

NEPAL ELECTRICITY AUTHORITY
(A Government Of Nepal Undertaking)
Distribution and Consumer Services Directorate
Butwal Regional Office
Kalikanagar, Butwal



**LT line reinforcement at Panini, Malarani, Chhatradev, Sandhikharka
and Bhumikasthan, Arghakhachi.**

Tender No: BRO-2074/075-08

2017

NEPAL ELECTRICITY AUTHORITY
Distribution and Consumer Services Directorate
Butwal Regional Office
Kalikanagar, Butwal
[Tel:+977\(071\) 438584](tel:+977(071)438584)
[Fax:+977\(071\) 437735](tel:+977(071)437735)

Rhony



Table of Contents

Section I. Invitation for Sealed Bid	2
Section II. Instructions to Bidder.....	3
Section III. Conditions of Contract.....	7
Section IV. Schedule of Requirements	13
Section V. Sample Forms	15

Phony



Invitation For Bids

(First date of Publication 2074/08/23)

1. Nepal Electricity Authority (NEA), Butwal Regional Office, Butwal invites sealed bids from eligible bidders for:
 - **BRO/2074/075- 08 : LT Line Reinforcement at Panini, Malarani, Chhatradev, Sandhikharka and Bhumikasthan, Arghakhachi.**
2. Interested eligible bidder may obtain further information and inspect the bidding documents at the office mentioned below. For electronic bidding, the website is : www.nea.org.np
3. A complete set of Bid Documents may be purchased during office hours on all working days by any interested eligible bidder upon submission of a written application along with a bank voucher of the amount (non refundable) as given below in clause 5 towards the cost of the Bid Documents, deposited in Bank Account given below or by an account payee bank draft of the same amount issued in favour of NEA.
4. Bidders must produce an attested copy of the certificates of Tax Clearance, VAT Registration and PAN Registration at the time of purchase of the Bid Documents. Local agents/bidders intending to purchase the Bid documents, on behalf of their principals must produce the authorization from their principals.
5. All Bids accompanied by a bid bond in amount & validity period as specified below must be delivered in accordance with the Instructions to Bidders latest by 12:00 hours local time on or before the dates and address given below. The Bids shall be opened at 14:00 hours local time on the last date of the Bid submission, in the presence (or without presence) of the authorised representatives of the Bidders who choose to be present. If the last date of Bid purchase and submission falls on a public holiday, then the next consecutive working day shall be considered the last day.

Tender No.	Last Date of Bid Purchase	Last Date of Bid Submission	Bid Validity Period	Cost of Bid Document (NRs.)	Bid Bond		Bank Account No.
					Amount (NRs.)	Validity Period	
BRO/2074/075- 08	2074/09/23	2074/09/24	90 Days from the last date of bid submission	3,000.00	80,000.00	120 Days from the last date of bid submission	Jyoti Bikas Bank Ltd., Butwal Account No. 00200200100008737 000001

6. NEA shall not be responsible for any costs or expenses incurred by Bidders in connection with the preparation or submission of Bids.
7. In the comparison of Bids, Domestic Preference Scheme will be applied in accordance with the provisions stipulated in the Instruction to Bidders.
8. Mode of bidding is **National Competitive Bidding (NCB)** .
9. NEA reserves the right to accept or reject any Bid, partly or wholly, or cancel the Bids altogether, without assigning any reason whatsoever.
10. Interested eligible Bidders may obtain further information from the Office given below:



Nepal Electricity Authority
Distribution and Consumer Service Directorate
Butwal Regional Office
Kalikanagar, Butwal.
Phone No.: 071-438584



Rhony

Section II. Instructions to Bidders

Notes on the Instructions to Bidders

This section of the bidding documents should provide the information necessary for Interested Suppliers to prepare responsive bids, in accordance with the requirements of the Purchaser. It should also give information on bid submission, opening and evaluation, and award of Contract.

These Instructions to Bidders shall not be part of the Contract and shall cease to have effect once the Contract is signed.

Phony



Section II. Instructions to Bidder

- 1. Scope of Works** The Purchaser stated in the Invitation for tender invites bids for the LT line reinforcement at Panini, Malarani, Chhatradev, Sandhikharka and Bhumikasthan, Arghakhachi and the bill of quantities provided herein. .
- 2. Eligible Bidder** This Invitation for Bids is open to all registered Suppliers with qualifications as described below:

 - a) Up to date Firm/Company Registration Certificate
 - b) VAT and PAN Registration Certificates
 - c) Tax Clearance Certificate
 - d) Power of Attorney (Notarized)
 - e) Experience Certificates for the electrification .
 - f) Audit Report of last Fiscal year (2072/073) .
- 3. One Bid per Bidder** **Each Bidder shall submit only one bid, A Bidder who submits more than one bid shall cause all the bids with the Bidder's participation to be disqualified.**
- 4. Content of Bid Form** The Bid Form comprise the documents listed below:

 1. Invitation for Bids.
 2. Instructions to Bidders
 3. Conditions of Contract
 4. Schedule of Requirements
 5. Technical Specifications
 6. Sample Forms
 7. Form of Agreement
 8. Quality of Goods
 9. Other Eligibility
- 5. Clarification** A prospective Supplier/Bidder may obtain clarification on the bid Form from the Purchaser stated in Invitation for Bid.
- 6. Language of Bid** All documents relating to the Bid shall be in English or in Nepali.
- 7. Documents Comprising Bid** The Bid by the Bidder shall comprise the following:

 - a. Bid and Price Schedules
 - b. Bid Security
 - c. Schedule of Requirements
 - d. Technical Specifications

Rhony



- 8. Bid Prices** The Bidder shall indicate on the appropriate Price Schedule the unit prices (where applicable) and total price of the goods to be supplied under the contract.
- All duties, taxes and other levies payable by the Bidder under the contract shall be included in the rates, prices and total Bid Price submitted by the Bidder.
- Price quoted by the Bidder shall remain fixed and valid until completion of the Contract Performance and will not be subject to variation in any account.
- 9. Bid Validity** The Bid shall remain valid for the period of 120 days after opening of the Bid.
- 10. Bid Security** The Bidder shall furnish a Security in Nepali Rupees in the amount not less than Nrs. **80,000.00** or as per Notice. The Bid Security shall remain valid for a period of 120 days after opening of the Bid.
- The Security shall be in the form of cash voucher deposited in the Bank Account of the Employer specified in the notice for "Invitation for Bid" or a bank guarantee from a bank acceptable to the Employer.
- 11. Format and Signing of Bids** The Bid shall be typed or written in indelible ink and shall be signed by an authorized person. Any entries or amendments including alternations, additions or corrections made shall be initialed by the same authorized person.
- 12. Sealing and Marking of Bids** The Bidder shall submit his Bid in sealed envelopes. The envelope shall be addressed to the Purchaser specified in the Invitation for Bid and shall bear the name and identification number of the Bid.
- 13. Deadline for Submission of Bids** Bids shall be delivered to the Purchaser at the address no later than the time and date specified in the Invitation for Bid.
- 14. Late Bid** Any Bid received by the Purchaser after the deadline shall not be accepted and shall be returned unopened to the Bidder upon request.
- 15. Modification And Withdrawal** Bids once submitted shall not be withdrawn or modified.
- 16. Bid Opening** The Purchaser shall open the Bids in the presence of the Bidders' representatives who choose to attend at the time and in the place as specified in the Invitation for Bid..

Rhony



The Purchaser shall prepare and provide minutes of the opening including the information disclosed to those present.

17. Process to be Confidential

Information relating to the examination, evaluation and comparison of Bids and recommendations for the award of a contract shall not be disclosed to Bidders or any other persons not officially concerned with such process until the award to the successful Bidder has been announced. Any efforts by the Bidder to influence the Purchaser in the Bid evaluation, comparison or contract award decisions may result in rejection of Bidder's Bid.

18. Examination of Bids

Prior to the detailed evaluation of Bids, the Purchaser shall determine whether each Bid (a) meets the eligibility criteria defined in Clause 2; (b) has been properly signed; (c) is accompanied by the required securities; and (d) is substantially responsive to the requirements of the Bidding documents.

19. Evaluation and Comparison of Bids

19.1 In evaluating the Bids, the Purchaser shall determine for each Bid the evaluated Bid Price by adjusting any corrections for errors. Bids shall be checked by the Purchaser for any arithmetic errors. Errors shall be corrected by the Purchaser as follows:

- a. where there is a discrepancy between the amounts in figures and in words, the amount in words shall govern; and
- b. where there is a discrepancy between the unit rate and the line item total resulting from multiplying the unit rate by the quantity, the unit rate as quoted shall govern

19.2 If the Bidder does not accept the corrected amount, the Bid shall be rejected and the Security pursuant to Clause 10 may be forfeited.

Khong



- 20. Award of Contract** The Purchaser shall decide the award of the contract, within 15 days of the opening of the Bid, to the Bidder whose Bid is within the approved estimate and who has offered the lowest evaluated Bid Price, provided that such Bidder has been determined to be eligible in accordance with the provisions of Clauses 2.
- 21. Purchaser's Right to Accept or Reject** The Purchaser reserves the right to accept or reject any Bid or to cancel the bidding process and reject all Bids, at any time prior to the award of the contract, without assigning any reasons whatsoever and without thereby incurring any liability to the affected Bidder or Bidders.
- 22. Notification of Award and Signing of Agreement** 22.1 The Bidder whose Bid is accepted and all other participating bidders shall be notified of the award by the Purchaser. Within 7 days of receipt of the notification, the successful Bidder shall deliver the Performance Security pursuant to Clause 23 and sign the Agreement.
22.3 Inability of the Bidder to make an Agreement within the above stated period shall result in cancellation of the Contract Award and forfeiture of the Bidder's Security, upon which the Contract shall then be awarded to the next successive successful Bidder.
- 23. Performance Security** The successful Bidder shall deliver to the Purchaser a Performance Security in cash or Bank Guarantee acceptable to the Purchaser equivalent to 5% of the Bid amount.

Shonyo



Section III. Conditions of Contract

1. **Definitions**
 - 1.1 In this contract, the following terms shall be interpreted as indicated:

"The Contract" means the agreement entered into between the Purchaser and the Supplier, as recorded in the Contract Form Signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein;

"The Contract Price" means the price payable to the Supplier under the contract for the full and proper performance of its contractual obligation;

"The Goods" means Equipment and related Accessories and spare-parts or any other materials which the Supplier is required to supply to the Purchaser under the contract;

"Services" means services ancillary to the supply of the goods such as transportation and insurance including the installation, commissioning and the operational and maintenance training of the supplied equipment.

"The Purchaser" means the procuring entity purchasing the goods;

"The Supplier" means the organization supplying the goods and services under this contract.
2. **Technical Specification**
 - 2.1 The goods supplied under this contract shall confirm to the NEA standards..
3. **Patent Right**
 - 3.1 The Supplier shall indemnify the Purchaser against all third-party claims of infringement of patent, trademark or industrial design rights arising from use of goods or any part thereof in the Purchaser's country.
4. **Performance Security**
 - 4.1 Within fifteen days (15) of receipt of award of contract from the Purchaser the successful Bidder shall furnish the performance security in accordance with the Sub - Clause 4.3 of the Conditions of Contract in the Performance Security Form provided in the Bidding Documents.
 - 4.2 Failure of the successful Supplier to comply with the requirement of Sub - clause 4.1 shall constitute sufficient grounds for the annulment of the award and forfeiture of the bid security, in which event the Purchaser may make the award to the next lowest Supplier or call for new sealed Bids.
 - 4.3 The performance security will be as follows:
 - a. If bid price of the bidder selected for acceptance is up to 15% less than the approved cost estimate, the performance security amount shall be 5 % of the Sealed Bid price.
 - b. For the Sealed Bid price less than 15% of the cost estimate, the performance security amount shall be determine as follows:

Rhony



Performance Security amount= $\{(0.85 \times \text{cost estimate} - \text{SQ price}) \times 0.5\} + 5\%$ of SQ price .

- 4.4 The validity of Performance Security shall be one (1) year after the final installation and commissioning of the Goods and the issue of final acceptance certificate to the Suppliers. The Supplier shall promptly extend the validity suitably to cover agreed extension of the warranty period of the supplied goods.
- 4.5 The performance security shall be released within 28 days of completion of warranty period and upon submission of claim by the Supplier.
- 5. Inspection and Tests**
- 5.1 The Purchaser or its Representative shall have the right to inspect and/or test the goods to confirm their conformity to the Technical Specification (NEA Standard) and the quality of performance after the supply and delivery of good to the Purchaser's premises.
- 6. Packing**
- 6.1 The Supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transmit to their final destination as indicated in the contract.
- 6.2 The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit and open storage.
- 6.3 The packing, marking and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided in accordance with international standard and practice.
- 7. Delivery of Goods**
- 7.1 Delivery of the goods shall be made by the Supplier in accordance with the terms specified by the Purchaser in its Schedule of Requirements.
- 7.2 The terms "EXW", "FOB", "CIF", "CIP" etc., shall be governed by the rules prescribed in the current edition of INCOTERMS published by the International Chamber of Commerce (ICC), Paris.
- 8. Insurance**
- 8.1 The goods supplied under the contract shall be fully insured in the currency of the Sealed Bid price against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified.
- 8.2 Where delivery of the goods is required by the Purchaser on a CIF or CIP basis to a specified destination, the Supplier shall arrange and pay for insurance, naming the Purchaser as the beneficiary and the Supplier shall be required to meet all transport and storage expenses until delivery.
- 9. Warranty**
- 9.1 The Supplier warrants that all the goods supplied under the contract shall fully comply with the specification laid down in the contract.
- 9.2 The warranty shall remain valid for one year after the goods

Shonye



have been delivered to the final destination indicated in the contract, and accepted by the Purchaser after installation and

commissioning of equipment by the Supplier.

The Purchaser shall promptly notify the Supplier in writing of any claims arising under this warranty.

Upon receipt of such notice, the Supplier shall, with all reasonable speed, replace the defective goods without cost to the Purchaser. The Supplier will be entitled to remove, at its own risk and cost, the defective goods.

10. Payment

Payment shall be made in the currency in which the contract price has been stated in the Supplier's Sealed Bid.

Payment of the goods supplied from within Nepal shall be made in Nepali Rupees after the delivery and installation and commissioning of goods to the satisfaction of the Purchaser.

Payment of the goods to be imported from abroad shall be made in the following manner:

- a. Ten (10) percent of the Contract Price shall be paid within fifteen (15) days of signing of the Contract, and upon submission of claim and bank guarantee for equivalent amount valid until the goods are delivered and in the form provided in the SQ documents or another form acceptable to the Purchaser.
- b. Maximum Two running bill will be paid according to work Performance.
- c. Retention money (5 %) will be hold during payment time and will return it after warranty period.

11. Prices

Prices charged by the Supplier for goods delivered under the contract shall not vary from the prices quoted by the Supplier in its sealed Bid.

12. Changed Order

Where the Purchaser desires to make changes in **Schedule of Requirement**, it shall not exceed more than 15 percent.

13. Liquidated Damages

If the contactors fails to deliver and Construction of LT line any or all of the goods within the time period specified in the contract, the Purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as liquidated damages, a sum

Rhony



equivalent to 0.05 percent of the contract price of delayed goods for each day of delay until actual delivery, up to a maximum deduction of 10 percent of the delayed goods' contract price. Once the maximum is reached, the Purchaser may consider termination of the contract.

14. Resolution of Disputes

If any dispute or difference of any kind whatsoever shall arise between the Purchaser and the Supplier in connection with or arising out of the Contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

14.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the Purchaser or Supplier may give notice to the other party of it's intention to commence arbitration, as hereinafter provided, as to the matter in dispute, and no arbitration in respect of this matter may be commenced unless such notice is given.

14.2.1 Any dispute or difference in respect of such a notice of intention to commence arbitration has been given in accordance with this Clause shall be finally settled by arbitration. Arbitration may be commenced prior to or after delivery of the Goods under the Contract.

14.2.2 Arbitration proceedings shall be conducted in accordance with the rules of Nepal Council of Arbitration (NEPCA).

14.3 Notwithstanding any reference to arbitration herein,

- a. the parties shall continue to perform their respective obligations under the Contract unless they otherwise agree; and
- b. the Purchaser shall pay the Supplier any monies due the Supplier.

15. Governing Language

15.1 The Governing Language shall be: Nepali or English

16. Applicable Law

16.1 The applicable law shall be Laws of Nepal.

17. Notices

17.1 Purchaser's address for notice purposes: **NEA, Butwal Regional Office , Kalikanagar , Butwal.**

17.2 Supplier's address for notice purposes:

18. Taxes and Duties

18.1 The Supplier shall be entirely responsible for all taxes, duties, licence fees and other such levies imposed by the GON.

19. Operation, Maintenance and Spare-parts Manuals

19.1 The successful Supplier shall supply 2 copies of manufacturer's operation, maintenance and spare-part manuals of the goods (Equipment).

20. Conduct of Suppliers

20.1 The Supplier shall be responsible to fulfill his obligations as per the requirement of the Contract Agreement, Bidding

Rhony



documents, GoN's Procurement Act and Regulations.

20.2 The Supplier shall not carry out or cause to carry out the following acts with an intention to influence the implementation of the procurement process or the procurement agreement :

- a. give or propose improper inducement directly or indirectly,
- b. distortion or misrepresentation of facts
- c. engaging or being involved in corrupt or fraudulent Practice
- d. interference in participation of other prospective bidders.
- e. coercion or threatening directly or indirectly to impair or harm, any party or the property of the party involved in the procurement proceedings,

- f. collusive practice among bidders before or after submission of bids for distribution of works among bidders or fixing artificial/uncompetitive bid price with an intention to deprive the Purchaser the benefit of open competitive bid price..
- g. contacting the Purchaser with an intention to influence the Purchaser with regards to the bid or interference of any kind in examination and evaluation of the bids during the period after opening of bids up to the notification of award of contract

21. Blacklisting Supplier

21.1 Without prejudice to any right of the Purchaser under this Contract, the GoN, Public Procurement and Monitoring Office(PPMO) may blacklist a Supplier for his conduct up to three years on the following grounds and seriousness of the act committed by the supplier:

- a. if it is proved that the supplier committed acts pursuant to the Sub - clause 20.2,
- b. if the supplier fails to sign an agreement pursuant to ITB Clause 22,
- c. if it is proved later that the supplier had committed substantial defect in implementation of the contract or had not substantially fulfilled his obligations under the contract or the completed work is not of the specified quality as per the contract ,
- d. if convicted by a court of law in a criminal offence which disqualifies the supplier from participating in the contract.

21.2 A Supplier declared blacklisted and ineligible by the GON shall be ineligible to bid for a contract during the period of time determined by PPMO.

Khong



Section IV. Schedule of Requirements

(DELIVERY SCHEDULE)

Construction Site: Arghakanchi District .

Construction Period: Four month from the contract agreement date.

Job : NEA-BRO-2074/075-08 "LT line reinforcement at Panini, Malarani, Chhatradev, Sandhikharka and Bhumikasthan, Arghakhachi."

Delivery or construction Schedule Required By NEA:

The complete delivery or construction must be made at NEA Butwal Regional Office within the calendar days specified above from the date of signing the contract.

1. **Delivery and construction time for items in BOQ: - Four month** from the date of contract agreement signed.
2. **Delivery and construction schedule to be filled by Bidder:**days from the date of contract agreement signed.

Signature of Bidder:

Name:

Company Seal:

Address:

Phony



Other Eligibility

- Notarized Copy of Firm Registration Certificate
- Notarized Copy of Business Registration Certificate
- Notarized Copy of VAT and PAN Registration Certificate,
- Copy of Tax Clearance Certificate/Tax return submission evidence for the F/Y 2072/73. ○
- A written declaration made by the bidder with a statement that s/he is not ineligible to participate in the procurement proceedings; has no conflict of interest in the proposed procurement proceedings, and has not been punished for a profession or business related offence.
- Notarized Power of Attorney.

Khong



Section V. Sample Forms

1. Bid and Price Schedules

Date:

To: *[name and address of the Purchaser]*

Gentlemen and/or Ladies:

Having examined the Sealed Bid (SQ) documents, we the undersigned, offer to supply and deliver *[description of goods and services]* in conformity with the said SQ documents for the sum of *[total SQ amount in words and figures]* or such other sums as may be ascertained in accordance with the Schedule of Prices attached herewith and made part of this SQ.

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

If our SQ is accepted, we will obtain the guarantee of a bank in a sum equivalent to Five (5) percent of the Contract Price for the due performance of the Contract, in the form prescribed by the Purchaser.

We agree to abide by this SQ for a Period of 45 days from the date fixed for SQ opening it shall remain binding upon us and may be accepted at any time before the expiration of that period.

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

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

Dated this _____ day of _____ 20_____.

[signature]

[in the capacity of]

Duly authorized to sign SQ for and on behalf of _____

Rhony



NEPAL ELECTRICITY AUTHORITY
Distribution and consumer Service Directorate
Butwal Regional Office
Price Schedule
F/Y 2074/075

Job :- LT Line Reinforcement at Daugha, Digam, Khargyang, Hardineta, Hunga, Pallikot Gulmi

S.N.	Description	Unit	Qty	Rate in	Amount	Remarks
A.	Material Cost					
1	9 meter steel tubular Folding Pole	Nos	375	Provided by BRO		
2	0.03 ACSR Conductor	Km	1			
3	D-Iron With Shackle Insulator,Nut Bolts	Set	90			
4	Nut & Bolts of 5/8" x Length as required	kg	18			
5	Stay rod (1.8 m *16 mm)	Set	40			
6	Turn buckle(ultimate tensile strength-4200Kg/sq.cm)					
7	Stay plate (6*300*300 mm)					
8	Thimble (Required Size)					
9	Stay Clamp					
10	Stay insulator	Nos	40			
11	Stay wire (7/12 SWG)	kg	200			
	Total Material Cost					
B.	Labour Cost					
1.0	Erection of pole including hauling from site store up to construction site, excavation of footing, making pole vertical and placing in footing, ramming, back filling for strengthening etc.					
1.1	Erection of 8/9 m Steel Tubular pole	Nos	375			
2.0	Dismantal & Re Stringing of 0.03 ACSR Conductor 1 wire LT	km	29			

Sharma



3.0	Installation of stay including hauling from site store to construction site all fixing work complete					
3.1	Stay Set Installation	Set	40			
4.0	Dismantele of wooden poles and other materials Transportation from site to NEA store.	LS				
5.0	Transportation of Materials from Butwal Regional Office to site (Load/Unload 156 poles &others).	LS				
	Total Labour Cost					
	Total Material & Labour Cost					
	VAT 13%					
	Total with VAT					
	Grand Total					

Note : Supply materials should be NEA Standers.

Authorised Signature of Bidder :

Name of Firm :

Name of Bidder :

Sharma



2. Bid Security

Date :

To: *[name and address of the Purchaser]*

Whereas, *[name of Bidder]* (hereinafter called "the Bidder") has submitted his Sealed Bid (SQ) dated *[date of submission of SQ]* for the supply of *[name and/or description of the goods]* (hereinafter called "the Sealed Bid").

KNOW ALL PEOPLE by these presents that WE *[name of Bank]* of Nepal having our registered office at *[address of bank]* (hereinafter called "the Bank") are bound unto *[name of the procuring entity]* (hereinafter called "the Purchaser") in the sum of *[specify amount in figure and words]* for which payment well and truly to be made to the said Purchaser, the Bank binds itself, its successors, and assigns by these presents. Sealed with the Common Seal of the said Bank this _____ day of _____ 20_____.

THE CONDITIONS of this obligation are:

- (1) If, the Bidder withdraws its SQ during the period of bid validity specified by the Bidder on the SQ Form; or
- (2) If the Bidder having been notified of the acceptance of its SQ by the Purchaser during the period of bid validity:
 - (a) fails or refuses to execute the Contract Form, if required; or
 - (b) fails or refuses to furnish the performance security, in accordance with the Instruction to Bidders;

we undertake to pay to the Purchaser up to the above amount upon receipt of its first written demand, without the Purchaser's having to substantiate its demand, provided that in its demand the Purchaser will note that the amount claimed by it is due to it owing to the occurrence of one or both of the two conditions, specifying the occurred condition or conditions.

This guarantee will remain in force up to seventy five (75) days from the date of opening of the Sealed Bid, and any demand in respect thereof should reach the Bank not later than the above date.

[signature of the bank]

[common seal of the bank]

Rhony



3. Form of Agreement

THIS AGREEMENT made the ____ day of _____ 20____ between [name of Purchaser] (hereinafter called "the Purchaser") of the one part and [name of Supplier] of [city and country of Supplier] (hereinafter called "the Supplier") of the other part:

WHEREAS the Purchaser invited Sealed Bid for certain goods and ancillary services, viz., [brief description of goods and services] and has accepted a SQ by the Supplier for the supply of those goods and services in the sum of [contract price in words and figures] (hereinafter called "the Contract Price").

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

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

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

On behalf of the Purchaser

On behalf of the Supplier

Name:

Name:

Designation:

Designation:

Sign:

Sign:

Seal:

Seal:

Rhony



4. Performance Security

Date :

To: *[name and address of the Purchaser]*

WHEREAS *[name of Supplier]* (hereinafter called "the Supplier") has undertaken, in pursuance of Contract No. *[reference number of the contract]* dated _____ 20____ to supply *[description of goods and services]* (hereinafter called "the Contract").

AND WHEREAS it has been stipulated by you in the said Contract that the Supplier shall furnish you with a bank guarantee by a reputable bank for the sum specified therein as security for compliance with the Supplier's performance obligations in accordance with the Contract.

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

THEREFORE WE hereby affirm that we are Guarantors and responsible to you, on behalf of the Supplier, up to a total of *[amount of the guarantee in words and figures]*, and we undertake to pay you, upon your first written demand declaring the Supplier to be in default under the Contract and without cavil or argument, any sum or sums within the limits of *[amount of guarantee]* as aforesaid, without your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

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

Signature and seal of the Guarantors

[name of bank or financial institution]

[address]

[date]

Rhony



5. Bank Guarantee for Advance Payment

To: *[name of the Purchaser]*

[name of Contract]

Gentlemen and/or Ladies:

In accordance with the payment provision included in the Contract, which amends Clause 10 of the General Conditions of Contract to provide for advance payment, *[name and address of Supplier]* (hereinafter called "the Supplier") shall deposit with the Purchaser a bank guarantee to guarantee its proper and faithful performance under the said Clause of the Contract in an amount of *[amount of guarantee in figures and words]*.

We, the *[bank or financial institution]*, as instructed by the Supplier, agree unconditionally and irrevocably to guarantee as primary obligator and not as surety merely, the payment to the Purchaser on its first demand without whatsoever right of objection on our part and without its first claim to the Supplier, in the amount not exceeding *[amount of guarantee in figures and words]*.

We further agree that no change or addition to or other modification of the terms of the Contract to be performed there under or of any of the Contract documents which may be made between the Purchaser and the Supplier, shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition, or modification.

The validity period of the guarantee shall be 30 days beyond the period scheduled for repayment of the advance payment and the guarantee shall remain valid and in full effect from the date of the advance payment under the Contract until the Purchaser receives full repayment of the same amount from the Supplier.

Yours truly,

Signature and seal of the Guarantors

[name of bank or financial institution]

[address]

[date]

Rhony

