

Section 7 - Special Conditions of Contract

The following Special Conditions of Contract shall supplement the GCC. Whenever there is a conflict, the provisions herein shall prevail over those in the GCC.

Special Conditions of Contract

A. General	
GCC 1.1 (q)	The Employer is Parbat Distribution Center, NEA
GCC 1.1 (u)	The Intended Completion Date for the whole of the Works shall be 6 month.
GCCs 1.1 (bb) & 4.1	The Project Manager is Center Chief, Parbat Distribution Center.
GCC 1.1 (dd)	The Site is located at Kusma municipality ward no 1 to 16, Parbat District and is defined in BOQ. <i>as attached.</i>
GCC 1.1 (gg)	<p><i>The Start Date shall be:</i> The Effective Date, upon which the period until the Time for Completion of the Facilities shall be counted from, is the date when all of the following conditions have been fulfilled:</p> <p>(a) This Contract Agreement has been duly executed for and on behalf of the Employer and the Contractor;</p> <p>(b) The Contractor has submitted to the Employer the performance security.</p> <p>Each party shall use its best efforts to fulfill the above conditions for which it is responsible as soon as practicable.</p>
GCC 1.1 (kk)	The Works consist of PDC/073/74-03(ST): Construction and Maintenance of LT Distribution Line at Kusma Municipality as defined in the Bidding data and scope of work.
GCC 1.1 (kl)	<p>Add following terms and definitions after 1.1 (kk)</p> <p>The terms "Facilities" and "Works" are used interchangeably.</p> <p>The terms "Final Acceptance Certificate" and "Defects Liability Certificate" are used interchangeably.</p> <p>Add new definition as follows:</p> <p>Final Acceptance means the acceptance by the Employer of the Facilities, which certifies the Contractor's fulfillment of the entire Contract. The "Final Acceptance Certificate" shall be issued to the Contractor after the expiry of the last Defect Liability Period provided the Contractor has also fulfilled all its obligations towards the Income Tax Department and the Customs Department of Government of Nepal.</p>
GCC 2.2	Sectional Completions are: Not Applicable
GCC 2.3(i)	The following documents also form part of the Contract: - Minutes of Meetings as agreed upon.



	<ul style="list-style-type: none"> - Value Added Tax (VAT) certificate - PAN certificate - Tax clearance certificate 																														
GCC 3.1	<p>The language of the contract is <u>ENGLISH</u></p> <p>The law that applies to the Contract is the <i>LAW OF NEPAL</i></p>																														
GCC 8.1	Schedule of other contractors: <i>NONE</i>																														
GCC 13.1	<p>The minimum insurance covers shall be:</p> <p>(a) <u>Cargo Insurance</u> Covering loss or damage occurring, while in transit from the supplier's or manufacturer's works or stores until arrival at the Site, to the Facilities (including spare parts therefore) and to the construction equipment to be provided by the Contractor or its Subcontractors.</p> <table border="0"> <thead> <tr> <th style="text-align: center;"><u>Amount</u></th> <th style="text-align: center;"><u>Deductible limits</u></th> <th style="text-align: center;"><u>Parties insured</u></th> <th style="text-align: center;"><u>From</u></th> <th style="text-align: center;"><u>To</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">110 % of CIP cost</td> <td style="text-align: center;">(*)</td> <td style="text-align: center;">Contractor</td> <td style="text-align: center;">Dispatch Certificate</td> <td style="text-align: center;">Arrival to Site</td> </tr> </tbody> </table> <p>Excess 5% of claimed amount subject to minimum of NRs 20,000 for normal and NRs 80,000 for act of God/major perils and collapse.</p> <p>(b) <u>Installation All Risks Insurance</u> Covering physical loss or damage to the Facilities at the Site, occurring prior to completion of the Facilities, with extended maintenance coverage for the Contractor's liability in respect of any loss or damage occurring during the defect liability period while the Contractor is on the Site for the purpose of performing its obligations during the defect liability period.</p> <p>Excess 5% of claimed amount subject to minimum of NRs 10,000 for normal period and NRs 30,000 for testing period.</p> <table border="0"> <thead> <tr> <th style="text-align: center;"><u>Amount</u></th> <th style="text-align: center;"><u>Deductible limits</u></th> <th style="text-align: center;"><u>Parties insured</u></th> <th style="text-align: center;"><u>From</u></th> <th style="text-align: center;"><u>To</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">110 % of Contract Value</td> <td style="text-align: center;">(*)</td> <td style="text-align: center;">Contractor</td> <td style="text-align: center;">Dispatch Certificate</td> <td style="text-align: center;">Final Acceptance Value</td> </tr> </tbody> </table> <p>(c) <u>Third Party Liability Insurance</u> Covering bodily injury or death suffered by third parties (including the Employer's personnel) and loss of or damage to property (including the Employer's property and any parts of the Facilities that have been accepted by the Employer) occurring in connection with the supply and installation of the Facilities.</p> <table border="0"> <thead> <tr> <th style="text-align: center;"><u>Amount</u></th> <th style="text-align: center;"><u>Deductible limits</u></th> <th style="text-align: center;"><u>Parties insured</u></th> <th style="text-align: center;"><u>From</u></th> <th style="text-align: center;"><u>To</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">NRs. 1 million</td> <td style="text-align: center;">As in (b) above</td> <td style="text-align: center;">Contractor's Employees</td> <td style="text-align: center;">Commencement of Works</td> <td style="text-align: center;">Defect Liability Certificate</td> </tr> </tbody> </table>	<u>Amount</u>	<u>Deductible limits</u>	<u>Parties insured</u>	<u>From</u>	<u>To</u>	110 % of CIP cost	(*)	Contractor	Dispatch Certificate	Arrival to Site	<u>Amount</u>	<u>Deductible limits</u>	<u>Parties insured</u>	<u>From</u>	<u>To</u>	110 % of Contract Value	(*)	Contractor	Dispatch Certificate	Final Acceptance Value	<u>Amount</u>	<u>Deductible limits</u>	<u>Parties insured</u>	<u>From</u>	<u>To</u>	NRs. 1 million	As in (b) above	Contractor's Employees	Commencement of Works	Defect Liability Certificate
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	<p>NRs. 1 million As in (b) Employer's Commencem Defect Liability above (b) Personnel ent of Works Certificate</p> <p>NRs. 4 million As in (b) Third Party Commencem Defect Liability above (b) Personnel ent of Works Certificate</p> <p><u>Automobile Liability Insurance</u></p> <p>Covering use of all vehicles used by the Contractor or its Subcontractors (whether or not owned by them) in connection with the supply and installation of the Facilities. Comprehensive insurance in accordance with statutory requirements.</p> <p><u>Workers' Compensation</u></p> <p>In accordance with the statutory requirements applicable in any country where the Facilities or any part thereof is executed.</p> <p><u>Employer's Liability</u></p> <p>In accordance with the statutory requirements applicable in any country where the Facilities or any part thereof is executed.</p> <p><u>Other Insurances</u></p> <p>The Contractor is also required to take out and maintain at its own cost the following insurances:</p> <p><u>Details: None</u></p> <table border="0"> <tr> <td><u>Amount</u></td> <td><u>Deductible limits</u></td> <td><u>Parties insured</u></td> <td><u>From</u></td> <td><u>To</u></td> </tr> </table> <p>The Employer shall be named as co-insured under all insurance policies taken out by the Contractor except for the Third Party Liability, Workers' Compensation and Employer's Liability Insurances, and the Contractor's Subcontractors shall be named as co-insured's under all insurance policies taken out by the Contractor, except for the Cargo, Workers' Compensation and Employer's Liability Insurances. All insurers' rights of subrogation against such co-insured's for losses or claims arising out of the performance of the Contract shall be waived under such policies.</p> <p>The minimum cover for personal injury or death insurance shall, however, be not less than as per requirements of the Labor Act of Nepal.</p>	<u>Amount</u>	<u>Deductible limits</u>	<u>Parties insured</u>	<u>From</u>	<u>To</u>
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GCC 14.1	Site Investigation Reports are: <i>NONE</i>					
GCC 16.1	The completion date shall be Refer SCC 1.1					
GCC 17.1	The following shall be designed by the Contractor: As applicable.					
GCC 20.1	The Site Possession Date(s) shall be: <i>as agreed during Contract signing.</i>					
GCC 23.2	A dispute of the procurement contract having contract price valuing up to one hundred million Rupees shall be resolved by the adjudicator and a dispute of the procurement contract having contract price more than that shall be resolved by a three-member dispute resolution committee.					
GCC 24.1	Appointing Authority for the Adjudicator: Nepal Council of Arbitration (NEPCA)					



CC 24.2	Note: If the adjudicator is identified and agreed during the contract agreement, insert the name of the Adjudicator or DRC Members. If not identified, the Adjudicator or DRC Members shall have to be agreed and appointed whenever the dispute arises
GCC 25.1	<p><i>Add the following at the end of 25.1:</i></p> <p>If the DRB has done so, and no notice of intention to commence arbitration has been given by either the Employer or the Contractor within fifty-six (56) days of such reference, the decision shall become final and binding upon the Employer and the Contractor. Any decision that has become final and binding shall be implemented by the parties forthwith.</p>
GCC 25.2	<p>The Adjudicator/DRC Members shall be paid by the hour at the rate of: As agreed during formation of DRB</p> <p><i>Delete second and third sentences and replace with the following:</i></p> <p>If either the Employer or the Contractor is dissatisfied with the Adjudicator's decision, or if the DRB fails to give a decision within twenty-eight (28) days of a dispute being referred to it, then either the Employer or the Contractor may, within fifty-six (56) days of such reference, give notice to the other party, with a copy for information to the DRB, of its 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.</p>
GCC 25.3	<p>Institution whose arbitration procedures shall be used: Nepal Council of Arbitration (NEPCA).</p> <p>Sub-Clause 25.3 – Any dispute between the Employer and Contractor arising in connection with the present Contract shall be referred to arbitration in accordance with the rule of Nepal Council of Arbitration.</p> <p>The place of arbitration shall be: Kathmandu, Nepal</p>
B. Time Control	
GCC 26.1	The Contractor shall submit for approval a Program for the Works within 7 days from the date of the Letter of Acceptance.
GCC 26.3	<p>The period between Program updates is 30 days.</p> <p>The amount to be withheld for late submission of an updated Program is: All due bills shall be withheld.</p>
GCC 27	<p>Add this new sub-clause:</p> <p>If the contractor intends to apply for an extension of the Time for Completion, the Contractor shall give notice to the Employer's Representative of such intention as soon as possible and in any event within 14 days of the start of the event giving rise to the delay. Within 28 days of the start of the event giving rise to the delay, the Contractor shall submit full supporting details of his application.</p>
C. Quality Control	
GCC 33.1	<p><i>Add following before Clause 32.1</i></p> <p>1. The Employer or its representative shall have the right to inspect and/or to test the Goods to confirm their conformity to the Contract specifications at no extra cost to the Employer. Technical Specifications specified in Section V, Inspection & Tests</p>



	<p>shall specify what inspections and tests the Employer requires and where they are to be conducted. The Contractor is required to notify the inspection/tests date to the Employer at least two weeks earlier. The Employer shall notify the Contractor in writing, in a timely manner, of the identity of any representatives retained for these purposes.</p> <p>2. The inspections and tests may be conducted on the premises of the Contractor or its subcontractor(s), at point of delivery, and/or at the Goods' final destination. If conducted on the premises of the Contractor or its subcontractor(s), all reasonable facilities and assistance, including access to drawings and production data, shall be furnished to the inspectors at no charge to the Employer.</p> <p>3. Should any inspected or tested Goods fail to conform to the Specifications, the Employer may reject the Goods, and the Contractor shall either replace the rejected Goods or make alterations necessary to meet specification requirements free of cost to the Employer.</p> <p>4. The Employer's right to inspect, test and, where necessary, reject the Goods after the Goods' arrival in Nepal shall in no way be limited or waived by reason of the Goods having previously been inspected, tested, and passed by the Employer or its representative prior to the Goods' shipment from the country of origin.</p> <p>5. Nothing in Clauses here above shall in any way release the Contractor from any warranty or other obligations under this Contract.</p> <p>6. Goods specified as per the BoQ and Technical Specification shall be subject to inspection and tests at the manufacturer's works. The employer may, at its sole discretion, waive the inspection and tests for other minor items; however, the Contractor shall produce the tests certificates of those items before the Employer for the same.</p>
GCC 34.1	The Defects Liability Period is: 365 days.
D. Cost Control	
GCC 37.1 (d)	<p><i>Add this new sub-clause:</i></p> <p>The quantities entered in the Price Schedule are only estimated quantities. After detailed site investigation and design, the Contractor shall prepare a final Price Schedule within 3 months from the date of Contract Signing and submit to the Manager for approval. The Contractor shall agree to make no claims for anticipated profit or alleged losses because of any difference between the quantities actually furnished and erected and the estimated quantities in the Contract.</p> <p>NEA reserves the right at the time of award of contract or within six months from the effective date of contract to increase or decrease the quantities of the Price-schedule by up to fifteen percent (15%) of the contract price. Taking this into consideration, the Bidder shall present a fairly balanced <i>price on Bill of Quantities</i>.</p>
GCC 41	<p><i>Delete sub-clauses 41.1, 41.2 and 41.3 and replace with the following:</i></p> <p><u>A. General</u></p> <p>Payment for plant & equipment, materials, insurance, clearing, forwarding and transportation up to site, construction and installations shall be made only in local currency, i.e. in Nepali Rupees. For this Bid there is no provision for L/C opening.</p> <p>The payment shall be made in the following manner:</p>



B. Advance Payment

Up to 10 % (Ten percent) of total Contract price may be payable against unconditional bank guarantee issued by A class commercial bank in two installments as follows:

1. 5% after the signing of agreement for the mobilization of contractor's team at the site.
2. The remaining 5 % is conditional and shall be payable to the contractor if and only if the contractor submits pre construction survey (PCS) report, structural data sheet (SDS) and final BOQ for approval strictly within the work schedule which shall be finalized during contract agreement. No additional mobilization is paid for delayed PCS Report.

The advance payment shall be deducted in proportion to each and every running bill submitted by the contractor. The advance bank guarantee shall be made valid up to the entire contract period.

C. Progress Payment

- i. Payments to the Contractor for progress payments shall be made by the Employer to the Contractor within reasonable time after receipt of invoices. The invoices shall include following documents:
 - Inspection reports
 - Bill of lading/truck receipt
 - Original insurance policy in the joint name of Employer and Contractor
- ii. Payments to be made to the Contractor by the NEA other than progress payments shall be made in accordance with the relevant clauses governing each type of payment.
- iii. All payments to the Contractor for work performed under the Contract shall be in Nepalese Rupees in accordance with supply and delivery and erection (construction & installation) items unit prices pursuant to the Bill of Quantities/Price Schedules.
- iv. Progress Payment shall be made only after the completion of work under any construction unit complete as mentioned in BOQ as per standard drawing, specification and as directed by the Manager.

Supply & Delivery:

The Employer shall not make any payment against materials delivered at sites.

Erection (Construction & Installation):

- i. Payments shall be made adhering to actual measurements at site strictly. For any variations in quantity the unit rate of the bid shall prevail.
- ii. Progress Payment shall be made only after the 40% of the completion of work as mentioned in Bill of Quantities as per standard drawing, specifications and as directed by the Project Manager.

TDS as per prevailing rules shall be deducted from the amount payable, shall be deposited by Employer in relevant Inland Revenue Office.

Retention Amount

Five percent (5%) from each progress payment for supply of Plant and Materials; Insurance, Clearing, Forwarding and Inland Transportation to Site; and Construction



	<p>and Installation works shall be retained. The following conditions shall be fulfilled for the payment of such retained amount:</p> <p>(a) 5% retention amount shall be paid against issuance of Defect Liability Certificate. This Certificate shall be issued upon receipt of income tax clearance certificate by Government of Nepal (GON), Internal Revenue Department (IRD) and custom clearance documents showing the re-export of all the returnable items or tax payment Certificate for items disposed in the Country including fulfillment of all outstanding obligations. If the Contractor fails to clear all the required taxes, custom clearances and all outstanding obligations as mentioned above, such money shall be deducted from this portion of the Retention money.</p> <p>The Employer shall pay the Contractor the amounts certified by the Manager within 45 days from the date of approval of each certificate.</p> <p><u>Income Tax Deduction</u></p> <p>From each progress bill, an amount, as determined by the prevalent rules and regulations of GOVERNMENT OF NEPAL, shall be deducted and deposited with the concerned Tax Department in the Country as a deposit towards Contractor's income tax.</p>
GCC 42.1	<p><i>Delete sub-clause 42.1 (e), (f), (g) & (i)</i></p>
GCC 44	<p><i>Delete sub-clause 44.1 and replace with the following:</i></p> <p>1. In the country of Origin</p> <p>The prices bid by the Contractor shall include all taxes, duties and other charges imposed outside the Employer's country on the production, manufacture, sale and transport of the Contractor's Equipment, Plant, Materials and supplies to be used on or furnished under the Contract, and on the services performed under the Contract.</p> <p>2. In Nepal</p> <p>General:</p> <p>(a) Unless otherwise specifically declared in the contract documents, the prices bid by the Contractor and its suppliers and subcontractors shall include business taxes and other taxes that may be levied in accordance with the laws and regulations in force or in effect in Nepal as of 28 days prior to the closing date for submission of tenders in the Employer's country on the Equipment, Plant, Materials and Supplies (permanent, temporary and consumables) acquired for the purpose of the Contract and on the services performed under the Contract. Whatsoever provisions made in the Contract document shall not relieve the Contractor, its suppliers and subcontractors from their responsibility to pay income tax that may be levied in the Employer's country on profits made by the Contractor, its suppliers and subcontractors in respect of the Contract.</p> <p>(b) Value Added Tax (VAT): if not included in the costs while submitting bids by the Contractor, sub contractor or its nominated sub contractor, shall be eligible for refund on all imported equipment and materials to be supplied and delivered exclusively for use in the Project.</p> <p>(c) In the event that the origin of any of the contractor's or its subcontractor's or the nominated subcontractor's plant, equipment and materials is India or third</p>



country, the provisions for the exemption of customs duties and VAT as per regulation of GoN, as mentioned in this clause shall be applied. For such provision, the Contractor must submit the request for the Custom, VAT exemption along with all supporting documents as required by GoN.

- (d) The Employer will bear custom duty, VAT, any license fee and contribution levied by the Tax Department of GOVERNMENT OF NEPAL on above imported Plant and VAT (13%) on Plant procured directly from local manufacturers.
- (e) Thirteen percent (13%) VAT will be levied on Construction and Installation. The Employer will pay this VAT to the Contractor on each bill and the Contractor shall be responsible for payment of the same to the concerned tax authority in the Country.

Failure to comply with this regulation may result in imposition of full customs duties, VAT, etc. as per prevalent rules and regulations of GOVERNMENT OF NEPAL. In such case, the additional taxes and duties, including VAT, shall be borne by the Contractor.

Staff Income Tax:

The Contractor's staff, personnel and laborers, and those of its subcontractors, will be liable to pay personal income taxes in the Employer's country, irrespective of whether they are local or foreign nationals on income earned including salaries and wages as applicable under the laws and regulations of Nepal. The Contractor shall perform such duties in regard to Tax Deduction at Source (TDS) thereof as may be applicable by such laws and regulations.

Import License:

The Contractor shall inform the Employer and the Project Manager in writing the details of the equipment and materials to be imported into Nepal for use on the Works at least 56 days prior to arrival of shipment at disembarkation port, and shall submit a formal written request for assistance from the Employer for importation processing. The Employer will assist the Contractor to obtain necessary permits for import of such equipment and materials into Nepal. Import license fees or any other charges shall be at the cost of the Contractor. The Contractor shall be responsible for transport from the Port of disembarkation to the Site or location of the Works. The Contractor shall be fully responsible to determine these rates and the amount payable at the time of preparing tender document and include such costs in its bids. In failing to do so, the Employer shall not be liable to pay such costs and the Contractor shall pay such charges as local or any customs authorities en-route may impose, which will not be an eligible item for refund from the Employer.

Duties on Equipment, Plant, Materials and Supplies:

- (a) Notwithstanding the provisions of this document, the Contractor's Plant and Equipment, including essential tools thereof, imported for the sole purpose of executing the Contract on condition of re-export upon completion of the Works, shall be exempt from payment of customs duties, VAT and applicable taxes. However, the Contractor shall deposit the amount or provide a Bank Guarantee to the GON Customs office equal to amount of customs duties and other taxes as per the prevailing laws, rules and regulations of Nepal for those imported equipment, plant, materials and supplies at the time of import. Such deposited amounts shall be refunded, or the Bank guarantee cancelled by the Customs Office after Re-export of those imported equipment, plant, materials and supplies.
- (b) Any plant, materials or supplies imported by the Contractor for the performance



	<p>of the Works but not incorporated in the Works shall be taken out of Nepal within 90 (Ninety) days from the date of issuance of the Performance Certificate. If the Contractor disposes off or consumes any equipment, spare parts, materials or supplies within Nepal, it shall pay all customs duties, VAT, income tax on the sales proceeds and taxes applicable on such items under the laws and regulation of Nepal in force.</p> <p>(c) Equipment, plant, materials and supplies, imported by the Contractor for execution of the Works, shall be subject to payment of customs duty at a special rate of one percent (1%) of CIP or Customs entry point value. This customs duty shall be paid by the Contractor at the time of import and will be reimbursed by the Employer to the Contractor upon submission of the original receipt issued by the Customs Department.</p> <p>(d) VAT shall be exempted on all imported materials & equipment purchased for the use in the Works (shall be reimbursed by the Employer in case the Employer is unable to avail exempt facility).</p> <p>(e) VAT applicable on plant & equipment supplied directly from manufacturing plant in the Employer's country shall be reimbursed.</p> <p>(f) The Contractor shall maintain records satisfactory to the Employer documenting use of all Plant, Materials and Supplies imported into and/or procured for the performance of the Works. If any of such Plant, Materials and/or Supplies, imported into Nepal or otherwise supplied to the Project at a special or preferential rate of Customs Duties or taxes, are misused or found to be used or appropriated for any purpose other than the Project, the Contractor shall be held fully responsible, and liable to pay customs duties, VAT and other taxes and/or any penalties as may be imposed in accordance with the prevailing laws and regulations of Nepal.</p> <p>(g) Income tax assessed in accordance with the prevailing Income Tax Act of Nepal and as per the provision of any specific Double Taxation Agreement, shall be imposed on the Contractor, its sub-contractors and nominated sub- contractors. An advance income tax as per the prevailing income Tax Act and Finance Act shall be deducted from the monthly progress payment of the Contractor.</p> <p>(h) The Contractor shall pay all duties, taxes, fees and contributions levied in Nepal in Nepalese Rupees as directed by the relevant governmental department or office, or any other local statutory agency or body in accordance with the relevant rules and regulations.</p> <p>(i) The provisions of this clause shall apply equally to foreign subcontractors or nominated subcontractors of the Contractor employed for the Works.</p> <p>(j) The Contractor and any foreign subcontractors or nominated subcontractors employed on the Works, if not already registered in Nepal, shall be required to get registered with the Inland Revenue Department (IRD) for the purpose of the Contract, which shall be undertaken within 28 days after signing of the Contract Agreement. The Contractor, sub-contractor or the nominated subcontractor shall submit certified copies of the Registration Certificate(s) to the Manager within 14 days of registration.</p> <p>(k) Other local fees and charges (toll taxes) shall be applied in accordance with the prevailing laws and regulations of Nepal.</p> <p>The Contractor shall pay all applicable customs & taxes and the Employer shall reimburse the same at the earliest.</p>
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	<p>Locally available goods, construction materials including fuel, lubricating oil, cement, timber, iron and steel goods, etc. shall be procured locally. All taxes for such goods procured from the local market shall be included in the Contract Rates and Prices and no reimbursement or payment in that respect shall be made to the Contractor.</p> <p>Payments shall be made in Nepalese currencies</p>
GCC 45	Delete Clause 45.1 to 45.10. This is fixed price contract.
GCC 46.1	The proportion of payments retained is: 5% of each invoice of the contract amount.
GCC 47.1	The liquidated damages for the whole of the Works are 0.05% per day . The maximum amount of liquidated damages for the whole of the Works is 10 % of the final Contract Price.
GCC 48.1	Delete this clause.
GCC 49.1	The Advance Payment shall be 10% of the initial Contract price excluding the provisional sums, day works and VAT and shall be made to the Contractor as per SCC (Clause GCC 41).
GCC 49.3	<p><i>The Advance Payment will be recovered as follows:</i></p> <p>Deduction shall be at the rate of 10% of the respective invoices until such time as the advance payment has been repaid.</p>
GCC 50.1	<p>The Performance Security shall be for the following minimum amounts equivalent as a percentage of the Contract Price: Five percent (5%) (Clause ITB 38.1) and an additional amount of 8% of the Contract price if the Employer has increased the Performance Security amount pursuant to ITB Sub Clause ITB 32.5</p> <p>The standard form(s) of Performance Security acceptable to the Employer shall be "an Unconditional Bank Guarantee" acceptable to the Employer of the type presented in Section IX of the Bidding Documents.</p>
E. Finishing the Contract	
GCC 53.1	<p>Replace the whole clause with following</p> <p>The Contractor shall request the Project Manager to issue a certificate of Completion of the Works, after completion of the Works in accordance with the Contract, including Tests on Completion. A pre-requisite for such request is that the entire Work has been subjected to normal operating stresses for at least two (2) months and that no defects or elements of danger have developed during this period (except for minor outstanding work that does not affect the use of the Works or Section for their intended purpose). The Employer's right to subject part of the Work to normal operating stresses during the course of execution is not affected by the provisions of this article.</p> <p>When the Employer/Employer's Representative is satisfied that the whole Works have been completed and has established that the individual components are impeccable in all respects and fulfill the stipulated conditions, and after any defects that may have come to light have been remedied, a Taking-Over Certificate will be issued by the Employer's Representative with copy to the Employer. The right to determine whether or not the whole Work is completed rests with the Employer/Employer's Representative.</p> <p>If the Works are divided into Sections, the Contractor shall be entitled to apply for a Taking-Over Certificate for each Section.</p>



	<p>The issuance of the Taking-Over Certificate marks the beginning of the Defect Liability Period.</p> <p>The Employer can 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: the Contractor shall then complete such work before issuing a further notice under this Sub-Clause.</p>
GCC 56.1	<p><i>The date by which operating and maintenance manuals are required is: Prior to the issuance of the Certificate of Completion.</i></p> <p><i>The date by which "as built" drawings is required is: Prior to Completion Certificate.</i></p> <p>Moreover, should any change is required in the "as-built" drawings because of rectification of any defects within the Defects Liability Period, such changes shall be incorporated and "as-built" drawings shall be updated accordingly before issuance of the Final Acceptance Certificate.</p>
GCC 56.2	<p>The amount to be withheld for failing to produce "as built" drawings and/or operating and maintenance manuals by the date required in GCC 58.1 is: Full value of last Invoice.</p>
GCC 57.2 (g)	<p>The maximum number of days is: <i>consistent with clause 47.1 of liquidated damages.</i></p>
GCC 61.1	<p><i>The percentage to apply to the value of the work not completed, representing the Employer's additional cost for completing the Works, is: 50%.</i></p> <p>The Manager has to obtain the specific approval of the Employer for taking any of the following actions:</p> <ol style="list-style-type: none"> Approving subcontracting of any part of the works under General Conditions of Contract Clause 7; Certifying additional costs determined under General Conditions of Contract Clause 42; Determining the extension of the intended Completion Date under General Conditions of Contract Clause 27; Issuing a Variation under General Conditions of Contract Clause 1 and 38, except in an emergency situation, as reasonably determined by the Manager; emergency situation may be defined as the situation when protective measures must be taken for the safety of life or of the works or of adjoining property. There shall be no changes in unit rates quoted by the contractor pursuant to clause 37 of General Conditions of Contract.
GCC 64	<p>Add the Clause 64 in GCC with followings Sub Clauses:</p> <p>64.1 Inspection and Tests</p> <ol style="list-style-type: none"> General <p>The quality, workmanship and performance of all items and the Works or equipment (raw materials, components, intermediate assemblies and end products) shall be subject to inspections and tests by the Employer / Employer's Representative to the extent practicable, at the relevant locations and in any event prior to Taking Over. Unless otherwise directed, testing and inspection shall be done according to the best commercial method for the particular type and class of work.</p>



The Employer / Employer's Representative shall be entitled at all reasonable times before and during the periods of design, manufacture, shipment, site erection, commissioning and guarantee period to inspect, examine and test the design work, materials and workmanship of all work and equipment to be supplied under the Contract, and if part of the Work or equipment is being manufactured on other premises, the Contractor shall obtain for the Employer / Employer's Representative permission to inspect, examine and test as if the said Works or equipment were being manufactured on the Contractor's premises. The inspection, examination or testing, if made, shall not release the Contractor from any responsibility and obligation under the Contract. Work and equipment not manufactured or erected in accordance with the Contract shall be removed by the Contractor at his own expense.

Inspectors and other properly authorized representatives of the Employer / Employer's Representative shall be free at all times to perform their duties, and any intimidation or attempted intimidation of any one of them by the Contractor or by any of his employees or Sub-Contractor shall be sufficient reason, if the Employer so decides, for the termination of the Contract.

The Contractor shall furnish all reasonable aid and assistance required by the Employer / Employer's Representative, or inspectors, for the proper inspection and examination of the Work and all parts thereof. For tests on the premises of the Contractor or of any Sub-Contractor or at Site (unless otherwise stated in the Specifications), the Contractor shall provide at his expense such as means of access, space, vehicles, machines, labor, materials, electricity, fuel, stores, apparatus and instruments, as well as make available the use of all Contractor's facilities as may be required and as may be demanded reasonably to perform these tests efficiently.

The Contractor shall analyze and test all materials and equipment, which the Employer / Employer's Representative requires to be analyzed or tested. Selection of samples for testing material or equipment shall be made by the Employer / Employer's Representative. The Contractor shall analyze and test these materials and equipment in the manner and at the time and place stated in the Contract Documents or required by the Employer / Employer's Representative in accordance with the provisions of the Contract.

Under completion of manufacture at the factory, the Employer will depute his personnel to the Contractor's factory to witness the fabrication, assembly and testing of any or all parts of the equipment and materials as specified in Sub-Clause 64.2 of SCC.

Unless waived in writing by the Employer / Employer's Representative or unless otherwise stated in the Specifications, all inspections and tests shall be made in the presence of the Employer / Engineer or inspector authorized by the Employer.

Only those materials and parts of the Work and equipment, which have been approved by the Employer / Engineer shall be used and shipped.

B. Cost of tests borne by the Contractor

Unless otherwise specified, all costs related to the fabrication, assembly and test or tests shall be arranged and borne by the contractor at its own cost. This shall apply to tests performed at the Site or elsewhere.

c. Dates for inspection and testing

The Contractor shall agree with the Employer / Employer's Representative the date on and the place at which any Work will be ready for testing as provided in the



Contract and if the Employer / Employer's Representative fails to attend at the place so named on the date agreed the Contractor may proceed with the tests, which shall be deemed to have been made in the Employer / Employer's Representative presence, and shall forthwith forward to the Employer / Engineer duly certified copies of the test readings.

D. 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, labor, materials, electricity, fuel, stores, apparatus and instruments as may be requisite and as may be reasonably demanded to carry out such tests efficiently.

E. Rejection

If as a result of such inspection, examination or test of the Work the Employer / Employer's Representative shall decide that such Work is defective or not in accordance with the Contract he shall notify the Contractor accordingly stating in writing his objection and reasons therefore, the Contractor shall with all speed make good the defect or ensure that the Work complies with the Contract. Thereafter, if required by the Employer / Employer's Representative, the tests shall be repeated under the same terms and conditions and all expenses borne by the contractor.

All costs incurred by the Employer by the repetition of the tests or false calls shall be borne by the Contractor. Any delay in delivery due to retest or false call shall not constitute a release of the Contractor for his responsibilities for delay.

F. Commissioning

Commissioning shall be defined as those parts of the tests on completion which include the trial runs and operational tests to be carried out in order to put equipment into service under real operating conditions. Commissioning shall take place in accordance with the instructions of the manufacturers of the relevant parts of equipment.

