cost of:

- (a) Complying with any instruction which the Engineer, after due consultation with the Employer and the Contractor, issues to the Contractor in connection therewith, and
- (b) Any necessary measures which the Contractor may take in the absence of specific instructions from the Engineer.

12.1 Programme to be furnished

The Contractor shall submit to the Engineer for his approval the Programme which shall contain the following:

- (a) The order in which the Contractor proposes to carry out the Works (including design, manufacture, delivery to Site, erection, testing and commissioning),
- (b) The times when submission and approval of the Contractor's Drawing are required,
- (c) The times by which the Contractor requires the Employer:
 - (i) To furnish any Employer's Drawings,
 - (ii) To provide access to the Site,
 - (iii) To have completed the necessary civil engineering work (including foundations for the Plant) and
 - (iv) To have obtained any import licences, consents, wayleaves and approvals necessary for the purpose of the Works.

The Contractor shall submit the Programme in the form stated in the Preamble within 28 days after the Commencement Date.

The approval by the Engineer of the Programme shall not relieve the Contractor or the Employer from any obligation under the Contract.

12.2 Alteration to Programme

No material alteration to the Programme shall be made without the approval of the Engineer.

12.3 Revision of Programme

If the progress of the Works does not conform to the Programme, the Engineer may instruct the Contractor to revise the Programme.

If such modifications are required for reasons for which the Contractor is not responsible, the cost of preparing the revised Programme shall be certified by the Engineer and added to the Contract Price.

13.1 Contractor's Representative

The Contractor shall employ one or more competent representatives to superintend the carrying out of the Works on Site. They shall be fluent in the language for day to day communications. Their names shall be communicated in writing to the Engineer before work on Site begins.

Any instruction or notice which the Engineer gives to the Contractor's representative shall be deemed to have been given to the Contractor.

13.2 Objection to Contractor's Employees

The Contractor shall, upon the Engineer's written instruction, remove from the Works any person employed by him in the execution of the Works, who misconducts himself or is incompetent or negligent.

14.1 Contractor's Equipment

Except to the extent specified in Part II, the Contractor shall provide all Contractors' Equipment necessary to complete the Works.

All Contractors' Equipment shall, when brought on to the Site, be deemed to be exclusively intended for the execution of the Works. The Contractor shall not remove from the Site any such equipment, except:

- (a) When it is no longer required for the completion of the Works, or
- (b) When the Engineer has given his consent.

14.2 Safety Precautions

The Contractor shall observe all applicable regulations regarding safety on the Site.

Unless otherwise agreed, the Contractor shall, from the commencement of work on Site until taking over provide:

- (a) Fencing, lighting, guarding and watching of the Works, and
- (b) Temporary roadways, footways, guards and fences which may be necessary for the accommodation and protection of owners and occupiers of adjacent property, the public and others.

14.3 Electricity Water and Gas

The Contractor shall be entitled to use for the purposes of the Works such supplies of electricity, water, gas and other services as may be available on the Site and of which details are given in the Preamble. The Contractor shall pay the Employer a fair price for such use. The Contractor shall at his own cost provide any apparatus necessary for such use.

14.4 Employer's Equipment

The Employer shall, if the Contractor so requests for the execution of the Works operate any available equipment of which details are given in the Preamble. The Contractor shall pay the Employer a fair price for such use.

The Employer shall during such operation retain control of and be responsible for the safe working of the equipment.

14.5 Clearance of Site

The Contractor shall from time to time during the progress of the Works clear away and remove all surplus materials and rubbish. On completion of the Works the Contractor shall remove all Contractor's Equipment and leave the whole of the Site and the Works clean and in a workmanlike condition, to the satisfaction of the Engineer.

14.6 Opportunities for Other Contractors

The Contractor shall, in accordance with the Engineer's instructions, afford to other contractors engaged by the Employer to work on the Site and persons lawfully upon the Site all reasonable opportunities for carrying out their work provided that the same shall not obstruct or disturb the progress of the Works. The Contractor shall also afford such opportunities to the employees of the Employer.

If the Contractor, on the written request of the Engineer, makes available any Contractor's Equipment or provides any other service, the Employer shall pay the Contractor accordingly. The amount to be paid shall be certified by the Engineer and added to the Contract Price.

14.7 Authority for Access

No persons other than the employees of the Contractor and his Subcontractors shall be allowed on the Site except with the consent of the Engineer.

Facilities to inspect the Works shall at all times be afforded by the Contractor to the Engineer and his representative, the Employer's representatives, authorities and officials.

14.8 Information for Import Permits and Licenses

The Contractor shall submit to the Employer in good time such details of all Plant and Contractor's Equipment as will enable the Employer to obtain all necessary import permits or licenses.

15.1 Compliance with Statutes, Regulations

The Contractor shall, in all matters arising in the performance of the Contract, comply in all respects with, give all notices and pay all fees required by the

provisions of any national or state statute, ordinance or other law or any regulation or bye-law of any duly constituted authority.

15.2 Compliance with Laws

The Contractor shall comply with the laws of the country of manufacture concerning the manufacture of the Plant, and the laws of the country where the Plant is to be erected so far as such laws concern the manufacture, erection and operation of the Works.

16.1 Patent Rights

The Contractor shall indemnify the Employer against all claims of infringement of any patent, registered design, copyright, trade mark or trade name or other intellectual property right provided that all of following conditions are satisfied:

- (a) The claim or proceedings arise out of the design, construction, manufacture or use of Works or any Plant supplied by the Contractor.
- (b) The right was protected at the date of the Contract in the Contractor's country or the country in which the Plant is to be manufactured or erected.
- (c) The infringement or allegation of infringement was not caused by any use of the Works otherwise than for purpose indicated by or reasonably to be inferred from date Specification.
- (d) The infringement or allegation of infringement was not caused by the use of any Plant in association or combination with any plant not supplied by the Contractor, unless such association or combination was disclosed to the Contractor prior to the due of the Tender.
- (e) The infringement of or allegation of infringement was not caused by the Contractor following the design or instructions of the Employer or the Engineer.

16.2 Claims in respect of Patent Right

The Contractor shall be promptly notified of any claim under this Clause made against the Employer. The Contractor may at his own cost conduct negotiations for the settlement of such claim, and any litigation that may arise there from.

The Employer shall not make any admission which might be prejudicial to the Contractor unless the Contractor has failed to take over the conduct of the negotiations or litigation within a reasonable time after having been so requested.

The Contractor may not, however, conduct such negotiations or litigation before he has given the Employer such reasonable security as the Employer may require. The security shall be for an amount which is an assessment of the compensation, damages, expenses and costs for which the Employer may become liable and which are the subject of the indemnity under Sub-Clause 16.1

The Employer shall, at the request of the Contractor, provide all available assistance for the purpose of contesting any such claim or action, and shall be repaid all reasonable costs incurred in so doing.

16.3 Employer's Warranty for Patent Rights

If any matter for which the Contractor is not liable to indemnify the Employer under Sub-Clause 16.1 causes the infringement or allegation of infringement by the Contractor of any patent, registered design, trade mark, copyright or other intellectual property right, the Employer shall indemnify the Contractor against all claims damages, expenses and costs which the Contractor may incur in relation thereto. The provisions of Sub-Clause 16.2 shall apply mutatis mutandis.

Obligations of the Employer

17.1 Access to and Possession of the Site

The Employer shall in reasonable time grant the Contractor access to and possession of the Site, which may, however, not be exclusive to the Contractor.

The Employer shall to the extent stated in the Specification provide means of access for the delivery of all Plant and Contractor's Equipment to the Site.

17.2 Assistance with Local Regulations

The Employer shall assist the Contractor in ascertaining the nature and extent of any laws, regulations, orders or bye-laws, and customs in the country where the Plant is to be erected, which may affect the Contractor in the performance of his obligations under the Contract. The Employer shall if so requested procure for the Contractor copies thereof and information relating thereto at the Contractor's cost.

17.3 Civil Works on Site

Any building, structure, foundation or means of access on the Site to be provided by the Employer shall be in a condition suitable for the reception, movement, installation and maintenance of the Works within the time or times indicated in the Programme.

17.4 Consents and Way leaves

The Employer shall in due time obtain or grant all consents including permits-to-work, way leaves and approvals required for the Works.

17.5 Import Permits and Licenses

The Employer shall obtain all import permits or licenses required for any part of the Plant or Works in reasonable time having regard to the time for delivery of the Plant and completion of the Works.

Labour

18.1 Engagement of Labour

The Contractor shall, unless otherwise provided in the Contract, make his own arrangements for the engagement of all labour and for their payment, housing feeding and transport.

18.2 Returns of Labour

The Contractor shall submit detailed returns showing the supervisory staff and the numbers of the several classes of labour from time to time employed by the Contractor and Subcontractors on the Site. The returns shall be submitted in such form and at such intervals as the Engineer may prescribe.

18.3 Working Hours

On the Site the Contractor shall observe the normal working hours stated in the Preamble. The Employer shall allow the Contractor to carry out work on the Site continuously during such working hours.

The Engineer may after consulting the Employer and the Contractor, direct that work shall be done at other times. The extra cost, together with profit, shall be added to the Contract Price unless it has become necessary for the completion of the Works within the Time for Completion, and this is due to the default of the Contractor.

18.4 Restriction on Working Hours

No work shall be carried out on the Site outside normal working hours or on the locally recognized days of rest, unless:

- (a) The Contract so provides, or
- (b) The work is unavoidable or necessary for the saving of life or property or for the safety of the Works, in which case the Contractor shall immediately advise the Engineer, or
- (c) The Engineer gives his consent.

Workmanship and Materials

19.1 Manner of Execution

All Plant to be supplied shall be manufactured and all work to be done shall be executed in the manner set out in the Contract.

Where the manner of manufacture and execution is not set out in the Contract, the work shall be executed in a proper and workmanlike manner in accordance with recognized good practice.

19.2 Covering up Work

The Contractor shall give the Engineer full opportunity to examine, measure and test any work on Site which is about to be covered up or put out of view.

The Contractor shall give due notice to the Engineer whenever such work is ready for examination, measurement or testing.

The Engineer shall then, unless he notifies the Contractor that he considers it unnecessary, without unreasonable delay carry out the examination, measurement or testing.

19.3 Uncovering Work

If so instructed by the Engineer, the Contractor shall expose any parts of the Works. The Contractor shall reinstate and make good such parts to the Engineer's satisfaction.

If any parts of the Works have been covered up or put out of view by the Contractor after complying with Sub-Clause 19.2 and are found to be in accordance with the Contract the cost incurred by the Contractor in complying with the Engineer's instructions including profit shall be certified by the Engineer and added to the Contract Price.

20.1 Independent Inspection

The Engineer/Employer may, If so provided in the Contract or with the Contractor's consent, delegate inspection and testing of Plant to an independent inspector. Any such delegation shall be effected in the manner required by Sub-Clause 20.3 and for this purpose such independent inspector shall be considered as Engineer's Representative. Notice of such appointment (being not less than 14 days) shall be given by the Engineer to the Contractor.

20.2 Inspection and Testing During Manufacture

The Employer or his representatives shall be entitled during manufacture to inspect, examine and test the materials and workmanship and check the progress of manufacture of all Plant to be supplied under the Contract. This shall take place on the Contractor's premises during working hours. If Plant is being manufactured on other premises, the Contractor shall obtain permission for the Employer or his representatives to carry out such inspection, examination and testing on those premises. The Contractor shall arrange 02 visits of 03 persons per visit nominated by Employer and will bear all costs (including air & road travelling, boarding, lodging, meals, visa fee, etc) and visa. First visit will be arranged before commencing the manufacturing of Plant and second visit will be arranged when more than 80% of Plant is complete. Each visit shall be upto07 days.

No such inspection, examination or testing shall release the Contractor from any obligation under the Contract.

20.3 Dates for Inspection and Testing

The Contractor shall agree with the Engineer the time and place for the testing of

any Plant as provided in the Contract. The Engineer shall give the Contractor 24 hours notice of his intention to attend the tests.

If the Engineer does not attend on the date agreed, the Contractor may, unless the Engineer instructs the Contractor not to do so, proceed with the tests, which shall be deemed to have been made in the Engineer's presence.

The Contractor shall forthwith forward to the Engineer duly certified copies of the test results. If the Engineer has not attended the test, he shall accept the validity of the test readings.

20.4 Facilities for Testing

Where the Contract provides for tests on the premises of the Contractor or of any Sub-contractor, the Contractor shall provide such assistance, labour materials, electricity, fuel, stores, apparatus and instruments as may be necessary to carry out the test efficiently.

20.5 Certificate of Testing

When Plant has passed the tests referred to in this Clause, the Engineer shall furnish to the Contractor a certificate or endorse the Contractor's test certificate to that effect.

21.1 Rejection

If, as a result of the inspection, examination or testing referred to in Clause 20, the Engineer decides that any Plant is defective or otherwise not in accordance with the Contract, he may reject such Plant and shall notify the Contractor thereof immediately. The notice shall state the Engineer's objections with reasons. The Engineer shall not reject any Plant for minor defects which do not affect the commercial operation of such Plant.

The Contractor shall then with all speed make good the defect or ensure that any rejected Plant complies with the Contract.

If the Engineer requires such Plant to be retested, the tests shall be repeated under the same terms and conditions. All costs incurred by the Employer by the repetition of the tests shall be deducted from the Contract Price.

22.1 Permission to Deliver

The Contractor shall apply in writing to the Engineer for permission to deliver any Plant or Contractor's equipment to the Site. No Plant or Contractor's Equipment may be delivered to the Site without the Engineer's written permission.

The Contractor shall be responsible for the reception on Site of the Plant and Contractor's Equipment.

Suspension of Works, Delivery or Erection

23.1 Order to Suspend

The Engineer may at any time instruct the Contractor to:

- (a) Suspend progress of the Works, or
- (b) Suspend delivery of Plant or Contractor's Equipment which is ready for delivery to the Site at the time for delivery specified in the Programme, or if no time is specified, at the time appropriate for it to be delivered, or
- (c) Suspend the erection of Plant which has been delivered to the Site,

When the Contractor is prevented from delivering or erecting Plant in accordance with the Programme the Engineer shall be deemed to have instructed a suspension except when such prevention is caused by the Contractor's default.

The Contractor shall during suspension protect and secure the Works or Plant affected at the Contractor's works or elsewhere or at the Site, as the case may be, against any deterioration, loss or damage.

24.1 Cost of Suspension

The additional cost incurred by the Contractor in protection, securing and insuring the Works or Plant and in following the Engineer's instructions under Sub-Clause 23.1 and in resumption of the work, shall be added to the Contract Price.

The Contractor shall not be entitled to be paid any additional costs if such suspension is necessary by reason of a default on the part of the Contractor.

The Contractor shall not be entitled to additional costs unless he notifies the Engineer of his intention to make such claim, within 28 days after receipt of the order to suspend progress or delivery or of the date of deemed suspension under Sub-Clause 23.1.

24.2 Payment in Event of Suspension

The Contractor shall be entitled to payment for Plant which has not been delivered to Site if the work on Plant or delivery of Plant has been suspended for more than 28 days. After 28 days of suspension, the Contractor shall be entitled to payment of the value of such Plant as at the date of suspension.

A certificate of payment shall be issued on condition that:

- (a) The Contractor has marked the Plant as the Employer's property in accordance with the Engineer's instructions, and
- (b) The suspension is not due to the Contractor's default.

24.3 Prolonged Suspension

If suspension under Clause 23.1. has continued for more than 84 days, and the

suspension is not due to the Contractor's default, the Contractor may by notice to the Engineer require permission to proceed within 28 days.

If permission is not granted within that time, the Contractor may treat the suspension as an omission under Clause 31 of the Section it affects, or if the suspension affects the whole of the Works, terminate the Contract and the provisions of Clause 46 shall apply.

24.4 Resumption of Work

If the Contractor chooses not to treat prolonged suspension as an omission or termination under Sub-Clause 24.3, the Employer shall upon the request of the Contractor, take over the responsibility for protection, storage, security and insurance of the suspended Works and the risk of loss or damage thereto shall thereupon pass to the Employer.

After receipt of permission or an order to proceed, the Contractor, shall after due notice to the Engineer, examine the Works and the Plant affected by the suspension. The Contractor shall make good any deterioration or defect in or loss of the Works or Plant that may have occurred during the suspension. Cost properly incurred by the Contractor which would not have been incurred but for the suspension shall be added to the Contract Price together with profit.

The Contractor shall not be entitled to payment for costs incurred in making good any deterioration, defect or loss caused by faulty workmanship or materials or by the Contractor's failure to take the measures specified in Sub-Clause 23.1.

If the Employer has taken over risk and responsibility for the suspended Works under this Sub-Clause, risk and responsibility shall revert to the Contractor 14 days after receipt of the permission or order to proceed.

Completion

25.1 Time for Completion

The Works shall be completed and shall have passed the Tests on Completion within the Time for Completion

26.1 Extension of Time for Completion

The Contractor may claim an extension of the Time for Completion if he is or will be delayed in completing the Works by any of the following causes:

- (a) Extra or additional work ordered in writing under Clause 31,
- (b) Exceptional adverse weather conditions,
- (c) Physical obstructions or conditions which could not reasonably have been foreseen by the Contractor,

- (d) Employer's or Engineer's instructions, otherwise than by reason of the Contractor's default,
- (e) The failure of the Employer to fulfill any of his obligations under the Contract,
- (f) Delay by any other contractor engaged by the Employer,
- (g) Any suspension of the Works under Clause 23, except when due to the Contractor's default,
- (h) Any industrial dispute,
- (i) The Employer's Risks,
- (j) Force Majeure.

The Contractor shall give to the Engineer notice of his intention to make a claim for an extension of time within 14 days of the circumstances for such a claim becoming known to the Contractor. The notice shall be followed as soon as possible by the claim with full supporting details.

The Engineer shall, after due consultation with the Employer and the Contractor, grant the Contractor from time to time, either prospectively or retrospectively, such extension of Time for Completions as may be justified. The Engineer shall notify the Employer and the Contractor accordingly.

The Contractor shall be entitled to such extension whether the delay occurs before or after the Time for Completion.

26.2 Delays by Subcontractors

The Contractor shall be entitled to claim an extension of time if delay on the part of a Subcontractor is due to a cause mentioned in Clause 26.1, and such delay prevents the Contractor from meeting the Time for Completion.

26.3 Earlier Completion

The Employer may require completion of the Works or part thereof earlier than the Time for Completion, on the following conditions:

- (a) The Employer and the Contractor shall first agree the extra sum to be paid for each day by which the Contractor completes the Works or part thereof earlier than the Time for Completion.
- (b) The Contractor shall not become liable under Sub-Clause 27.1 for any failure to complete the Works or the part thereof by the earlier time.

27.1 Delay in Completion

If the Contractor fails to complete the Works within the Time for Completion, the Employer shall be entitled to a reduction in the Contract Price unless it can be

reasonably concluded from circumstance that the Employer will suffer no loss.

The Employer shall within a reasonable time give the Contractor notice of his intention to claim a reduction.

The reduction shall be the percentage per day stated in the Preamble of that part of the Contract Price which is attributable to such part of the Works as cannot in consequence of the failure be put to the intended use. The reduction shall be computed for each day between the Time for Completion and the actual date of completion.

The reduction shall in no case exceed the maximum percentage of the Contract Price of such part stated in the Preamble.

Except as provided in Sub-Clause 27.2, such reduction shall be to the exclusion of any other remedy of the Employer in respect of the Contractor's failure to complete within the Time for Completion.

27.2 Prolonged Delay

If the Employer has become entitled to the maximum reduction under Clause 27.1 for any part of the Works, he may by notice require the Contractor to complete. Such notice shall fix a final time for completion which shall be reasonable.

If the Contractor fails to complete within such time, and this is not due to a cause for which the Employer or some other contractor employed by him is responsible, the Employer may by further notice to the Contractor either:

- (a) Require the Contractor to complete, or
- (b) May himself complete at the Contractor's cost provided that he does so in a reasonable manner, or
- (c) Terminate the Contract.

If the Employer terminates the Contract, he shall be entitled to recover from the Contractor any loss he has suffered up to the maximum amount stated in the Preamble. If no maximum amount is stated, the Employer shall not be entitled to recover more than that part of the Contract Price which is attributable to that part of the Works which cannot by reason of the Contractor's failure be put to the intended use.

The Employer shall give credit for the value of any part of the Works which he retains.

Tests on Completion

28.1 Notice of Tests

The Employer shall give to the Engineer 21 day's notice of the date after which he will be ready to make the Tests on Completion (the Tests). Unless otherwise

agreed, the Tests shall take place within 14 days after the said date on such day or days as the Engineer shall notify the Contractor.

28.2 Time for Tests

If the Engineer fails to appoint a time after having been asked to do so, or does not attend at the time and place appointed, the Contractor shall be entitled to proceed with the Test in his absence. The Tests shall then be deemed to have been made in the presence of the Engineer and the results of the Tests shall be accepted as accurate.

28.3 Delayed Tests

If the Tests are being unduly delayed by the Contractor the Engineer may by notice require the Contractor to make the Tests within 21 days after the receipt of such notice. The Contractor shall make the Tests on such days within that period as the Contractor may fix and of which he shall give notice to the Engineer.

If the Contractor fails to make the Tests within 21 days the Engineer may himself proceed with the Tests. All Tests so made by the Engineer shall be at the risk and cost of the Contractor and the cost thereof shall be deducted from the Contract Price. The tests shall then be deemed to have been made in the presence of the Contractor and the results of the Tests shall be accepted as accurate.

28.4 Facilities for Tests on Completion

Except where otherwise specified, the Employer shall provide free of charge such labour, materials, electricity, fuel, water, stores, apparatus and feedstock as may be reasonably required by the Contractor to carry out the Tests.

28.5 Retesting

If the Works or any Section fails to pass the Tests, the Engineer or the Contractor may require such Tests to be repeated on the same terms and conditions. All costs to which the Employer may be put by the repetition of the Tests under this Sub-Clause or under Sub-Clause 30.7 shall be deducted from the Contract Price.

28.6 Disagreement as to Result of Tests

If the Engineer and the Contractor disagree on the interpretation of the Test results, each shall give a statement of his views to the other within 14 days after such disagreement arises. The statement shall be accompanied by all relevant evidence.

28.7 Consequences of Failure to Pass Tests on Completion

If the Works or any Section fails to pass the Tests on the repetition thereof under Sub-Clause 28.5, the Engineer, after due consultation with the Employer and the Contractor, shall be entitled to:

(a) Order one further repetition of the Tests under the conditions of Sub-Clause

28.5, or

- (b) Reject the Works or Section in which event the Employer shall have the same remedies against the Contractor as are provided under Sub-Clause 30.5(c), or
- (c) Issue a Taking-Over Certificate, if the Employer so wishes, notwithstanding that the Works are not complete. The Contract Price shall then be reduced by such amount as may be agreed by the Employer and the Contractor or, failing agreement, as may be determined by arbitration.

28.8 Use by the Employer

In considering the results of Tests carried out under Sub-Clauses 29.3, 29.4 and 30.7 the Engineer shall make allowances for the effect of any use of the Works by the Employer on the Certificate to the performance or other characteristics of the Works.

28.9 Test Certificate

As soon as the Works or any Section thereof has passed the Tests, the Engineer shall issue a Certificate to the Contractor and the Employer to that effect.

29.1 Taking Over

The Works shall be taken over by the Employer when they have been completed in accordance with the Contract, except in minor respects that do not affect the use of the Works for their intended purpose, have passed the Tests on Completion and a Taking-Over Certificate has been issued or deemed to have been issued in accordance with Sub-Clause 29.2.

29.2 Taking-Over Certificate

The Contractor may apply by notice to the Engineer for a Taking-Over Certificate not earlier than 14 days before the Works will in the Contractor's opinion be complete and ready for taking over under Sub-Clause 29.1.

The Engineer shall within 28 days after the receipt of the Contractor's application either:

- (a) Issue the Taking-Over Certificate to the Contractor with a copy to the Employer stating the date on which the Works were complete and ready for taking over, or
- (b) Reject the application giving his reasons and specifying the work required to be done by the Contractor to enable the Taking-Over Certificate to be issued.

If the Engineer fails either to issue the Taking-Over Certificate or to reject the Contractor's application within the period of 28 days he shall be deemed to have issued the Taking-Over Certificate on the last day of that period.

If the Works are divided by the Contract into Sections the Contractor shall be entitled to apply for separate Taking-Over Certificate for each such Section

29.3 Use before Taking Over

The Employer shall not use any part of the Works unless a Taking-Over Certificate has been issued in respect thereof.

If nevertheless the Employer uses any part of the Works, that part which is used shall be deemed to have been taken over at the date of such use. The Engineer shall on request of the Contractor issue a Taking-Over Certificate accordingly. If the Employer uses any part of the Works before taking over the Contractor shall be given the earliest opportunity of taking such steps as may be necessary to carry out the Tests on Completion.

The provisions of Sub-Clause 27.1 shall not apply to any part of the Works while being so used by the Employer. Clause 30 shall apply as if the part had been taken over on the date it was taken into use.

29.4 Interference with Tests on Completion

If the Contractor is prevented from carrying out the Tests on Completion by a cause for which the Employer or the Engineer or other contractors employed by the Employer are responsible, the Employer shall be deemed to have taken over the Works on the date when the Tests on Completion would have been completed but for such prevention. The Engineer shall issue a Taking-Over Certificate accordingly.

The Works shall not be deemed to have been taken over if they are not substantially in accordance with the Contract.

If the Works are taken over under this Clause the Contractor shall nevertheless carry out the Tests on Completion during the Defects Liability Period. The Engineer shall require the Tests on Completion to be carried out by 14 days notice and in accordance with the relevant provisions of Clause 28.

Any additional costs, to which the Contractor may be put in making the Tests on Completion during the Defects Liability Period, shall be added to the Contract Price.

Defects after Taking Over

30.1 Defects Liability Period

Where any part of the Works is taken over separately from the works the Defects Liability Period for that part shall commence on the date it was taken over.

30.2 Making Good Defects

The Contractor shall, subject to Sub-Clause 30.9, be responsible of making good any defect in or damage to any part of the Works which may appear or occur during the Defects Liability Period and which arises from, either:

- (a) Any defective materials, workmanship or design, or
- (b) Any act or omission of the Contractor during the Defects Liability Period.

The Contractor shall make good the Defects or damage as soon as practicable and at his own cost.

30.3 Notice of Defects

If any such defect appears or damage occurs, the Employer or the Engineer shall forthwith notify the Contractor thereof.

30.4 Extension of Defects Liability Period

The provision of this Clause shall apply to all replacements or renewals carried out by the Contractor as if the replacements and renewals had been taken over on the date they were completed.

The Defects Liability Period for the Works shall be extended by a period equal to the period during which the Works cannot be used by reason of a defect or damage. If only part of the Works cannot be used by reason of a defect, the Defect Liability Period shall be extended only for that part.

In neither case shall the Defects Liability Period be extended by more than one year.

When erection or delivery of Plant has been suspended under Sub-Clause 23.1, the Contractor's obligations under this Clause shall not apply to any defects occurring more than three years after it would have been delivered but for the suspension or such period as may be stated in Part II.

30.5 Failure to Remedy Defects

If the Contractor fails to remedy a defect or damage within a reasonable time, the Employer may fix a final time for remedying the defect or damage.

If the Contractor fails to do so, the Employer may:

- (a) Carry out the work himself or by others at the Contractor's risk and cost, provided that he does so in a reasonable manner. The costs properly incurred by the Employer in remedying the defect or damage shall be deducted from the Contract Price, but the Contractor shall have no responsibility for such work, or
- (b) Require the Contractor to grant the Employer a reasonable reduction in the Contract Price to be agreed or fixed by arbitration under Clause 50, or
- (c) If the defect or damage is such that the Employer has been deprived of

substantially the whole of the benefit of the Works or a part thereof, he may terminate the Contract in respect of such parts of the Works as cannot be put to the intended use. The Employer shall to the exclusion of any remedy under Clause 45 be entitled to recover all sums paid in respect of such parts of the Works together with the cost of dismantling the same, clearing the Site and returning Plant to the Contractor or otherwise disposing of it in accordance with the Contractor's instructions.

30.6 Removal of Defective Work

If the defect of damage is such that repairs cannot be expeditiously carried out on the Site, the Contractor may with the consent of the Engineer or the Employer remove from the Site for the purposes of repair any part of the Works which is defective or damaged.

30.7 Further Tests on Completion

If the replacements or renewals are such that they may affect the performance of the Works the Employer may request that Tests on Completion be repeated to the extent necessary. The request shall be made by notice within 28 days after the replacement or renewal. The Tests shall be carried out in accordance with Clause 28.

30.8 Right of Access

Until the Final Certificate of Payment has been issued, the Contractor shall have the right of access to all parts of the Works and to records of the working and performance of the Works.

Such right of access shall be during the Employer's normal working hours at the Contractor's risk and cost. Access shall also be granted to any duly authorized representative of the Contractor whose name has been communicated in writing to the Engineer.

Subject to the Engineer's approval, the Contractor may also at his own risk and cost make any tests which he considers desirable.

30.9 Defects in Employer's and Engineer's Designs

The Contractor shall not be liable for any defects resulting from designs furnished or specified by the Employer or the Engineer.

30.10 Contractor to Search

The Contractor shall, if required by the Engineer in writing, search for the cause of any defect, under the direction of the Engineer. Unless the defect is one for which the Contractor is liable under this Clause, the cost of the work carried out by the Contractor in searching for the cause of the defect shall be added to the Contract Price.

30.11 Defects Liability Certificate

When the Defects Liability Period for the Works or any part thereof has expired and the Contractor has fulfilled all his obligations under the Contract for defects in

the Works or that part, the Engineer shall issue within 28 days to the Employer and the Contractor a Defects Liability Certificate to that effect.

30.12 Exclusive Remedies

Except in the case of Gross Misconduct, the Employer's remedies under this Clause shall be in place of and to the exclusion of any other remedy in relation to defects whatsoever.

Variations

31.1 Engineer's Right to Vary

The Engineer may by Variation Order to the Contractor at any time before the Works are taken over, instruct the Contractor to alter, amend, omit, add to or otherwise vary any part of the Works.

The Contractor shall not vary or alter any of the Works, except in accordance with a Variation Order from the Engineer. The Contractor may, however, at any time propose variations of the Works to the Engineer.

31.2 Variation Order Procedure

Prior to any Variation Order under Sub-Clause 31.1 the Engineer shall notify the Contractor of the nature and form of such variation.

As soon as possible after having received such notice, the Contractor shall submit to the Engineer:

- (a) A description of work, if any, to be performed and a programme for its execution, and
- (b) The Contractor's proposals for any necessary modifications to the Programme according to Sub-Clause 26.1 or to any of the Contractor's obligations under the Contract, and
- (c) The Contractor's proposals for adjustment to the Contract Price.

Following the receipt of the Contractor's submission the Engineer shall, after due consultation with the Employer and the Contractor, decide as soon as possible whether or not the variation shall be carried out.

If the Engineer decides that the variation shall be carried out, he shall issue a Variation Order clearly identified as such in accordance with the Contractor's submission or as modified by agreement. If the Engineer and the Contractor are unable to agree the adjustment of the Contract Price, the provisions of Sub-Clause 31.3 shall apply.

31.3 Disagreement on Adjustment of the Contract Price

If the Contractor and the Engineer are unable to agree on the adjustment of the Contract Price, the adjustment shall be determined in accordance with the rates specified in the Schedule of Prices.

If the rates contained in the Schedule of Price are not directly applicable to the specific work in question, suitable rates shall be established by the Engineer reflecting the level of pricing in the Schedule of Prices

Where rates are not contained in the said Schedule, the amount shall be such as is in all the circumstances reasonable. Due account shall be taken of any over-or under-recovery of overheads by the Contractor in consequence of the variation.

The Contractor shall also be entitled to be paid.

- (a) The cost of any partial execution of the Works rendered useless by any such variation, and
- (b) The cost of making necessary alterations to Plant already manufactured or in the course of manufacture or of any work done that has to be altered in consequence of such a variation, and
- (c) Any additional costs incurred by the Contractor by the disruption of the progress of the Works as detailed in the Programme, and
- (d) The net effect of the Contractor's finance costs, including interest, caused by the variation.

The Engineer shall on this basis determine the rates or prices to enable on-account payment to be included in certificates of payment.

31.4 Contractor to Proceed

On receipt of a Variation Order, the Contractor shall forthwith proceed to carry out the variation and be bound to these Conditions in so doing as if such variation was stated in the Contract.

The work shall not be delayed pending the granting of an extension of the Time for Completion or an adjustment to the Contract Price under Sub-Clause 31.3.

31.5 Records of Costs

In any case where the Contractor is instructed to proceed with variation prior to the determination of the adjustment to the Contract Price in respect thereof the Contractor shall keep records of the cost of undertaking the variation and of time expended thereon. Such records shall be open to inspection by the Engineer at all reasonable times.

32.1 Ownership of Plant

Plant to be supplied pursuant to the Contract shall become the property of the Employer at whichever is the earlier of the following times:

- (a) When Plant is delivered to Site, or
- (b) When by virtue of Sub-Clause 24.2 the Contractor becomes entitled to payment of the value of the Plant

Certificates and Payment

33.1 Terms of Payment

The terms of payment shall be as stated in the Preamble.

33.2 Method of Application

Unless otherwise specified in Part II applications by the Contractor for payment shall be made to the Engineer/Employer as follows:

- (a) In respect of the progress of the Works accompanied by such evidence of the value of the work done as the Engineer may require, and
- (c) In respect of Plant shipped and en route to the Site identifying the Plant concerned and accompanied by such evidence of shipment and of payment of freight and insurance and by such other documents as the Engineer may require, and
- (c) For additional payment in accordance with Clause 34.

Any other application for payment shall state the amounts claimed and the detailed particulars in respect of which the application is made.

33.3 Issue of Certificate of Payment

Within 14 days after receiving an application for payment which the Contractor was entitled to make the Engineer shall issue a Certificate of Payment to the Employer showing the amount due.

A certificate of payment, other than the Final Certificate of Payment, shall not be withheld on account of:

- (a) Defects of a minor character which are not such as to affect the use of the Works, or
- (b) Any part of the payment applied for being disputed. In such case a certificate of payment for the undisputed amount shall be issued.

33.4 Corrections to Certificates of Payment

The Engineer may in any certificate of payment make any correction or modification that should properly be made in respect of any previous certificate.

33.5 Payment

Unless otherwise specified in Part II, the Employer shall pay the amount certified within 28 days from the date of issue of each certificate of payment to the Contractor at his principal place of business.

33.6 Delayed Payment

33.7 Remedies on Failure to Certify or Make Payment

The Contractor shall be entitled to stop the Works by giving 14 days notice to the Engineer and the Employer, if either:

- (a) The Engineer fails to issue a certificate of payment upon proper application by the Contractor, or
- (b) The Employer fails to make any payment as provided in this Clause.

The cost to the Contractor together with profit occasioned by the stoppage and the subsequent resumption of work shall be added to the Contract Price.

The Contractor shall also be entitled to terminate the Contract by giving 28 days notice to the Engineer and the Employer in any case where the Engineer has failed to issue a certificate of payment upon proper application by the Contractor.

33.8 Payment by Measurement

For any part of the Works which is to be paid according to quantity supplied or work done, the provisions for measurement shall be stated in Part II.

33.9 Application for Final Certificate of Payment

The Contractor shall make application to the Engineer for the Final Certificate of Payment within 28 days after the issue of the Defect Liability Certificate, or if more than one, the last Defect Liability Certificate.

The application for the Final Certificate of Payment shall be accompanied by a final account prepared by the Contractor. The final account shall give full details of the value of all Plant supplied and work done under the Contract together with:

- (a) Such additions to or deductions from the Contract Price as have been agreed, and
- (b) All claims for additional payment to which the Contractor may consider himself entitled.

33.10 Issue of Final Certificate of Payment

The Engineer shall issue to the Employer with a copy to the Contractor, the Final Certificate of Payment within 28 days after receiving an application in accordance with Sub-Clause 33.9.

If the Contractor has not applied for a Final Certificate of Payment within the time specified in Sub-Clause 33.9 the Engineer shall request the Contractor to do so within a further period of 28 days. If the Contractor fails to make such an application, the Engineer shall issue the Final Certificate of Payment for such amount as he deems correct.

33.11 Final Certificate of Payment Conclusive

A Final Certificate of Payment shall be conclusive evidence of the value of the Works, that the Works are in accordance with the Contract and that the Contractor has performed all his obligations under the Contract.

Payment of the amount certified in the Final Certificate of Payment shall be conclusive evidence that the Employer has performed all his obligations under the Contract.

A Final Certificate of Payment or payment shall not be conclusive:

- (a) To the extent that fraud or dishonesty relates to or affects any matter dealt with in the certificate, or
- (c) If any arbitration or court proceedings under the Contract have been commenced by either party before the expiry of 84 days after the issue of the Final Certificate of Payment.

Claims

34.1 Procedure

In any case where under these Conditions there are circumstances which the Contractor considers entitle him to claim additional payment, the Contractor shall:

- (a) If he intends to make any claim for additional payment give to the Engineer notice of his intention to make such claim within 28 days after the said circumstances became known to the Contractor stating the reasons for his claim.
- (b) As soon as reasonably practical after the date of such notice submit to the Engineer full and detailed particulars of his claim but not later than 182 days after such notice unless otherwise agreed by the Engineer. In any event such particulars shall be submitted no later than the application for the Final Certificate of Payment. The Contractor shall thereafter promptly submit such further particulars as the Engineer may reasonably require to assess the validity of the claim

34.2 Assessment

When the Engineer has received full and detailed particulars of the Contractor's claim in accordance with Sub-Clause 34.1 and such further particulars as he may reasonably have required he shall after due consultation with the Employer and the Contractor determine whether the Contractor is entitled to additional payment and notify the parties accordingly.

The Engineer may reject any claim for additional payment which does not comply with the requirements of Sub-Clause 34.1.

Foreign Currency and Rates of Exchange

35.1 Payment in Foreign Currencies

Arrangements for payment in foreign currencies shall be as stated in the Preamble.

35.2 Currency Restrictions

The Employer shall reimburse the Contractor for any loss arising from:

- (a) Currency restrictions, and
- (b) Restrictions on the transfer of currency in which the Contractor is to be paid which are imposed by the Government or authorized agency of the Government of the country from which any payments under the Contract are to be made.

This Sub-Clause only applies to restrictions imposed after the date 28 days prior to the latest date for submission of tenders for the Works.

35.3 Rates of Exchange

Where the Contract provides for payment in Foreign Currency the rates of exchange between the currencies shall be fixed for the purpose of the Contract and shall be as stated in the Preamble.

If such rates of exchange are not stated in the Preamble the rates to be used shall be those quoted by the Central Bank of the country whose currency is to be sold 28 days or the nearest day thereto prior to the latest date for submission of tenders for the Works.

Provisional Sums

36.1 Use of Provisional Sums

A Provisional Sum shall only be used, in whole or in part in accordance with the Engineer's instructions.

The total sum paid to the Contractor shall include only such amounts in respect of work, supplies or services to which such Provisional Sums relate as the Engineer shall have instructed.

36.2 Ordering Work against Provisional Sums

In respect of every Provisional Sum the Engineer may after due consultation with the Employer and the Contractor order:

- (a) Work to be executed, including goods, materials or services to be supplied by the Contractor. The value of such work executed, determined in accordance with Clause 31, shall be paid to the Contractor in accordance with Clause 33,

and

- (b) Goods and materials to be purchased by the Contractor, for which payment will be made in accordance with Sub-Clause 36.4.

36.3 Invoices and Receipts

The Contractor shall, when required by the Engineer, produce quotations, invoices, vouchers and accounts or receipts in connection with expenditure in respect of Provisional Sums.

36.4 Payment against Provisional Sums

For all work executed or goods, materials or services supplied or purchased by the Contractor under Sub-Clause 36.2(b), there shall be included in the sums paid to the Contractor:

- (a) The actual price paid or due to be paid by the Contractor, and
- (b) In respect of all other charges and profit, a percentage of the actual price paid or due to be paid. Such percentage shall be as stated in the Preamble.

Risk and Responsibility

37.1 Allocation of Risk and Responsibility

The Risks of loss of or damage to physical property and of death and personal injury which arise in consequence of the performance of the Contract shall be allocated between the Employer and the Contractor as follows:

- (a) The Employer: the Employer's Risks as specified in Sub-Clause 37.2
- (b) The Contractor: the Contractor's Risks as specified in Sub-Clause 37.3.

37.2 Employer's Risks

The Employer's Risks are:

- (a) War and hostilities (whether war be declared or not), invasion, act of foreign enemies;
- (b) Rebellion, revolution, insurrection, military or usurped power or civil war insofar as it relates to the country in which the Works are located or countries through which plant must be transported;
- (c) Ionizing radiation or contamination by radio-activity from any nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel, radio-active toxic explosives or other hazardous properties of any explosive nuclear assembly or nuclear components thereof;
- (d) Pressure waves caused by aircraft travelling at sonic or supersonic speed;

- (e) Riot, commotion or disorder, unless solely restricted to the employees of the Contractor or of his Subcontractors;
- (f) Use or occupation of the Works or any part thereof by the Employer;
- (g) Fault, error, defect or omission in the design of any part of the Works by the Engineer, Employer or those for whom the Employer is responsible;
- (h) the use or occupation of the Site by the Works or any part thereof, or for the purposes of the Contract; or interference, whether temporary or permanent with any right of way, light, air or water or with any easement, way leaves or right of a similar nature which is the inevitable result of the construction of the Works in accordance with the Contract;
- (i) The right of the Employer to construct the Works or any part thereof on, over, under, in or through any land;
- (j) Damage (other than that resulting from the Contractor's method of construction) which is the inevitable result of the construction of the Works in accordance with the Contract;
- (k) The act, neglect or omission or breach of contract or of statutory duty of the Engineer, the Employer or other contractors engaged by the Employer or of their respective employees or agents;

And all risks which an experienced contractor could not have foreseen or, if foreseeable, against which measures to prevent loss, damage or injury from occurring could not reasonably have been taken by such contractor.

37.3 Contractor's Risks

The Contractor's Risks are all risks other than those identified as the Employer's Risks.

Care of the Works and Passing of Risk

38.1 Contractor's Responsibility for the Care of the Works

The Contractor shall be responsible for the care of the Works or any Section thereof from the Commencement until the Risk Transfer Date applicable thereto under Sub-Clause 38.2.

The Contractor shall also be responsible for the care of any part of the Works upon which any outstanding work is being performed by the Contractor during the Defects Liability Period until completion of such outstanding work.

38.2 Risk Transfer Date

The Risk Transfer Date in relation to the Works or a Section thereof is the earliest of either:

- (a) The date of issue of the Taking-Over Certificate, or
- (b) The date when the Engineer is deemed to have issued the Taking Certificate or the Works are deemed to have been taken over in accordance with Clause 29, or
- (c) The date of expiry of the notice of termination when the Contract is terminated by the Employer or the Contractor in accordance with these Conditions.

39.1 Passing of Risk of Loss of or Damage to the Works

The risk of loss of or damage to the Works or any Section thereof shall pass from the Contractor to the Employer on the Risk Transfer Date applicable thereto.

39.2 Loss or Damage before Risk Transfer Date

Loss of or damage to the Works or any Section thereof occurring before the Risk Transfer Date shall:

- (a) To the extent caused by any of the Contractor's Risks, be made good forthwith by the Contractor at his own cost, and
- (b) To the extent caused by any of the Employer's Risks, be made good by the Contractor at the Employer's expense if so required by the Engineer within 28 days after the occurrence of the loss or damage. The price for making good such loss and damage shall be in all circumstances reasonable and shall be agreed by the Employer and the Contractor, or in the absence of agreement, shall be fixed by arbitration under Clause 50.

39.3 Loss or Damage after Risk Transfer Date

After the Risk Transfer Date, the Contractor's liability in respect of loss of or damage to any part of the Works shall, except in the case of Gross Misconduct, be limited:

- (a) To the fulfillment of the Contractor's obligations under Clause 30 in respect of defects therein, and
- (b) To making good forthwith loss or damage caused by the Contractor during the Defects Liability Period.

Damage to Property and Injury to Persons

40.1 Contractor's Liability

Except as provided under Sub-Clause 41.1, the Contractor shall be liable for and shall indemnify the Employer against all losses, expenses and claims in respect of any loss of or damage to physical property (other than the Works), death or personal injury occurring before the issue of the last Defects Liability Certificate to the extent caused by:

- (a) Defective design, material or workmanship of the Contractor, or
- (b) Negligence or breach of statutory duty of the Contractor, his Subcontractors or their respective employees and agents.

40.2 Employer's Liability

The Employer shall be liable for and shall indemnify the Contractor against all losses, expenses or claims in respect of loss of or damage to any physical property or of death or personal injury whenever occurring, to the extent caused by any of the Employer's Risks.

41.1 Accidents

The Contractor shall be liable for and shall indemnify the Employer against all losses, expenses or claims arising in connection with the death of or injury to any person employed by the Contractor or his Subcontractors for the purposes of the Works, unless caused by any acts or defaults of the Engineer, the Employer, or other contractors engaged by the Employer or by their respective employees or agents. In the latter cases the Employer shall be liable for and shall indemnify the Contractor against all losses, expenses and claims arising in connection therewith.

Limitations of Liability

42.1 Liability for Indirect or Consequential Damage

Neither party shall be liable to the other for any loss of profit, loss of use, loss of production, loss of contracts or for any other indirect or consequential damage that may be suffered by the other, except:

- (a) As expressly provided in Clause 27, and
- (b) Those provisions of these Conditions whereby the Contractor is expressly entitled to receive profit.

42.2 Maximum Liability

The liability of the Contractor to the Employer under these Conditions shall in no case exceed the sum stated in the Preamble or, if no such sum is stated, the Contract Price.

42.3 Liability after Expiration of Defects Liability Period

The Contractor shall have no liability to the Employer for any loss of or damage to

the Employer's physical property which occurs after the expiration of the Defects Liability Period unless caused by Gross Misconduct of the Contractor.

42.4 Exclusive Remedies

The Employer and the Contractor intend that their respective rights, obligations and liabilities as provided for in these Conditions shall alone govern their rights under the Contract and in relation to the Works.

Accordingly, the remedies provided under the contract in respect of or in consequence of:

- (a) Any breach of contract, or
- (b) Any negligent act or omission, or
- (c) Death or personal injury, or
- (d) Loss or damage to any property

are, save in the case of Gross Misconduct, to be to the exclusion of any other remedy that either may have against the other under the law governing the Contract or otherwise.

42.5 Mitigation of Loss of Damage

In all cases the party claiming a breach of Contract or a right to be indemnified in accordance with the Contract shall be obliged to take all reasonable measures to mitigate loss or damage which has occurred or may occur.

42.6 Foreseen Damage

Where either the Employer or the Contractor is liable in damages to the other these shall not exceed the damage which the party in default could reasonably have foreseen at the date of the Contract.

Insurance

43.1 The Works

The Contractor shall insure the Works in the joint names of the Contractor and the Employer to their full replacement value with deductible limits not exceeding those stated in the Preamble.

- (a) From the Commencement Date until the Risk Transfer Date against any loss or damage caused by any of the Contractor's Risks and any other risks specified in the Preamble, and
- (b) During the Defects Liability period against any loss or damage which is caused either:
 - (i) By the Contractor in completing any outstanding work or complying with his obligations under Clause 30, or
 - (ii) By any of the Contractor's Risks which occurred prior to the Risks Transfer

Date.

43.2 Contractor's Equipment

The Contractor shall insure Contractor's Equipment for its full replacement value whilst in transit to the Site, from commencement of loading until completion of unloading at the Site and while on the Site against all loss or damage caused by any of the Contractor's Risks.

43.3 Third Party Liability

The Contractor shall insure against liability to third parties for any death or personal injury and loss of or damage to any physical property arising out of the performance of the Contract and occurring before the issue of the last Defects Liability Certificate.

Such insurance shall be effected before the Contractor begins any work on the Site. The insurance shall be for not less than the amount specified in the Preamble.

43.4 Employees

The Contractor shall insure and maintain insurance against his liability under Sub-Clause 41.1.

43.5 General Requirements of Insurance Policies

The Contractor shall:

- (a) Whenever required by the Employer produce the policies or certificates of any insurance which he is required to effect under the Contract together with receipts for the premiums,
- (b) Effect all insurances for which he is responsible with an insurer and in terms approved by the Employer, and
- (c) Make no material alterations to the terms of any insurance without the Employer's approval. If an insurer makes any material alteration to the terms the Contractor shall forthwith notify the Employer, and
- (d) In all respect comply with any conditions stipulated in the insurance policies which he is required to place under the Contract.

43.6 Permitted Exclusions from Insurance Policies

The insurance cover effected by the Contractor may exclude any of the following:

- (a) The cost of making good any part of the Works which is defective or otherwise does not comply with the Contract provided that it does not exclude the cost of making good any loss or damage to any other part of the Works attributable to such defect or non-compliance,

- (b) Indirect or consequential loss of damage including any reductions in the Contract Price for delay,
- (c) Wear and tear, shortages and theft,
- (d) Risks relating to vehicles for which third party or other insurance is required by law.

43.7 Remedies on the Contractor's Failure to Insure

If the Contractor fails to produce evidence of insurance cover as stated in Sub-Clause 43.5 (a) then the Employer may effect and keep in force such insurance. Premiums paid by the Employer for this purpose shall be deducted from the Contract Price.

43.8 Amounts not Recovered

Any amounts not recovered from the insurers shall be borne by the Employer or Contractor in accordance with their responsibilities under Clause 37.

Force Majeure

44.1 Definition of Force Majeure

Force Majeure means any circumstances beyond the control of the parties, including but not limited to:

- (a) War and other hostilities, (whether war be declared or not), invasion, act of foreign enemies, mobilization, requisition or embargo;
- (b) Ionizing radiation or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, radio-active toxic explosives, or other hazardous properties of any explosive nuclear assembly or nuclear components thereof;
- (c) Rebellion, revolution, insurrection, military or usurped power and civil war;
- (d) Riot, commotion or disorder, except where solely restricted to employees of the Contractor.

44.2 Effect of Force Majeure

Neither party shall be considered to be in default or in breach of his obligations under the Contract to the extent that performance of such obligations is prevented by any circumstances of Force Majeure which arise after the date of the Letter of Acceptance or the date when the Contract becomes effective, whichever is the earlier.

44.3 Notice of Occurrence

If either party considers that any circumstances of Force Majeure have occurred

which may affect performance of his obligations he shall promptly notify the other party and the Engineer thereof.

44.4 Performance to Continue

Upon the occurrence of any circumstances of Force Majeure the Contractor shall endeavor to continue to perform his obligations under the Contract so far as reasonably practicable. The Contractor shall notify the Engineer of the steps he proposes to take including any reasonable alternative means for performance which is not prevented by Force Majeure. The Contractor shall not take any such steps unless directed so to do by the Engineer.

44.5 Additional Costs caused by Force Majeure

If the Contractor incurs additional costs in complying with the Engineer's directions under Sub-Clause 44.4, the amount thereof shall be certified by the Engineer and added to the Contract Price.

44.6 Damage Caused by Force Majeure

If in consequence of Force Majeure the Works shall suffer loss or damage the Contractor shall be entitled to have the value of the work done, without regard to the loss or damage that has occurred, included in a Certificate of Payment.

44.7 Termination in Consequence of Force Majeure

If circumstances of Force Majeure have occurred and shall continue for a period of 182 days then, notwithstanding that the Contractor may by reason thereof have been granted an extension of Time for Completion of the Works, either party shall be entitled to serve upon the other 28 days' notice to terminate the Contract. If at the expiry of the period of 28 days Force Majeure shall still continue the Contract shall terminate.

44.8 Payment on Termination for Force Majeure

If the Contract is terminated under Sub-Clause 44.7 the Contractor shall be paid the value of the work done.

The contractor shall also be entitled to receive:

- (a) The amounts payable in respect of any preliminary items so far as the work or service comprised therein has been carried out and a proper proportion of any such item in which the work or service comprised has only been partially carried out,
- (b) The cost of materials or goods ordered for the Works or for use in connection with the Works which have been delivered to the Contractor or of which the Contractor is legally liable to accept delivery. Such materials or goods shall become the property of and be at the risk of the Employer when paid for by the Employer and the Contractor shall place the same at the Employer's disposal,
- (c) The amount of any other expenditure which in the circumstances was

reasonably incurred by the Contractor in the expectation of completing the whole of the Works,

- (d) The reasonable cost of removal of Contractor's Equipment from the Site and the return thereof to the Contractor's works in his country or to any other destination at no greater cost, and
- (e) The reasonable cost of repatriation of the Contractor's staff and workmen employed wholly in connection with the Works at the date of such termination.

44.9 Releases from Performance

If circumstances of Force Majeure occur and in consequence thereof under the law governing the Contract the parties are released from further performance of the Contract, the sum payable by the Employer to the Contractor shall be the same as that which would have been payable under Sub-Clause 44.8 if the Contract had been terminated under Sub-Clause 44.7.

44.10 Force Majeure Affecting Engineer's Duties

The provisions of Clause 44 shall also apply in circumstances where the Engineer is prevented from performing any of his duties under the Contract by reason of Force Majeure.

Default

45.1 Notice of Default

If the Contractor is not executing the Works in accordance with the Contract or is neglecting to perform his obligations there under so as seriously to affect the carrying out of the Works, the Engineer may give notice to the Contractor requiring him to make good such failure or neglect.

45.2 Contractor's Default

If the Contractor:

- (a) Has failed to comply within a reasonable time with a notice under Sub-Clause 45.1, or
- (b) Assigns the Contract or subcontracts the whole of the Works without the Employer's written consent, or
- (c) Becomes bankrupt or insolvent, has a receiving order made against him or compounds with his creditors, or carries on business under a receiver, trustee or manager for the benefit of his creditors or goes into liquidation,

The Employer may, after having given 7 days notice to the Contractor, terminate

the Contract and expel the Contractor from the Site.

Any such expulsion and termination shall be without prejudice to any other rights or powers of the Employer, the Engineer or the Contractor under the Contract.

The Employer may upon such termination complete the Works himself or by any other contractor.

45.3 Valuation at Date of Termination

The Engineer shall, as soon as possible after such termination, certify the value of the Works and all sums then due to the Contractor as at the date of termination in accordance with Clause 33.

45.4 Payment after Termination

The Employer shall not be liable to make any further payments to the Contractor until the Works have been completed. When the Works are so complete, the Employers shall be entitled to recover from the Contractor the extra costs, if any, of completing the Works after allowing for any sum due to the Contractor under Sub-Clause 45.3. If there is no such extra cost the Employer shall pay any balance due to the Contractor.

45.5 Effect on Liability for Delay

The Contractor's liability under Clause 27 shall immediately cease when the Employer expels him from the Site without prejudice to any liability there under that may have already occurred.

46.1 Employer's Default

The Contractor may, by giving 14 days notice to the Employer and the Engineer, terminate the Contract if the Employer:

- (a) Fails to pay the Contractor the amount due under any certificate of the Engineer within 28 days after the amount became payable, or
- (b) Interferes with or obstructs the issue of any certificate of the Engineer, or
- (c) Becomes bankrupt or insolvent, has a receiving order made against him, compounds with his creditors, or carries on business under a receiver, trustee or manager for the benefit of his creditors or goes into liquidation, or goes into liquidation, or
- (d) Consistently fails to meet his contractual obligations, or
- (e) Appoints, a person to act with or in replacement of the Engineer without the Contractor's consent.

Any such termination shall be without prejudice to any other rights of the Contractor under the Contract.

46.2 Removal of Contractor's Equipment

On such termination, the Contractor shall be entitled to remove immediately all Contractors' Equipment which is on the Site.

46.3 Payment on Termination for Employer's Default

In the event of such termination the Employer shall pay the Contractor an amount calculated in accordance with Sub-Clause 44.8.

The Employer shall pay in addition the amount of any loss or damage, including loss of profit which the Contractor may have suffered in consequence of termination. The additional amount shall, however, not exceed the limit specified in the Preamble.

Change in Cost and Legislation

47.1 Labour, Materials and Transport

Where the Contract Price is to be adjusted for changes in the cost of labour, materials, transport or other costs of execution of the Works, the method for calculating such adjustment shall be specified in the Preamble.

When calculating the adjustment no account shall be taken of any increased cost which results from the Contractor's default or negligence.

47.2 Statutory and Other Regulations

The Contract Price shall be adjusted to take account of any increase or decrease in cost resulting from changes in legislation of the country where the Site is located or in its generally accepted interpretation.

Legislation means any law, order, regulation or bye-law having the force of law, which affects the Contractor in the performance of his obligations under the Contract, made after the date 28 days prior to the latest date for submission of tenders for the Works.

The Engineer shall certify the amount of the resulting increase or decrease in cost, which shall be added to or deducted from the Contract Price.

Customs

48.1 Customs and Import Duties

Unless otherwise stated in Part II the Employer shall pay all customs, import duties and taxes in consequence of the importation of Plant. If the Contractor is required to pay such customs, import duties and taxes, the Employer shall reimburse the amount thereof.

48.2 Clearance through Customs

The Employer shall assist the Contractor in obtaining clearance through the customs of all Plant and Contractor's Equipment and in procuring any necessary government consent to the re-export of Contractor's Equipment when it is removed from the Site.

Notices

49.1 Notices to Contractor

All certificates, notices or written orders to be given to the Contractor by the Employer or the Engineer under these Conditions shall be sent by airmail post, cable, telex or facsimile transmission to or left at the Contractor's principal place of business or such other address as the Contractor shall nominate for that purpose, or may be handed over to the Contractor's representative.

49.2 Notice to Employer and Engineer

Any notice to be given to the Employer or to the Engineer under these Conditions shall be sent by airmail post, cable, telex or facsimile transmission to or left at the respective addresses nominated for that purpose in the Preamble, or handed over to the Engineer's or the Employer's representative authorized to receive it.

49.3 Minutes of Meetings

Instructions or notices to the Contractor and notices from the Contractor to the Engineer or the Employer recorded in a minute or protocol signed by the authorized representatives of the giver and recipient of such notice or instruction shall be valid notice or instruction for the purposes of the Contract.

Disputes and Arbitration

50.1 Disputes concerning Engineer's Decisions

If either party is dissatisfied with a decision or instruction of the Engineer as confirmed, reversed or varied in accordance with Clause 2 he may refer the matter to arbitration pursuant to Sub-Clause 50.2.

Unless the dissatisfied party has notified the other party and the Engineer within 56 days of such decision or instruction of his intention to refer the matter to arbitration, he shall be deemed to have accepted the decision as final.

Reference to arbitration shall not relieve the Contractor of his obligation to proceed with the Works in accordance with the Engineer's decision or instruction, nor relieve the Employer of any of his obligations under the Contract.

The Contractor shall in any such arbitration be at liberty to rely on reasons additional to the reasons stated in the notice given under Sub-Clause 2.7.

50.2 Arbitration

If at any time any question, dispute or difference shall arise between the Employer and the Contractor in connection with or arising out of the Contract or the carrying out of the Works either party shall be entitled to refer the matter to be finally settled by arbitration in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with those Rules, or by arbitration in accordance with such other rules as are specified in Part II.

The Arbitrator(s) shall have full power to open up, review and revise:

- (a) Any decision or instruction of the Engineer referred to arbitration pursuant to Sub-Clause 50.1, and
- (b) Any certificate of the Engineer related to the dispute.

50.3 Works to Continue

Performance of the Contract shall continue during arbitration proceedings unless the Employer shall order suspension. If any such suspension is ordered the reasonable costs incurred by the Contractor and occasioned thereby shall be added to the Contract Price.

No payments due or payable by the Employer shall be withheld on account of pending reference to arbitration.

50.4 Time Limit for Arbitration

Formal notice of arbitration must be given to the other party, and where required to the appropriate arbitration body, no later than 84 days after the issue of the Final Certificate of Payment.

Law and Procedure

51.1 Applicable Law

The law which is to apply to the Contract and under which the Contract is to be construed is stated in the Preamble.

51.2 Procedural Law

The law governing the procedure and administration of any arbitration instituted pursuant to Clause 50 is stated in the Preamble.

51.3 Language

The language and place of the arbitration are stated in the Preamble.

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EDITORIAL AMENDMENTS

Following publication of the Third Edition of the Conditions of Contract for Electrical and Mechanical Works in 1987, a number of editorial amendments were agreed by FIDIC. The amendments have been incorporated during reprinting and the list below clarifies the differences between this copy and the original document.

Page 1	The following additional text has been inserted:
Commencement date	Sub-Clause 1.1.1. (i) The date for commencement of the Works is _____
Page 2	Sub-Clause 36.4(b) was previously Sub-Clause 36.4 The word ‘Sums’ following ‘shall be’ has been deleted.
Page 8	Sub-Clause 2.7. The missing letter ‘D’ has been inserted in ‘Disputing’ (margin note.)
Page 33	Sub-Clause 44.8(b). The word ‘Contractor’ on the last line was previously ‘Contract’.
Page 35	Sub-Clause 49.3. The word ‘or’ between ‘minute’ and ‘protocol’ was previously ‘of’.
Index, page (i)	The words ‘Adverse physical conditions and artificial obstructions’ have been deleted.
Index, page (v)	The word ‘adverse’ has been deleted after ‘Physical conditions’.
Contract Agreement	The word ‘Agreement’ in the title has been capitalized.
Line 4	Inverted commas have been inserted after ‘Employer’.
Line 6	Inverted commas have been inserted before the word ‘the’ and deleted before the word ‘Contractor’.
Line 7	The comma following the word ‘executed’ has been deleted.
Line 15	Inverted commas have been inserted before the word ‘the’ and deleted after the word ‘the’.
Item 4, line 2	The word ‘defects’ was previously ‘defect’.
Item 4, line 3	The words ‘become’ was previously ‘be come’.
Item 5, line 1	The words ‘and statutes or constitutions’ have been inserted after the word ‘laws’.
Item 5, line 2	The words ‘by their duly authorized signatories’ have been inserted after the word ‘hereof’.

Item 5

The remaining text of the original document has been deleted and is replaced by:

'Binding Signatures(s) on behalf of the Employer _____,

and

'Binding Signatures(s) on behalf of the Contractor _____,

PART-II: PARTICULAR CONDITIONS OF CONTRACT

PART-II: PARTICULAR CONDITIONS OF CONTRACT

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PART-II: PARTICULAR CONDITIONS OF CONTRACT

1.1 Definitions

The text of Sub-Clause 1.1.1 is deleted and substituted by the following:

“Commencement Date” means the date specified in the Preamble to Conditions of Contract.

The text of Sub-Clause 1.1.2 is deleted and substituted by the following:

“Conditions” means the Preamble to Conditions of Contract, General Conditions of Contract and Particular Conditions of Contract.

Sub-Clause 1.1.3

At the end of Sub-Clause the following is added:

“Any subsequent document mutually agreed and signed by the Employer and the Contractor, shall be the part of the Contract.”

The text of Sub-Clause 1.1.5 is deleted and substituted by the following:

“Contract Price” means the sum stated in the Letter of Acceptance as payable to the Contractor for the execution and completion of the Works subject to such additions thereto or deductions there from as may be made under the provisions hereinafter contained and remedying of any defects therein in accordance with the provisions of the Contract.”

Sub-Clause 1.1.11

The Defects Liability Period is the period mentioned in the Preamble to Conditions of Contract.

Sub-Clause 1.1.15

The following is added at the end of Sub-Clause:

“Or any other competent person appointed by the Employer as his replacement.”

Sub-Clause 1.1.23

The following paragraph is added:

The word “Goods” is synonymous with “Plant.”

The text of Sub-Clause 1.1.27 is deleted and substituted by the following:

“Schedule of Prices” means the completed and priced Schedule of Prices, or any part or individual schedule thereof, submitted by the Contractor with his Bid or revised and mutually agreed and forming a part of the Contract documents.

Sub-Clause 1.1.33

The word “Tender” is synonymous with the word “Bid” and the word “Tender Documents” with the word “Bidding Documents”.

The following Sub-Clauses are added:

“1.1.38 “Month” means calendar month according to Gregorian calendar.

1.1.39 “Operation and Maintenance Manuals” has the meaning described in Sub-Clause 6.6.

1.1.40 “Warranty Certificate” means the certificate against specified goods/equipment, for the period mentioned in the Preamble to Conditions of Contract, to be issued by the Contractor that the goods/equipment supplied under the Contract are new, unused and incorporate all recent improvements in design and materials unless provided otherwise in the Contract and that the Contractor will be responsible for making good or replacing any defective goods/equipment during the Warranty Period specified in the Preamble to Conditions of Contract which should commence after expiry of Defect Liability Period.

Sub-Clause 1.1.41

The word “Part II” stated in FIDIC Conditions of Contract is synonymous with the word “Particular Conditions of Contract”.

Sub-Clause 1.6 Cost, Overhead Charges and Profit

The last sentence “Any profit _____ stated in the Preamble” is deleted and substituted by the following:

“Any profit entitlement shall be added to cost at the percentage stated in the Bid and agreed in the Contract Agreement.”

Sub-Clause 2.1 Engineer’s Duties

The text of Sub-Clause 2.1 is deleted and substituted by the following:

“The Engineer shall carry out the duties specified in the Contract.

The Engineer may exercise the authority attributable to the Engineer as specified in or necessarily to be implied from the Contract. The Engineer is required to obtain the specific approval of the Employer before carrying out his duties in accordance with the following Clauses of General Conditions of Contract:

- (a) Approval of Subcontractor under Sub-Clause 4.1,
- (b) Certifying additional sums under Sub-Clause 5.4,
- (c) Certifying additional costs under Sub-Clauses 11.3 & 12.3,
- (d) Certifying any cost under Sub-Clause 14.6,
- (e) Approval of extension of time under Clause 26,
- (f) Issuing a Taking-Over Certificate under Sub-Clause 29,
- (g) Issuing a Defects Liability Certificate under Sub-Clause 30.11,
- (h) Issuing a Variation Order under Clause 31,
- (i) Fixing rates or prices under Clauses 31 and 34,
- (j) Certifying additional costs under Sub-Clause 44.5 and

- (k) Certifying additional costs under Sub-Clause 47.2;

Except for such variations pursuant to Sub-Clause 31.1 of the GCC which may be necessary in an emergency affecting safety of life, the works or of adjoining property.”
Except as expressly stated in the Contract the Engineer shall have no authority to relieve the Contractor of any of his obligations under this Contract.”

Sub-Clause 2.6 Confirmation in Writing

- (i) In line 3 after the words “undue delay” the following is added:
“but not after the number of days mentioned in the Preamble to Conditions of Contract from the instruction or decision.”
- (ii) At the end of Sub-Clause 2.6, the following is added:
“The Engineer shall confirm or otherwise within the period mentioned in the Preamble to Conditions of Contract from the receipt of requirement(s) from the Contractor.”

Sub-Clause 2.7 Disputing Engineer’s Decisions and Instructions

The following text is deleted:

“If either party in accordance with the Contract.”

Sub-Clause 2.8 Replacement of Engineer

The text of Sub-Clause 2.8 is deleted and substituted by the following:

“If the Employer intends to replace the Engineer, the Employer shall, not less than 14 days before the intended date of replacement, give notice to the Contractor, of the name, address and relevant experience of the intended replacement Engineer. The Employer shall not replace the Engineer with a person against whom the Contractor raises reasonable objection by notice to the Employer, with supporting particulars.”

Sub-Clause 2.9 Engineer Not Liable

Sub-Clause 2.9 is added as follows:

“Approval, reviews and inspection by the Engineer of any part of the Works does not relieve the Contractor from his sole responsibility and liability for the supply of remaining materials and equipment for the Works and parts thereof and complete the remaining erection works and testing and commissioning in accordance with the Contract and neither the Engineer's authority to act nor any decision made by him in good faith as provided for under this Contract whether to exercise or not to exercise such authority shall give rise to any duty or responsibility of the Engineer to the Contractor, any Subcontractor, any of their representatives or employees or any other person performing any of the works. However the Contractor shall be compensated if any loss/damage is occurred due to the decision of the Engineer.”

Sub-Clause 4.2 No Contractual Relation between Subcontractor and the Employer

Sub-Clause 4.2 is added as follows:

Nothing contained in the Contract Documents shall create any contractual relation between any Subcontractor and the Employer.

Sub-Clause 5.3 Priority of Contract Documents

Sub-Clause 5.3 is deleted and substituted by the following:

“Unless otherwise provided in the Contract the priority of the Contract Documents shall be as follows:

1. The Contract Agreement (if completed)
2. The Letter of Acceptance
3. The completed Form of Bid
4. Preamble to Conditions of Contract
5. The Particular Conditions of Contract
6. The General Conditions of Contract
7. The priced Schedule of Prices
8. The completed Schedules to Bid
9. The Specifications
10. The Drawings

In case of discrepancies between drawings, those of larger scale shall govern unless they are superseded by drawing(s) of a later date regardless of scale. All drawings and specifications shall be interpreted in conformity with the Contract Agreement and these conditions.”

Sub-Clause 5.4 Documents Mutually Explanatory

The text appearing in the last line after the words “the Contract Price” is deleted.

Sub-Clause 6.2 Consequences of Disapproval of Contractor's Drawings

Full stop is deleted and the following words are added at the end of Sub-Clause:
“for the approval of the Engineer. However, the Contractor shall not be entitled for time extension on this account.”

Sub-Clause 6.6. Operation and Maintenance Manuals

Para: 2&3 are deleted and the following text is added at the end of Para 1 of Sub-Clause:

“The Operation and Maintenance Manuals shall include full instructions for the operation, servicing and maintenance of the Plant, not only during the period of the Contractor's liability but more particularly during its operating life.

The directions shall be set out simply, clearly and systematically. This may be divided into two volumes if desirable, one for operation and the second for servicing and maintenance (in sub-volumes for major items of Plant).

The operational data shall include a complete physical and functional description of

the Plant (in sub-volumes for major items of Plant) and step-by-step procedures for inspection, checking and adjustments for proper operation of the Plant.

The maintenance data shall include complete instructions for routine checks, servicing, maintenance and repair of all parts and for dismantling, handling and re-assembly of all equipment, sub-assemblies and all separate components. The maintenance data shall also include where possible parts catalogues. The lists shall provide all necessary information for identifying the parts and for re-ordering the parts including name of part, part number and catalogue references where applicable, name of manufacturer, size, capacity and other characteristics.

General arrangements, single line diagrams and detailed drawings shall be provided for ready reference in the operation and maintenance instructions.

The manuals shall be printed on ISO paper size A4 (210x297 mm) with offset or equivalent printing strongly bound in a durable stiff cover bearing the title in approved legend. Drawings shall be folded or reduced to 297 mm height. All volumes shall bear on the spine an approved shortened version of the title.

The Contractor shall submit three draft copies for approval of the Engineer prior to producing finished volumes.

The Contractor shall provide ten (10) copies of the approved Operation and Maintenance Manuals prior to Taking Over by the Employer. Supplementary Operation and Maintenance Manual shall be provided by the Contractor, if required, to incorporate changes resulting from experience during the operation and maintenance period. The work shall not be considered to be completed for the purpose of taking over until such manual and drawings have been supplied to the Employer.”

Sub-Clause 6.9 Manufacturing Drawings

The words “Unless otherwise specified in Part-II” are deleted and the following is added at the end of Sub-Clause:

“However, the Contractor is required to disclose to the Engineer or the Employer any confidential information necessary to justify the reliability, the efficiency and the operation and maintenance of the Plant supplied by him.”

Sub-Clause 6.10 “As-Built” Drawings

The following new Sub-Clause is added:

The Contractor shall furnish to the Engineer six (6) copies and one (1) reproducible of approved quality of all “As-Built” drawings within the period mentioned in the Preamble to Conditions of Contract.

Sub-Clause 8.1 General Obligations

The text of Sub-Clause 8.1 is deleted and substituted by the following:

- “(a) The Contractor shall commence the work on the date specified in the Preamble to Conditions of Contract and shall proceed with the same with due expedition and without delay.
- (b) The Contractor shall, in accordance with the Contract, with due care and diligence, complete the Works and test and commission the Plant and carry out the Works within the Time for Completion. The Contractor shall also provide all necessary Contractor's Equipment, superintendence, labour and except as stated herein below, all necessary facilities therefor.

The Employer will permit use of the Erection, Testing Equipment and Maintenance Tools as stated in the Preamble to Conditions of Contract.

The above facilities shall be provided at no cost to the Contractor but he shall procure at his cost all required consumable materials and any other items necessary for the proper execution of the Works. These shall be properly used and maintained by the Contractor and returned to the Employer upon handing over of the Works in good condition, fair wear and tear excepted. In case of any damage, loss or theft, the items shall be replaced by the Contractor at his own cost.”

Sub-Clause 10.1 Performance Security

Sub-Clause 10.1 is deleted and substituted by the following:

“The Contractor shall provide a Performance Security in the prescribed Form annexed to these Documents. The said Security shall be furnished by the Contractor within 28 days after the receipt of Letter of Acceptance. The Performance Security shall be of an amount equal to 10 percent of the Contract Price in the currency (ies) of the Contract at the option of the bidder, in the form of Bank Guarantee from any Scheduled Bank in Pakistan or from a bank located outside Pakistan duly counter-guaranteed by a Scheduled Bank in Pakistan, or 30% of the contract price in the currency (ies) of the contract at the option of the bidder, in the form of Insurance Guarantee from any Govt. registered insurance firm in Pakistan or from Insurance firm located outside Pakistan dully counter-guaranteed by a Govt. registered insurance firm in Pakistan.”

The cost of complying with the requirements of this Sub-Clause shall be borne by the Contractor.”

Sub-Clause 10.3 Claims under Performance Security

Sub-Clause 10.3 is deleted in its entirety.

The following Sub Clause is added:

Sub-Clause 10.4 Performance Security Binding on Variations and Changes

“The Performance Security shall be binding irrespective of variations and changes in the quantities of the Works or extensions in completion time of the Works, which are granted or agreed upon under the provisions of the Contract.”

Sub-Clause 12.1 Programme to be Furnished

Sub-Clause 12.1(a) is deleted and substituted by the following:

“(a) the order in which the Contractor proposes to carry out the Works (including preliminaries, required material ordering, delivery to Site, erection and rectifications work, testing, commissioning and taking-over by the Employer). The programme shall also include the following:

- (i) Employment of local and expatriate labour of various categories,
- (ii) Local material procurement,
- (iii) Material imports, if any.”

In Sub-Clause 12.1(c)(iv) the words “any import licenses” are deleted.

Sub-Clause 12.4 Monthly Progress Report

The following Sub-Clause 12.4 is added:

“During the period of the Contract, the Contractor shall submit six sets of report to the Engineer not later than the 8th day of each month, including:

- (i) A construction schedule indicating the progress achieved during the preceding month;
- (ii) Description of all work carried out since the last report;
- (iii) Description of the work planned for the next forty two days sufficiently detailed to enable the Engineer to determine his programme of inspection and testing;
- (iv) Summary of daily job record for the preceding month; and
- (v) Colour photographs to illustrate progress.

Sub-Clause 12.5 Daily Job Record

The following Sub Clause 12.5 is added:

“During the period of the Contract, the Contractor shall keep a daily record of the work progress, which shall be made available to the Engineer as and when requested.

The daily record shall include particulars of weather conditions, number of men working, in different categories, deliveries of materials, quantity, location and assignment of equipment.”

Sub-Clause 13.1 Contractor's Representative

At the end of the Sub-Clause the following is added:

“The Contractor's Representative shall be a competent and skilled person approved by the Engineer (which approval may at any time be withdrawn) and who shall be present on the Site during all working hours. He shall be fluent in the English language. He

shall not be transferred from the Site without the consent of the Engineer. The Contractor's Representative shall be a Registered/Professional engineer as defined in the Pakistan Engineering Council Act 1975 (V of 1976).”

Sub-Clause 13.3 Language Ability of Superintending Staff of Contractor

The following Sub-Clause 13.3 is added:

“A reasonable proportion of the Contractor's superintending staff shall have a working knowledge of the English language.”

Sub-Clause 13.4 Employment of Local Personnel

The following Sub-Clause 13.4 is added:

“The Contractor shall, to the extent practicable and reasonable, employ staff and labour from sources within Pakistan.”

Sub-Clause 14.1 Contractor's Equipment

Replace the word “or” at the end of Sub-paragraph (a) by the word “and” and insert the following at the end of Sub-paragraph (b):

“which shall not be unreasonably withheld.”

Sub-Clause 14.2 Safety Precautions

At the end of the Sub-Clause the following is added:

“In order to provide for the safety, health and welfare of persons, and for prevention of damage of any kind, all operations for the purposes of or in connection with the Contract shall be carried out in compliance with the safety requirements of the Government of Pakistan with such modifications thereto as the Engineer may authorize or direct and the Contractor shall take or cause to be taken such further measures and comply with such further requirements as the Engineer may determine to be reasonably necessary for such purpose.

The Contractor shall make, maintain, and submit reports to the Engineer concerning safety, health and welfare of persons and damage to property as the Engineer may from time to time prescribe.”

Sub-Clause 14.3 Electricity Water and Gas

The text of Sub-Clause 14.3 is deleted and substituted by the following:

“The Contractor shall be responsible for making his own arrangements for the adequate supply of electricity, water and gas required for the effective performance of his obligations under the Contract. Subject to the aforesaid, the Contractor shall be entitled to use for the purposes of the Works such supplies and services as may be available on the Site. The Contractor shall, before the commencement of the work at Site, seek the approval of the Engineer as to his detailed requirements of electricity,

water and gas for the entire Contract period. The Contractor shall pay the Employer at the rates/cost incurred by the Employer. The Contractor shall at his own cost provide any apparatus necessary for such use.”

Sub-Clause 14.4 Employer’s Equipment

The text of Sub-Clause 14.4 is deleted and substituted by the following:

“The Employer shall, if the Contractor so requests for the execution of the works, operate any available equipment of which details are given in the Preamble to Conditions of Contract. The Contractor shall pay the Employer a mutually agreed price for such use.

The Employer shall during such operation retain control of and be responsible for the safe working of the equipment.

Sub-Clause 14.8 Information for Import Permits & Licenses

The text of Sub-Clause 14.8 is deleted and substituted by the following:

“The Contractor shall submit to the Employer in good time such details of all Plant and Contractor's Equipment as is to be imported into Pakistan and identify as to what assistance of the Employer is required for obtaining by the Contractor of all necessary import permits or licenses.”

Sub-Clause 15.2 Compliance with Laws

The Sub-Clause 15.2 is deleted and substituted by the following:

“The Contractor shall comply with the Laws of country of manufacture and the Laws of Pakistan where the Plant is to be erected.”

Sub-Clause 16.4 Photographs of Works and Advertisement Prohibited

Sub-Clause 16.4 is added:

“Except with the prior written authorization of the Employer the Contractor shall not exhibit or permit to be exhibited any photographs or advertisement on the Works. Any authorized exhibition shall be immediately removed if the Employer so requires.”

Sub-Clause 16.5 Training of Employer's Staff

Sub-Clause 16.5 is added:

“The Contractor shall provide such facilities for the training of such numbers of Pakistani engineers, engineering students, apprentices and trade apprentices on such sections of the Works at the Site or on the Contractor’s premises or Contractor selected plant manufacturer's premises and factories, or wherever else work is in hand, as specified or directed by the Engineer. The Employer shall direct what sums by way of wages and allowances are to be paid by the Contractor to such persons and shall reimburse the Contractor for such sums as are so directed to be paid and are paid. The Contractor shall also provide medical expenses or medical insurance and travelling expenses for trainees if required by the Employer which shall be reimbursed by the

Employer.

The language of training at the above stated premises shall be English and Urdu.”

Sub-Clause 17.4 Consents and Way Leaves

The Sub-Clause 17.4 is deleted and substituted by the following:

The Employer shall issue permissions, letters, certificates and provide such other assistance to the Contractor for his obtaining permits-to-work, way leaves and approvals from any other department/authority and right of way from private owners, if required. The Contractor will bear the cost of logistics, fees, etc. for such activities. The Employer, will reimburse the Contractor only the payments made by him in respect of any land compensation for obtaining such way leaves, required for the Works.

Sub-Clause 17.5 – Import Permits and Licenses

The word “Employer” is deleted and substituted by the word “Contractor” and the following is added at the end of Sub-Clause 17.5:

“The Employer will provide assistance for this purpose.”

Sub-Clause 18.1 – Engagement of Labour

At the end of the Clause the following is added:

“In accordance with the regulations, orders and requirements of the Govt. of Pakistan.”

Sub-Clauses 18.5 to 18.12 are added:

“Sub-Clause 18.5 Employment of Persons in the Service of Others

The Contractor shall not recruit or attempt to recruit staff and labour from amongst the persons in the service of the Employer or the Engineer and vice-versa, unless mutually agreed between the Employer/Engineer and the Contractor

Sub-Clause 18.6 Alcoholic Liquor or Drugs

The Contractor shall not, otherwise than in accordance with the Statutes, Ordinances and Government Regulations or Orders for the time being in force, import, sell, give, barter or otherwise dispose of any alcoholic liquor or drugs, or permit or suffer any such importation, sale, gift, barter or disposal by his Subcontractors, agents, employees or labour.

Sub-Clause 18.7 Arms and Ammunition

The Contractor shall not give, barter or otherwise dispose of to any person or persons, any arms or ammunition of any kind or permit or suffer the same as aforesaid.

Sub-Clause 18.8 Festivals and Religious Customs

The Contractor shall in all dealings with his staff and labour have due regard to all recognized festivals, days of rest and religious or other customs.

Sub-Clause 18.9 Disorderly Conduct

The Contractor shall at all times take all reasonable precautions to prevent any unlawful riotous or disorderly conduct by or amongst his staff and labour and for the preservation of peace and protection of persons and property in the neighborhood of the Works.

Sub-Clause 18.10 Records of Safety and Health

The Contractor shall maintain such records and make such reports concerning safety, health and welfare of persons and damage to property as the Engineer may from time to time prescribe.

Sub-Clause 18.11 Reporting of Accidents

The Contractor shall report to the Engineer details of any accident as soon as possible after its occurrence. In the case of any fatality or serious accident, the Contractor shall, in addition to appropriate action required under the law, notify the Engineer immediately by the quickest available means.

Sub-Clause 18.12 Compliance by Subcontractors

The Contractor shall be responsible for compliance by his Subcontractors of the foregoing provisions.”

Sub-Clause 19.1 Manner of Execution

The following is added at the end of Sub-Clause:

“The Contractor shall submit for approval of the Engineer, his detailed method statement(s) for the execution of such items of work as may be desired by the Engineer. Approval of such method statement(s) shall neither relieve the Contractor of his responsibilities under the Contract nor form any basis for claiming additional costs.”

Sub-Clause 19.3 Uncovering Work

The following is added at the end of second paragraph of Sub-Clause 19.3:

“In any other case, all costs shall be borne by the Contractor.”

Sub-Clause 19.4 Use of Pakistani Materials

The following Sub-Clause 19.4 is added:

“The Contractor shall so far as may be consistent with the Contract make the maximum use of materials, supplies and equipment indigenous to or produced in Pakistan and services available in Pakistan or operated in Pakistan provided such materials, supplies, equipment and services shall be of required standard.”

Sub-Clause 24.1 Cost of Suspension

At the end of the second paragraph after the word “Contractor” the following is added:

“or for the proper execution or for the safety of the Works or Plant unless such necessity results from any act or default of the Engineer or the Employer or in consequence of any of the Employer's Risks under Sub-Clause 37.2.”

Sub-Clause 24.4 Resumption of Work

First paragraph of Sub-Clause 24.4 is deleted and substituted by the following:

“If the Contractor chooses not to treat prolonged suspension as an omission or termination under Sub-Clause 24.3, the Employer shall, upon the request of the Contractor, take over the responsibility for protection, storage, security and insurance of the suspended Works and of the Plant which has been delivered to the Site and which is affected by suspension and the risk of loss or damage thereto shall thereupon pass to the Employer.”

Sub-Clause 25.1 Time for Completion

The text of Sub-Clause 25.1 is deleted and substituted by the following:

“The Works at the place of the project mentioned in the Preamble to Conditions of Contract shall be completely tested and commissioned within the period mentioned in the Preamble to Conditions of Contract.”

Sub-Clause 26.1 Extension of Time for Completion

Sub-Clause 26.1(h) is deleted.

Sub-Clause 26.3 Earlier Completion

- (i) At the end of Sub-Clause 26.3(a) the following text is added and Clause is re-designated as 26.3.

“The extra sum to be paid to the Contractor for Completion of Works prior to the date of Completion established under Sub-Clause 25.1 shall be computed on the basis of the sums mentioned in the Preamble to Conditions of Contract.”

- (ii) Sub-Clause 26.3 (b) is deleted.

“Sub-Clause 26.4 Rate of Progress

Sub-Clause 26.4 is added:

“If for any reason, which does not entitle the Contractor to an extension of time, the rate of progress of the Works or any Section is at any time, in the opinion of the Engineer, too slow to comply with the Time for Completion, the Engineer shall so notify the Contractor who shall thereupon take such steps as are necessary, subject to the consent of the Engineer, to expedite progress so as to comply with the Time for Completion. The Contractor shall not be entitled to any additional payment for taking such steps. If, as a result of any notice given by the Engineer under this Clause, the

Contractor considers that it is necessary to do any work at night or on locally recognized days of rest, he shall be entitled to seek the consent of the Engineer so to do. Provided that if any steps, taken by the Contractor in meeting his obligations under this Sub-Clause, involve the Employer in additional supervision costs, such costs shall, after due consultation with the Employer and the Contractor, be determined by the Engineer and shall be recoverable from the Contractor by the Employer, and may be deducted by the Employer from any moneys due or to become due to the Contractor and the Engineer shall notify the Contractor accordingly, with a copy to the Employer.”

Sub-Clause 27.1 Delay in Completion

Sub-Clause 27.1 is deleted and substituted by the following:

“If the Contractor fails to deliver the Works, or any part thereof, within the time stated in Sub-Clause 25.1, or fails to complete the whole of the Work, or, if applicable, any Section within the relevant time prescribed by Sub-Clause 25.1, then the Contractor shall pay to the Employer the relevant sum stated herein below as liquidated damages for such default (which sum shall be the only moneys due from the Contractor for such default) for every day or part of a day which shall elapse between the relevant time for Delivery or Time for Completion and the actual date of delivery at site or the date stated in a Taking-Over Certificate of the whole of the Works or the relevant Section, as the case may be, subject to the applicable limit stated herein below.

The Employer may deduct the amount of such damages from any monies due or to become due to the Contractor. The payment or deduction of such damages shall not relieve the Contractor from his obligation to complete the Works, or from any other of his obligations & liabilities under the Contract.”

The liquidated damages for each day of delay and the maximum amount of liquidated damages shall be the amounts mentioned in the Preamble to Conditions of Contract.

Sub-Clause 28.7 Consequences of Failure to Pass Tests on Completion

The words “by arbitration” appearing at the end of the Sub-Clause 28.7(c) are deleted and substituted by the words “by the Engineer”.

Sub-Clause 30.4 Extension of Defects Liability Period

At the end of 4th paragraph of Sub-Clause the following is added:
“Or a mutually agreed period.”

Sub-Clause 30.5 Failure to Remedy Defects

In first line after the words “reasonable time” the following is added:
“Fixed by the Engineer”.

Sub-Clause 30.13 Unfulfilled Obligations

New Sub-Clause 30.13 is added as herein below:

“After the Defects Liability Certificate has been issued, the Contractor and the Employer shall remain liable for the fulfillment of any obligation which remains unperformed at that time. For the purposes of determining the nature and extent of any such obligation, the Contract shall be deemed to remain in force.”

Sub-Clause 31.1 Engineer's Right to Vary

The following is added at the end of second paragraph:

“No such variation shall in any way vitiate or invalidate the Contract, but the effect, if any, of all such variations shall be valued in accordance with Clause 31. Provided that where the issue of an instruction to vary the Works is necessitated by some default of or breach of Contract by the Contractor or for which he is responsible, any additional cost attributable to such default shall be borne by the Contractor.”

Sub-Clause 31.5 Record of Costs

The word “Engineer” in 4th line of Sub-Clause is deleted and substituted by “Engineer/Employer”.

Sub-Clause 31.6 Day work under Variation Order

New Sub-Clause 31.6 is added as given below:

“A Variation Order may provide that work done pursuant thereto shall be executed as Day work. In such case the Contractor shall be paid for such work under the conditions and the rates and prices set out in the Day Work Schedule.”

Sub-Clause 31.7 Value Engineering

New Sub-Clause 31.7 is added as given below:

The Contractor may, at any time, submit to the Engineer a written proposal which in the Contractor’s opinion will reduce the cost of constructing, maintaining or operating the works, or improve the efficiency or value to the Employer of the completed Works or otherwise be of benefit to the Employer. Any such proposal shall be prepared at the cost of the Contractor. However Employer is not bound to accept such proposal.

Sub-Clause 33.1 Terms of Payment

As provided in the preamble to the conditions of contract.

The following Sub-Clauses are added:

Sub-Clause 33.1.1 Retention of Payment

If at any time any payment would fall due for Works or part of Works and, if there shall be any defect in part of such Works in respect of which such payment is

proposed, the Employer may retain the whole or any part of such payment. Any sum retained by the Employer pursuant to the provisions of this Clause shall be paid to the Contractor after the said defect is removed.

Sub-Clause 33.1.2 Payment Where Taking-Over Certificate Issued for Section or part of Works

If any section or part of the Works shall be taken-over separately under Clause 29 (Taking-Over) hereof, the payments herein provided for on or after Taking-Over shall be made in respect of the section or part taken-over and reference to the price shall mean such part of the price as shall, in the absence of agreement, be apportioned thereto by the Engineer.

Sub-Clause 33.2 Method of Application

(Employer may vary this Sub-Clause)

Sub-Clause 33.5 Payment

Sub-Clause 33.5 is deleted and substituted by the following:

The amount due to the Contractor under any Interim Payment Certificate issued by the Engineer pursuant to this Clause, or to any other term of the Contract, shall, subject to Clause 27, be paid by the Employer to the Contractor within 30 days after such Interim Payment Certificate has been jointly verified by Employer and Contractor, or, in the case of the Final Certificate referred to in Sub-Clause 33.10 within 60 days after such Final Payment Certificate has been jointly verified by Employer and Contractor; Provided that the Interim Payment shall be caused in 42 days and Final Payment in 60 days in case of foreign funded project.

Deduction shall be made from the net amounts payable to the Contractor of any sum(s) in accordance with the prevalent Federal and/or Provincial laws, provided that no such deduction shall be made from those payments in respect of which the Contractor has obtained exemption under the Law.”

Sub-Clause 33.6 Delayed Payment

The text of Sub-Clause 33.6 is deleted and substituted by the following:

“In the event of the failure of the Employer to make payment within the times stated in Sub-Clause 33.5, the Employer shall pay to the Contractor compensation at the rate of KIBOR+2% for local currency and LIBOR+1% for foreign currency per annum, upon all local currency sums unpaid from the date by which the same should have been paid. The provisions of this Sub-Clause are without prejudice to Contractor's entitlement under Sub-Clause 46.1.”

Sub-Clause 33.8 Payment by Measurement

The work shall be measured for the units mentioned in the Schedule of Prices according to the Contract as determined by the Engineer from approved drawings, Specifications and Contract Documents.

Sub-Clause 33.12 Withholding of Payment

New Sub-Clause 33.12 is added as given below:

If the Works or any part thereof is not being carried out to the Engineer's satisfaction and in order to protect the Employer from loss on account of:

- (a) Defective work not rectified
- (b) Guarantees not met
- (c) Claims filed against the Contractor
- (d) Failure of the Contractor to make payments due for Plant procured or labour employed by him.
- (e) Damage to any other contractor employed by the Employer.
- (f) Contractor's non-compliance with the Contract
- (g) Any Government dues recoverable from the Contractor if notified by the Government

The Engineer may notify withholding of such payments or part thereof as may, in his opinion, be related to the aforesaid reasons/grounds. When the reasons/grounds for withholding the payment are removed by the Contractor, the Engineer shall upon being satisfied to that effect issue Certificate of Payment in respect of withheld amounts.

Sub-Clause 35.1 Payment in Foreign Currencies

SCC Sub-Clause 33.1

Sub-Clause 35.2 Currency Restrictions

The text of Sub-Clause 35.2 is deleted and substituted by the following:

“Any required foreign currency transactions shall be met by the Employer/Contractor at his cost from his own resources.”

Sub-Clause 35.3 Rates of Exchange

The words “as stated in the Preamble” appearing in 3rd line of Sub-Clause are deleted and substituted by the words “as published or authorized by State Bank of Pakistan”.

Sub-Clause 36.4 Payment against Provisional Sums

Sub-Clause 36.4 is deleted and substituted by the following:

“Provisional Sum if any will be expended on the direction of the Engineer through Variation Orders which would be valued in accordance with the provisions of Clause 31 Conditions of Contract.”

Sub-Clause 37.2 Employer's Risks

The text of Sub-Clause 37.2 is deleted and substituted by the following:

“The Employer's Risks are:

- (a) (Insofar as they relate to Pakistan) war and hostilities (whether war be declared or not), invasion, act of foreign enemies
- (b) (Insofar as they relate to Pakistan) rebellion, revolution, insurrection, military or usurped power or civil war
- (c) Ionizing radiation or contamination by radioactivity from any nuclear fuel, radio-active toxic explosives or other hazardous properties of any explosive nuclear assembly or nuclear components thereof
- (d) Pressure waves caused by aircraft travelling at sonic or supersonic speed
- (e) (Insofar as they relate to Pakistan) riot, commotion or disorder, unless solely restricted to the employees of the Contractor or of his Subcontractors
- (f) Use or occupation of the Work or any part thereof by the Employer
- (g) Fault, error, defect or omission in the design of any part of the Works by the Engineer, Employer or those for whom the Employer is responsible for which the Contractor has disclaimed responsibility in writing within a reasonable time after the receipt of such design
- (h) The use or occupation of the Site by the Works or any part thereof, or for the purposes of the Contract: or interference, whether temporary or permanent with any right of way, light, air or water or with any easement, way leaves or right of a similar nature which is the inevitable result of the construction of the Works in accordance with the Contract
- (i) The right of the Employer to construct the Works or any part thereof on, over, under, in or through any land
- (j) Damage (other than that resulting from the Contractor's method of construction) which is the inevitable result of the construction of the Works in accordance with the Contract
- (k) The act, neglect or omission or breach of contract or of statutory duty of the Engineer, the Employer or other contractors engaged by the Employer or of their respective employees or agents.”

Sub-Clause 39.2 Loss or Damage Before Risk Transfer Date

The words “by arbitration under Clause 50” are deleted and substituted by the words “by the Engineer”.

Sub-Clause 39.4 Duty to Minimize Delay

New Sub-Clause 39.4 is added as given below:

Each Party shall at all times use all reasonable endeavors to minimize any delay in the Performance of the Contract as a result of Risks.

The Contractor shall give notice to the Employer and vice versa the Employer shall give notice to the Contractor in case of foreseeable delay by the Risks.

Sub-Clause 40.2 Employer's Liability

The text of Sub-Clause 40.2 from the words “or of death or personal injury” to the end of the Sub-Clause, is deleted and substituted by the following:

“..... (other than the Works) or of death or personal injury to the extent caused by any of the Employer's Risks listed in paragraphs (f), (g), (h), (i), (j), and (k) of Sub-Clause 37.2 but not otherwise.”

Sub-Clause 42.2 Maximum Liability

The words “the sum stated in the Preamble to Conditions of Contract or if no such sum is stated” appearing in 2nd line of Sub-Clause are deleted.

Sub-Clause 42.6 Foreseen Damage

Sub-Clause 42.6 is deleted in its entirety.

Sub-Clause 43.1 The Works (Insurance)

(Employer may vary this Sub-Clause)

Sub-Clause 43.2 Contractor's Equipment

Sub-Clause 43.2 is deleted and substituted by the following:

“The Contractor shall insure the Contractor's Equipment for its full replacement value while on the Site against all loss or damage caused by any of the Contractor's Risks.”

Sub-Clause 43.3 Third Party Liability (Insurance)

(Employer may vary this Sub-Clause)

Sub-Clause 43.7 Remedies on the Contractor's Failure to Insure

In 3rd line after the word, “purpose”, the expressions- “and reasonable costs including the man-hours costs of Employer's Personnel” are added.

Sub-Clause 43.9 Currency of Insurance

New Sub-Clause 43.9 is added as given below:

“All policies of Insurance of the Plant shall provide for payment of indemnity to be made in such amounts as will allow making good of loss of or damage to the whole or any part of the Works.”

Sub-Clause 43.10 Contractor to Notify

New Sub-Clause 43.10 is added as given below:

“It shall be the responsibility of the Contractor to notify the insurance company of any changes in nature and extent of the Works and to ensure the adequacy of the insurance coverage at all times in accordance with the provisions of the Contract.”

Sub-Clause 43.11 Procurement of Insurance Policies

New Sub-Clause 43.11 is added as given below:

“The Contractor shall procure and submit the insurance cover under this Clause within a period of 28 days from the date of receipt of Letter of Acceptance from the Employer.”

Sub-Clause 44.6 Damage Caused by Force Majeure

At the end of the Sub-Clause 44.6 the following is added:

“However the Contractor shall put up his claim to the Employer / Engineer with full details and justification.”

Sub-Clause 44.8 Payment on Termination for Force Majeure

Text in sub-para (c) is deleted and para (d) and (e) are re-numbered as (c) and (d).

Sub-Clause 44.10 Force Majeure Affecting Engineer's Duties

Sub-Clause 44.10 is deleted in its entirety.

Sub-Clause 45.2 Contractor's Default

The following paragraph is added at the end of Sub-Clause 45.2.

“The Employer or such other contractor may use for such completion any Contractor's Equipment which is upon the Site as he or they may think proper, and the Employer shall pay the Contractor a reasonable compensation for such use”.

Sub-Clause 45.6 is added as follows:

Sub-Clause 45.6 Integrity Pact

If the Contractor or any of his Subcontractors, agents or servants is found to have violated or involved in violation of the Integrity Pact signed by the Contractor as Schedule-H to his Bid, then the Employer shall be entitled to:

- (a) Recover from the Contractor an amount equivalent to ten times the sum of any commission, gratification, bribe, finder's fee or kickback given by the Contractor or any of his Subcontractors, agents or servants;
- (b) Terminate the Contract; and
- (c) Recover from the Contractor any loss or damage to the Employer as a result of such termination or of any other corrupt business practices of the Contractor or any of his Subcontractors, agents or servants.

The termination under Sub-Para (b) of this Sub-Clause shall proceed in the manner prescribed under Sub-Clauses 45.2 to 45.5 and the payment under Sub-Clause 45.4 shall be made after having deducted the amounts due to the Employer under Sub-Para (a) and (c) of this Sub-Clause.

Sub-Clause 46.1 Employer's Default

The comma and the word "or" at the end of paragraph (d) of Sub-Clause 46.1 are deleted and substituted by period (.). Paragraph (e) of Sub-Clause 46.1 is deleted.

Sub-Clause 46.3 Payment on Termination for Employer's Default

The words "including loss of profit" in the second paragraph of Sub-Clause 46.3 are deleted.

Sub-Clause 47.1 Labour, Materials and Transport

(Employer to modify this Sub-Clause as provided under Clause 70.1 of PCC of PEC Civil Documents and following PEC Procedure and Formula for Price Adjustment)

Sub-Clause 48.1 Customs and Import Duties

(Employer may vary this Sub-Clause)

The Sub-Clause 48.3 is added:

Sub-Clause 48.3 Port Charges and Port Congestion

The Contractor shall be deemed to have obtained all the information regarding facilities and charges, in respect of port clearance, loading and unloading, storage, transportation, congestion and confirmed the requirements thereof at his own responsibility and all such costs and charges are deemed to be included in the rates and prices of the Schedule of Prices.

Sub-Clause 49.1 Notice to Contractor

The following is added at the end of Sub-Clause 49.1:

"For the purposes of Sub-Clause 49.1 the Contractor shall, immediately after receipt of Letter of Acceptance, intimate in writing to the Employer and the Engineer by registered post, the address of his principal place of business or any change in such

address during the period of the Contract.”

Sub-Clause 50 Disputes & Arbitration

Clause 50 is deleted and in its place the following Sub-Clauses 50.1 to 50.5 are inserted:

“50.1 If a dispute of any kind whatsoever arises between the Employer and the Contractor in connection with, or arising out of, the Contract or the execution of the Works, whether during the execution of the Works or after their completion and whether before or after repudiation or other termination of the Contract, including any dispute as to any opinion, instruction, determination, certificate or valuation of the Engineer, the matter in dispute shall, in the first place, be referred in writing to the Engineer, with a copy to the other party. Such reference shall state that it is made pursuant to this Clause. No later than the fifty sixth (56) day after the day on which he received such reference, the Engineer shall give notice of his decision to the Employer and the Contractor. Such decision shall state that it is made pursuant to this Clause.

Unless the Contract has already been repudiated or terminated, the Contractor shall, in every case, continue to proceed with the Work with all due diligence, and the Contractor and the Employer shall give effect forthwith to every such decision of the Engineer unless and until the same shall be revised, as hereinafter provided in an amicable settlement or in an arbitral award.

In any case where the Conditions of Contract provide that the decision of the Engineer is to be final and conclusive, such decision shall not be referable to arbitration under this Clause nor shall the same be questioned in any other form of proceedings whatsoever.

50.2 If either the Employer or the Contractor be dissatisfied with a decision of the Engineer or if the Engineer fails to give notice of his decision on or before the fifty sixth (56) day after the day on which he received the reference, then either the Employer or the Contractor may, on or before the twenty eighth (28) day after the day on which the said period of fifty six (56) days expired, as the case may be, give notice to the other party to commence arbitration, as hereinafter provided, as to the matter in dispute. Such notice shall establish the entitlement of the party giving the same to commence arbitration, as hereinafter provided, as to such dispute and, subject to Sub-Clause 50.5, no arbitration in respect thereof may be commenced unless such notice is given.

If the Engineer has given notice of his decision as to a matter in dispute to the Employer and the Contractor and no notification of intention to commence arbitration as to such dispute has been given by either the Employer or the Contractor on or before the twenty eighth (28) day after the day on which the parties received notice as to such decision from the Engineer the said decision shall become final and binding upon the Employer and the Contractor.

50.3 Where notice of intention to commence arbitration as to a dispute has been given in accordance with Sub-Clause 50.2, arbitration of such dispute shall not

be commenced unless an attempt has first been made by the parties to settle such dispute amicably through mutual negotiation within ninety (90) days from the date of notification of Engineer's decision.

50.4 Any dispute in respect of which:

- (a) The decision, if any, of the Engineer has not become final and binding pursuant to Sub-Clause 50.1 and
- (b) Amicable settlement has not been started/reached within the period stated in Sub-Clause 50.3

Shall be finally settled, unless otherwise specified in the Contract, under the Pakistan Arbitration Act, 1940 (Act No. X of 1940) and Rules made there under as amended, by one or more arbitrators appointed under such Rules.

The said arbitrator(s) shall have full power to open up, review and revise any decision, opinion, instruction, determination, certificate or valuation of the Engineer for the purpose of obtaining said decision pursuant to Sub-Clause 50.1. No such decision shall disqualify the Engineer from being called as a witness and giving evidence before the arbitrator(s) on any matter whatsoever relevant to the dispute.

The venue of arbitration proceedings shall be the place in Pakistan as mentioned in the Preamble to Conditions of Contract.

50.5 Where neither the Employer nor the Contractor has given notice of intention to commence arbitration of a dispute within the period stated in Sub-Clause 50.1 or 50.2 and the related decision has become final and binding, either party may, if the other party fails to comply with such decision, and without prejudice to any other rights it may have, refer the failure to arbitration in accordance with Sub-Clause 50.4. The provisions of Sub-Clauses 50.1 to 50.2 shall not apply to any such reference.”

STANDARD FORMS

STANDARD FORMS

Page No.

Standard Forms include the following:

- Form of Bid Security
(Bank Guarantee) 166
- Form of Contract Agreement 168
- Form of Performance Security
(Bank Guarantee) 170
- Form of Bank Guarantee/Bond for Advance Payment 172

(Note: Standard Forms provided in this document for securities are to be issued by a bank. In case the bidder chooses to issue a bond for accompanying his bid or performance of contract or receipt of advance, the relevant format shall be tailored accordingly without changing the spirit of the Forms of securities).

FORM OF BID SECURITY
(Bank Guarantee)

Guarantee No. _____
Executed on _____
Expiry date _____

[Letter by the Guarantor to the Employer]

Name of Guarantor (Bank) with address: _____
Name of Principal (Bidder) with address: _____

Penal Sum of Security (express in words and figures): _____

Bid Reference No. _____ Date of Bid _____

KNOW ALL MEN BY THESE PRESENTS, that in pursuance of the terms of the Bid and at the request of the said Principal, we the Guarantor above-named are held and firmly bound unto the _____, (hereinafter called The "Employer") in the sum stated above, for the payment of which sum well and truly to be made, we find ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the Principal has submitted the accompanying Bid numbered and dated as above for _____ (Particulars of Bid) to the said Employer; and

WHEREAS, the Employer has required as a condition for considering the said Bid that the Principal furnishes a Bid Security in the above said sum to the Employer, conditioned as under:

- (1) That the Bid Security shall remain valid for a period 28 days beyond the period of validity of the Bid;
- (2) That in the event of;
 - (a) The Principal withdraws his Bid during the period of validity of Bid, or
 - (b) The Principal does not accept the correction of his Bid Price, pursuant to Sub-Clause 24.2 of Instructions to Bidders, or
 - (c) Failure of the successful bidder to
 - (i) Furnish the required Performance Security, in accordance with Clause 34 of Instructions to Bidders, or
 - (ii) Sign the proposed Contract Agreement, in accordance with Clause 35 of Instructions to Bidders,

Then the entire sum be paid immediately to the said Employer as liquidated damages

and not as penalty for the successful bidder's failure to perform.

NOW THEREFORE, if the successful bidder shall, within the period specified therefore, on the prescribed form presented to him for signature enter into a formal Contract with the said Employer in accordance with his Bid as accepted and furnish within twenty eight (28) days of his being requested to do so, a Performance Security with good and sufficient surety , as may be required, upon the form prescribed by the said Employer for the faithful performance and proper fulfilment of the said Contract or in the event of non-withdrawal of the said Bid within the time specified for its validity then this obligation shall be void and of no effect, but otherwise to remain in full force and effect.

PROVIDED THAT the Guarantor shall forthwith pay to the Employer the said sum stated above upon first written demand of the Employer without cavil or argument and without requiring the Employer to prove or to show grounds or reasons for such demand notice of which shall be sent by the Employer by registered post duly addressed to the Guarantor at its address given above.

PROVIDED ALSO THAT the Employer shall be the sole and final judge for deciding whether the Principal has duly performed his obligations to sign the Contract Agreement and to furnish the requisite Performance Security within the time stated above, or has defaulted in fulfilling said requirements and the Guarantor shall pay without objection the sum stated above upon first written demand from the Employer forthwith and without any reference to the Principal or any other person.

IN WITNESS WHEREOF, the above bounden Guarantor has executed the instrument under its seal on the date indicated above, the name and seal of the Guarantor being hereto affixed and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

Guarantor (Bank)

Witness:

Signature _____

1. _____

Name _____

Title _____

Corporate Secretary (Seal)

2. _____

(Name, Title & Address)

Corporate Guarantor (Seal)

FORM OF CONTRACT AGREEMENT

THIS CONTRACT AGREEMENT (hereinafter called the "Agreement") made on the ____ day of _____ (month) 20____ between _____ (hereafter called the "Employer") of the one part and _____ (hereafter called the "Contractor") of the other part.

WHEREAS the Employer is desirous that certain Works, viz _____ should be executed by the Contractor and has accepted a Bid by the Contractor for the execution and completion of such Works and the remedying of any defects therein.

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 hereinafter referred to.
2. The following documents after incorporating addenda, if any except those parts relating to Instructions to Bidders shall be deemed to form and be read and construed as part of this Agreement, viz:
 - (a) The Contract Agreement
 - (b) The Letter of Acceptance
 - (c) The completed Form of Bid
 - (d) The Preamble to Conditions of Contract
 - (e) The Particular Conditions of Contract
 - (f) The General Conditions of Contract
 - (g) The priced Schedule of Prices
 - (h) The completed Schedules to Bid
 - (i) The Specifications
 - (j) The Drawings
3. In consideration of the payments to be made by the Employer to the Contractor as hereinafter mentioned, the Contractor hereby covenants with the Employer to execute and complete the Works and remedy defects therein in conformity and in all respects with the provisions of the Contract.
4. The Employer hereby covenants to pay the Contractor, in consideration of the execution and completion of the Works as per provisions of the Contract, 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.

IN WITNESS WHEREOF the parties hereto have caused this Contract Agreement to be executed on the day, month and year first before written in accordance with their respective laws.

Signature of the Contractor

(Seal)

Signature of the Employer

(Seal)

Signed, Sealed and Delivered in the presence of:

Witness:

(Name, Title and Address)

Witness:

(Name, Title and Address)

**FORM OF PERFORMANCE SECURITY
(Bank Guarantee)**

Guarantee No. _____
Executed on _____
Expiry date _____

[Letter by the Guarantor to the Employer]

Name of Guarantor (Bank) with address: _____

Name of Principal (Contractor) with address: _____

Penal Sum of Security (express in words and figures) _____

Letter of Acceptance No. _____ Dated _____

KNOW ALL MEN BY THESE PRESENTS, that in pursuance of the terms of the Bidding Documents and above said Letter of Acceptance (hereinafter called the Documents) and at the request of the said Principal we, the Guarantor above named, are held and firmly bound unto the _____ (hereinafter called the Employer) in the penal sum of the amount stated above for the payment of which sum well and truly to be made to the said Employer, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the Principal has accepted the Employer's above said Letter of Acceptance for _____ (Name of Contract) for the _____ (Name of Project).

NOW THEREFORE, if the Principal (Contractor) shall well and truly perform and fulfill all the undertakings, covenants, terms and conditions of the said Documents during the original terms of the said Documents and any extensions thereof that may be granted by the Employer, with or without notice to the Guarantor, which notice is, hereby, waived and shall also well and truly perform and fulfill all the undertakings, covenants terms and conditions of the Contract and of any and all modifications of said Documents that may hereafter be made, notice of which modifications to the Guarantor being hereby waived, then, this obligation to be void; otherwise to remain in full force and virtue till all requirements of Clause 30, Defects after Taking Over, of Conditions of Contract are fulfilled.

Our total liability under this Guarantee is limited to the sum stated above and it is a condition of any liability attaching to us under this Guarantee that the claim for payment in writing shall be received by us within the validity period of this Guarantee, failing which we shall be discharged of our liability, if any, under this Guarantee.

We, _____ (the Guarantor), waiving all objections and defences under the Contract, do hereby irrevocably and independently guarantee to pay to the Employer without delay upon the Employer's first written demand without cavil or arguments

and without requiring the Employer to prove or to show grounds or reasons for such demand any sum or sums up to the amount stated above, against the Employer's written declaration that the Principal has refused or failed to perform the obligations under the Contract which payment will be effected by the Guarantor to Employer's designated Bank & Account Number.

PROVIDED ALSO THAT the Employer shall be the sole and final judge for deciding whether the Principal (Contractor) has duly performed his obligations under the Contract or has defaulted in fulfilling said obligations and the Guarantor shall pay without objection any sum or sums up to the amount stated above upon first written demand from the Employer forthwith and without any reference to the Principal or any other person.

IN WITNESS WHEREOF, the above-bounden Guarantor has executed this Instrument under its seal on the date indicated above, the name and corporate seal of the Guarantor being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

Guarantor (Bank)

Witness:

1. _____

Signature _____

Corporate Secretary (Seal)

Name _____

Title _____

2. _____

Name, Title & Address

Corporate Guarantor (Seal)

FORM OF BANK GUARANTEE/BOND FOR ADVANCE PAYMENT

Guarantee No. _____
Executed on _____
Expiry date _____

[Letter by the Guarantor to the Employer]

WHEREAS the _____ (hereinafter called the Employer) has entered into a Contract for _____ (Particulars of Contract), with _____ (hereinafter called the Contractor).

AND WHEREAS the Employer has agreed to advance to the Contractor, at the Contractor's request, an amount of Rupees _____ (Rs. _____) which amount shall be advanced to the Contractor as per provisions of the Contract.

AND WHEREAS the Employer has asked the Contractor to furnish Guarantee to secure advance payment for performance of his obligations under the said Contract.

AND WHEREAS _____ (Bank) (hereinafter called the Guarantor) at the request of the Contractor and in consideration of the Employer agreeing to make the above advance to the Contractor, has agreed to furnish the said Guarantee.

NOW THEREFORE the Guarantor hereby guarantees that the Contractor shall use the advance for the purpose of above mentioned Contract and if he fails, and commits default in fulfillment of any of his obligations for which the advance payment is made, the Guarantor shall be liable to the Employer for payment not exceeding the aforementioned amount.

Notice in writing of any default, of which the Employer shall be the sole and final judge, as aforesaid, on the part of the Contractor, shall be given by the Employer to the Guarantor, and on such first written demand payment shall be made by the Guarantor of all sums then due under this Guarantee without any reference to the Contractor and without any objection.

This guarantee shall come into force as soon as the advance payment has been credited to the account of the Contractor.

This guarantee shall expire not later than _____ by which date we must have received any claims by registered letter, telegram, telex or telefax.

It is understood that you will return this Guarantee to us on expiry or after settlement of the

total amount to be claimed hereunder.

Guarantor (Bank)

Witness:

1. _____

Signature _____

Corporate Secretary (Seal)

Name _____

Title _____

2. _____

Name, Title & Address

Corporate Guarantor (Seal)

SPECIFICATIONS

SPECIAL PROVISIONS

(Not Used)

SPECIFICATIONS

TECHNICAL PROVISIONS

A. Specifications

1. Refer to specifications of Plant and Equipment given in Schedule A to Bid-Specific Works Data.
2. The 1000 Sports Goods to be manufactured in the transfer of Technical know how component, must comply with relevant International Standard. Production of at least 100 quantity of each of the items. Furthermore, compliance to EC directives regarding product usage safety will also be ensured.

B. Quality Standards & Inspection

3. All equipment must comply with relevant international environmental standards along with National Environmental Quality Standards (NEQS).
4. All equipment must comply with occupational safety standards.
5. The classification of metal/alloys used in the manufacturing of machinery must be traceable to relevant ASTM, BS or DIN standards.
6. The electrical components or equipment must comply with relevant IEEE/IEC regulations and accompanied by the conformity evidence.
7. The products produced must not violate any international or domestic patents.
8. Before the Plant and Equipment is shipped, the contractor will have to get pre-shipment inspection from SGS International or any other international pre-shipment Inspection agency of repute. Such independent inspector shall be considered as an Engineer's Representative in terms of clause 20.1 of GCC. Notice of such appointment (being not less than 14 days) shall be given by the Engineer/Employer to the Contractor. The cost for such pre-shipment inspection shall be borne by the Supplier. Partial shipment is not allowed.

The pre-shipment inspection shall comprise of following matters:

- i. Quality and Quantity verification, as per Packing List and Proforma Invoice
- ii. Blank testing at supplier's premises
- iii. Evaluation of the individual components, whether they are brand new and in accordance with the specification provided in the Contract
- iv. Material testing, whether the materials used in manufacturing conforms with the specified standards

- v. Stuffing Supervision, e.g. loading of machinery and sealing the containers at supplier's place.
- vi. Compliance with International Certification Standards
- vii. Documentation - Test Reports, Shipping Paperwork
- viii. Product Safety Checks
- ix. Product and Carton Branding, Marking, Labeling
- x. Raw Material, Components and Accessory Verification