PROCUREMENT MANUAL

FOR

BIODIVERSITY CONSERVATION AND RURAL LIVELIHOOD IMPROVEMENT PROJECT

MINISTRY OF ENVIRONMENT & FORESTS
(GOVERNMENT OF INDIA)
NEW DELHI
March 2011
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**Acronym**

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### Acronym/Abbreviation

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<th>Description</th>
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<tr>
<td>BCRLIP</td>
<td>Biodiversity Conservation and Rural Livelihood Improvement Project</td>
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<tr>
<td>BIS</td>
<td>Bureau of Indian Standards</td>
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<td>BOQ</td>
<td>Bill of Quantities</td>
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<td>CG/CGL</td>
<td>Consultant Guidelines</td>
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<td>CIG</td>
<td>Common Interest Group</td>
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<td>CIP</td>
<td>Carriage and Insurance Paid (Place of destination)</td>
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<td>CQS</td>
<td>Selection Based on Consultant Qualification</td>
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<td>CSWB</td>
<td>Central Social Welfare Board</td>
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<td>Dg Market</td>
<td>Development Gateway Market</td>
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<td>DGIS&amp;D</td>
<td>Directorate General of Supplies and Disposals</td>
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<td>EAP</td>
<td>Externally Aided Project</td>
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<td>EDC</td>
<td>Eco-development Community</td>
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<td>EDS</td>
<td>Eco-development Society</td>
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<td>EOI</td>
<td>Expression of Interest</td>
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<td>FBS</td>
<td>Selection Based on Fixed Budget</td>
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<td>FDA</td>
<td>Forest Development Agencies</td>
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<td>GIS</td>
<td>Geographical Information System</td>
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<td>GOI</td>
<td>Government of India</td>
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<td>GP</td>
<td>Gram Panchayat</td>
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<td>ICB</td>
<td>International Competitive Bidding</td>
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<td>IDA</td>
<td>International Development Association</td>
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<td>ITB</td>
<td>Instructions to Bidders</td>
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<td>IFB</td>
<td>Invitation for Bids</td>
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<td>IFD</td>
<td>Integrated Finance Division</td>
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<td>ITC</td>
<td>Instructions to Consultants</td>
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<td>JFMC</td>
<td>Joint Forest Management Committee</td>
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<td>LCS</td>
<td>Least Cost Selection</td>
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<td>LOI</td>
<td>Letter of Invitation</td>
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<td>LPP</td>
<td>Last Purchase Price</td>
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<td>MIS</td>
<td>Management Information System</td>
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<tr>
<td>MOU</td>
<td>Memorandum Of Understanding</td>
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<td>MoEF</td>
<td>Ministry of Environment &amp; Forests</td>
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<td>NCB</td>
<td>National Competitive Bidding</td>
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<td>NGO</td>
<td>Non Government Organization</td>
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<td>NS</td>
<td>National Shopping</td>
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<td>PMU</td>
<td>Project Management Unit</td>
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<td>PRA</td>
<td>Participatory Rural Appraisal</td>
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<td>PWD</td>
<td>Public Work Department</td>
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<td>QBS</td>
<td>Quality Based Selection</td>
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<td>QCBS</td>
<td>Quality and Cost Based Selection</td>
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<tr>
<td>RFP</td>
<td>Request for proposal</td>
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<td>SHG</td>
<td>Self Help Group</td>
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<td>SOE</td>
<td>Statement of Expenditure</td>
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<td>SSS</td>
<td>Single Source Selection</td>
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<tr>
<td>TOR</td>
<td>Terms of Reference</td>
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<td>UNDB</td>
<td>United Nations Development Business</td>
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<td>VSS</td>
<td>Village Sangrakshan Samiti</td>
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<td>VFDC</td>
<td>Village Forest Development Committee</td>
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<td>VP</td>
<td>Village Panchyat</td>
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<tr>
<td>PVSS</td>
<td>Village Panchyat Samiti</td>
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<tr>
<td>VLO</td>
<td>Village Level Organization</td>
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CHAPTER I
INTRODUCTION

1.1 The Project

1.1.1 The Ministry of Environment and Forests, Government of India, has embarked on an Externally Aided “Biodiversity Conservation and Rural Livelihood Improvement Project” (BCRLIP), in globally and nationally important landscapes and knowledge centres under different management regimes and its replication elsewhere in the country.

1.1.2 The Primary agency responsible for the project's is MOEF for which CSD under MOEF will be the nodal agency responsible for day to day coordination and implementation of BCRLIP.

1.1.3 The Procurement procedures and processes implementation will be done in accordance with the Procurement Manual for BCRLIP. The manual is intended for the use of project functionaries and communities while procuring all works, goods and consultancy services.

1.1.4 Standard procedures for procuring goods, works and services are described in respective chapters.

1.1.5 Community procurement chapter is added to facilitate procurement at community level and shall be made available to the community functionaries in the local language

1.2 Procurement Manual:

The Procurement Manual is based on the following Bank Guidelines:


ii) Guidelines Selection and Employment of Consultants Under IBRD Loans And IDA Credits & Grants by World Bank Borrowers, January 2011 for Consultancy services.

and will be applicable to the stakeholders in the implementation of BCLIP, namely, Project management Unit (PMU) at the Central Level, the State Societies/foundations and the Village level Community Organizations.

The objectives of the procurement manual are:

i. To bring consistency by laying down the procedures to be followed by the Project for procurement;

ii. to familiarize the project authorities and stakeholders with the Bank’s procurement guidelines, bidding procedures and Bank’s standard bidding documents that are to be followed in the project.

In case of any conflict between provision of this manual and Bank Guideline the Guideline shall prevail.
1.3 Modification to Manual:

The Manual shall be a reference tool for the project implementation by the partners/stakeholders and related agencies, Contractors and Suppliers for procurement of goods, works and services. The guidelines and procedures for procurement of goods, works and services are however, subject to modification with the approval of Bank and GOI in case of any peculiar circumstances and where situation so warrants.

1.4 REFERENCE TO THE WORLD BANK / IDA: The terms “World Bank” or “Bank” used in the manual refer to “The International Bank for Reconstruction and Development (IBRD)” which shall also include “International Development Association (IDA)” and where any clearance or approval requirements or other references have been made, the same would imply to the IDA as well.
CHAPTER II
PROCUREMENT ARRANGEMENT, PLAN AND IMPLEMENTATION

2.1 Procurement Arrangements

2.1.1 Procurement will be carried out in accordance with the World Bank's "Guidelines i) Procurement of Goods, Works and Non-consulting Services Under IBRD Loans And IDA Credits & Grants By World Bank Borrowers, January 2011 for Goods, works and non consulting services. ii) Guidelines Selection and Employment of Consultants Under IBRD Loans And IDA Credits & Grants by World Bank Borrowers, January 2011 for Consultancy services and the agreed procedures described in the Legal Agreements. All civil works, goods and services would be procured using Bank’s Standard Bidding documents (SBD) and Standard Request for Proposal (RFP) as modified with Government of India Task Force. These documents provide detailed instructions on procedures to be followed along with the suggested formats for preparation of evaluation reports, and other procurement documentation.

2.1.2 The basic considerations guiding procurement in Bank financed projects are:

- the importance of transparency in the procurement process;
- need for economy and efficiency in the execution of the project;
- to give an opportunity to all eligible national and international bidders to compete;
- to achieve specific social objectives like increasing the utilization of local resources and know-how or employing labour intensive technologies, etc.

2.1.3 For selecting the consultants following considerations guide the Bank’s policy on the selection process:

- the need for high-quality services,
- the need for economy and efficiency,
- the need to give all qualified consultants an opportunity to compete in providing the services financed by the Bank,
- the Bank’s interest in encouraging the development and use of national consultants in its developing member countries, and
- the need for transparency in the selection process.

2.1.4 The various items under different expenditure categories are described in general below. For each contract to be financed by the Credit, the different procurement methods or consultant selection methods, the, estimated costs, prior review requirements, and time frame are agreed between the Borrower and the Bank in the Procurement Plan.

2.2 Procurement Plan:

2.2.1 Procurement plan is essentially planning of what procurement of goods, works and consultants is to be carried out and at what time during the year. Thus preparation of a procurement plan is a necessary requirement. It is a tool for proper monitoring and execution of procurement activities.

2.2.2 Procurement Plan shall include description of contracts for the goods, works and for services required to carry out in the project, consistent with project principles, the estimates after technical and administrative approval and proposed methods for procurement over the total agreed implementation period under loan/ credit agreement. The procurement shall be consistent with budgetary allocations. The Procurement Plan shall be updated annually or as needed throughout the duration of the project. The Procurement Plan is critical for:
o Ensuring satisfactory implementation of the project;
o Ensuring speedy transfer of resources by way of disbursement;
  o Achieving economy and efficiency; and
  o Ensuring success of the project.

2.2.3 A sound procurement plan and public procurement is a vital arm for promoting good governance and better fiscal management of the project.

Under Procurement Plan, works, goods and services to be procured are identified year-wise over the project implementation period. The details shall be worked out in terms of number of micro plans to be covered, procurement of goods, equipment, vehicles, furniture etc. year-wise over the project period. Similarly details of consultancy services to be hired in terms of estimation of man months, estimated cost, method of selection of consultant year-wise over the project period. These details shall be projected in the format provided in the annexure of the procurement plan.

2.2.4 For procurement of works, goods, equipment etc. suitable package shall be framed which shall be determined by below noted factors, namely

- Time limits
- Economies of scale
- Nature of goods and works required
- Geographical location (dispersal of works)
- Capacity of Contracting Agencies

However the packages would not be split to resort to procurement under less competitive method. Procurement plan covering civil works, supply of equipment, goods and services including consulting services shall be updated annually at the end of calendar year of the project in the format agreed with the World Bank. Those contracts which are expected to be awarded in the next financial year shall be mentioned in the procurement plan of that year. This plan may be modified during the year as needed, after getting clearance from the Project Director and no objection from the World Bank. Draft procurement plan shall be prepared and furnished to the Bank for its approval at the end of calendar year in order to ensure that the same is finalized before the commencement of the financial year. The procurement plan will set forth

i. the particular contracts for the goods, works and/or services required to carry out the project during the financial year.
ii. the proposed methods for procurement of such contracts with their estimated costs, procurement schedule in accordance with the procedures agreed in the financing agreement, and the related bank review procedures.

2.2.5 The Bank will disclose the Procurement Plan to the public after the related loan / credit has been approved including subsequent disclosure of additional updates after the Bank has approved them.

2.3 Procurement Implementation: Institutional Structure

2.3.1 National Level: The Ministry of Environment and Forests (MOEF) will be overall responsible for overseeing the implementation of the project, ensuring timely release of funds and reporting. The CS Division under MOEF will assisting with project supervision, coordination, capacity building and ensuring the replication of participatory landscape concepts to other sites.
in the country during and after the project period. The CS Division will be supported by a small team to facilitate intensive learning, coordination and supervision in regard to and, procurement.

2.3.2 State level: States have a Society or Foundation (registered under an appropriate Act) for implementation and monitoring of project activities. The Society will be responsible for convergence and integration of sector plans, mainstreaming of biodiversity conservation concerns, enhancing rural livelihood improvement, facilitating the settlement of rights and resource use conflicts and enhancing access and benefits of conservation to local communities within the landscape. The Chief Executive Officer (CEO) of the Society will be the key executive for the coordination and implementation of the project at the landscape level.

2.3.3 Landscape, Divisional and District Level: Below the State level, there will be Landscape, Divisional and District Level Project Facilitation Teams, as relevant, who will be directly recruited by the project or out-sourced to NGOs or specialized service providers for field based facilitation and implementation of activities.

2.3.4 Village Level: At the community level, in some of the project sites it is envisaged that the Forest Development Agencies (FDAs) will play an intermediary role between the community groups and members at the village level. Planning and implementation of reciprocal commitments to conservation and investments at the village level will be implemented through existing community institutions, such as the Village Council, Gram Panchayat, Van Panchayat or similar active institution, depending on conditions within the landscape site. These could be Village Sangrakshan Samiti (VSS), Eco Development Societies (EDS), Village Forest Development Committees (VFDC), Joint Forest Management Committees (JFMC), etc and in certain project specific inputs there would be community groups such as User Groups, Self Help Groups (SHG), Common Interest Groups (CIG) and their federations such as cooperatives and producer companies. Households at each village will be organized into user groups. Such groups will be collectively responsible for formulation of community-level micro-plans, prioritizations of investments, ensuring community reciprocal commitments and participatory monitoring of biodiversity and socio-economic impacts.

2.3.5 Support Organizations: The IA at State or Community level may seek the services of the SO for providing technical and community development support to the community institutions with appropriate expertise. The SO would be contracted in accordance with Bank guideline and procedures to assist with micro-planning, procurement and capacity building at the community level as well as for independent monitoring of social and economic impacts of the project interventions.

2.4 Financial Delegation

2.4.1 Headquarters: Power to procure all the goods, equipments, and award of contract is vested with the Joint Secretary (CS), MoEF. Further power to award contracts for goods & equipment and services is conferred as follows:

(i) Joint Secretary will have full powers for according approval for the procurement of goods, equipments and services up to Rs. 5.00 lakhs at a time.

(ii) For contracts beyond Rs. 5.00 lakhs up to Rs 50.00 lakhs in each case a Sub Committee comprising of

a. Joint Secretary (CS)

1 FDAs are federations of VSSs/EDCs at the Forest Division or Wildlife Sanctuary Level.
b. Director (IFD), MoEF

c. Additional Director (EAP)

will consider the evaluation reports and other relevant information and accord approval for such contracts:

2.4.2 State Governments: The societies / foundations shall, by resolution in the committee delegate to the chairman, Member Secretary and other officers / employees of the society such of its power for the contract of the affairs of the society as it may consider necessary or desirable.

2.5 Procurement Review:

Procurement review refers to auditing of files and documents relating to the procurement of Goods, works and consultancy services. Procurement review is basically carried out to ascertain whether the procurement procedures were correctly and completely followed, both in letter and spirit. It brings out omissions/commissions and lapses, whether on account of poor or inadequate understanding of the procedures or willful negligence including likely fraud/corruption evidence during the review. The report and observation of procurement review therefore, also serve as a guide for taking remedial measures to streamline and improve the procurement system. The procurement review covers the following aspects:-

1. Whether the procurement plan was prepared?
2. Whether the procurement was made as per the procurement plan?
3. Whether the method adopted for procurement was as per the threshold limits given in the procurement manual?
4. Whether the procurement sub-committee and involved in the procurement procedure?
5. Whether the overall procurement was done within a reasonable time?
6. Whether there was any avoidable delay at any stage/stages of the procurement process?
7. Whether the necessary approval was taken from appropriate authority wherever required?
8. Whether proper and adequate documents relating to procurement were maintained?
9. Whether the technical and financial evaluation was done properly and in affair manner?
10. Whether the contracted firm, supplied the goods or executed the work as per the quality, quantity and price agreed upon?
11. Whether the goods were supplied or works executed in time and properly recorded in stock books/works registers after inspection?
12. Whether the payment was made to the supplier/contractor in time? If not, reasons for delay.

The procurement review shall be done by the following
2.5.1 **Statutory Auditors** : The statutory audit of the Program will be conducted by the Comptroller and Auditor General of India, who will also review the procurement procedures adopted and give a report accordingly. The review shall be done both at the Department level (MOEF) and at the State level (Society/Foundation/VSS/VP/VLO).

2.5.2 **Internal and Concurrent Audit**: The Internal auditor’s (Firm of chartered accountants) will be appointed by the concerned State for conducting the Financial Audit of the State Society/Foundation. Internal Audit will be conducted every Year at State level. The TOR of financial audit will include adequate requirement to cover issues on procurement. The auditor will carry out the review of procurement procedures adopted for civil works, goods and consultancy services.

2.5.3 **By The World Bank**: In addition, the World Bank will have the right to carry out the prior and post review of the contracts for both MoEF, State and Village level. All documents related to procurement should be filed and kept systematically and safely. Societies / foundations will be audited annually by the auditors approved and appointed by the societies / foundations. The account of the society / foundation of Government fund, if any shall be open to the audit by the Accountant General of the concerned State Governments also. The concerned authorities will be required to make all relevant documentation available to the World Bank, as and when required.

2.6 **Risk Mitigation Action Plan**:

The above deficiencies and the other applicable deficiencies have been addressed by the following risk mitigation measures:

a) **Capacity Issues**: To address the capacity issue MOEF* shall appoint an individual procurement consultant with sufficient knowledge and hands on experience of Bank funded project who will provide oversight function for the entire procurement including for State societies. State societies will identify one point procurement person in each State. MOEF* will provide necessary hand-holding support. The point persons will undergo training in Bank procurement procedures. The focus of training shall be on procedure applicable for this Project.

b) **Training**: MOEF* will arrange for adequate training on regular basis through dedicated structured modules for the state societies/foundation. Provide structured training to the officials and improve the capacity for carrying out project related procurement.

c) **Procurement manual**: To ensure consistency, procurement will be carried out as per this procurement manual. This will help eliminate bias, prejudices, individual preferences and corruption while ensuring quality. Community driven procurement likely be done through a sub-committee in accordance with agreed procurement procedures to lower the risk.

d) **Monitoring Mechanism**: MOEF* will establish a clear monitoring mechanism and mandatory reporting requirement to ensure that all required information in regard to procurement from all implementing agencies, including MOEF* is available for review in a timely and regular manner.

*MOEF thru CS Division

e) **Social Audit**: A Social Audit Committee elected at the community level which will verify all procurement actions undertaken by VSS. At the community level locally appropriate disclosure processes and transparency mechanisms like wall writing,
translation of materials are required to be carried out. Social oversight would be in the nature of requirement of approval of all micro plans by the sub-committee and suo-moto disclosure by sub-committee of contract award data and material procurement data, including cost of procurement, and labor employment at the place of work.

f) Complaint Redressal Mechanism: Complaints redressal mechanism will be set up and it will be segregated in order of gravity. Senior officers may be asked to process serious cases and report in given timeframe. During supervision missions, regular review of progress in handling complaints will be undertaken. The MOEF* website will provide details on the redressal mechanism.

g) Information sharing and Disclosure requirements: Contract register will be maintained at the community level. The list of community and State societies contracts shall be compiled and made available to MOEF* by the state societies annually. MOEF* will maintain a project website. On the website the procurement plan, EOI, RFP, Bid documents shall be made available. The results of bidding (other than carried out by community) would be displayed on the website within a set time. The name of the committee members should also be made public through the website. All procurement information shall be shared during community meetings, through notice boards and if feasible through website. Putting visible signs in sites where works are being carried out by displaying the name of the contractor, scope of work being carried out, project cost and completion dates. Information in regard to all contracts carried out at Centre, State or district level will be regularly updated on the project website.

h) Record Keeping: To address inadequate record keeping MOEF* and State societies will maintain all records duly catalogued and indexed in a manner and the form which facilitates the right to information under the Right to Information Act, 2005 and ensure that all records that are appropriate to be computerized are, within a reasonable time and subject to availability of resources, computerized and connected through a network all over the state on different systems so that access to such records is facilitated.

i) Procurement Audit along with Financial Audit: For post review of the procurement done by IA including VSS/communities, the project will hire an independent consultant, whose terms of reference will be agreed with the Bank or include in the Financial audit contract requirement of a procurement person as key staff who will review the compliance of the agreed procedures. The report of this consultant will be made available to the Bank. The Bank will review the report of the consultant. In addition, the Bank may also carry out the post review of any contracts awarded by any IA.

Bidding Documents and NCB condition: For all procurement of Goods and works under NCB, the bidding documents shall be prepared following the Bank’s Standard Bidding Document and shall be agreed to with the Bank, before issuing the same for invitation of bids. The following conditions must be met in order for the bidding process under NCB to be acceptable to the Bank:

Only the model bidding documents for NCB agreed with the GOI Task Force [and as amended from time to time], shall be used for bidding;

i) Invitations to bid shall be advertised in at least one widely circulated national daily newspaper, at least 30 days prior to the deadline for the submission of bids;
ii) No special preference will be accorded to any bidder either for price or for other terms and conditions when competing with foreign bidders, state-owned enterprises, small-scale enterprises etc;

iii) Except with the prior concurrence of the Bank, there shall be no negotiation of price with the bidders, even with the lowest evaluated bidder;

iv) Extension of bid validity shall not be allowed without the prior concurrence of the Bank (a) for the first request for extension if it is longer than four weeks; and (b) for all subsequent requests for extension irrespective of the period;

v) Re-bidding shall not be carried out without the prior concurrence of the Bank. The system of rejecting bids outside a pre-determined margin or “bracket” of prices shall not be used in the Project;

vi) Rate contracts entered into by Directorate General of Supplies & Disposals will not be acceptable as a substitute for NCB procedures. Such contracts will be acceptable however for any procurement under Shopping procedures.

vii) Two or three envelop system will not be used.

2.7 Fraud and Corruption:

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

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

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

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

(iii) “Collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party;

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2 In this context, any action to influence the procurement process or contract execution for undue advantage is improper.

3 For the purpose of this sub-paragraph, “another party” refers to a public official acting in relation to the procurement process or contract execution. In this context, “public official” includes World Bank staff and employees of other organizations taking or reviewing procurement decisions.

4 For the purpose of this sub-paragraph, “party” refers to a public official; the terms “benefit” and “obligation” relate to the procurement process or contract execution; and the “act or omission” is intended to influence the procurement process or contract execution.

5 For the purpose of this sub-paragraph, “parties” refers to participants in the procurement process (including public officials) attempting either themselves, or through another person or entity not participating in the procurement or selection process, to simulate competition or to establish bid prices at artificial, non-competitive levels, or are privy to each other’s bid prices or other conditions.
(iv) “Coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;

(v) “Obstructive practice” is

(aa) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or

(bb) acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for under paragraph (e) below.

(b) will reject a proposal for award if it determines that the bidder recommended for award, or any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for the contract in question;

(c) will declare misprocurement and cancel the portion of the loan allocated to a contract if it determines at any time that representatives of the Borrower or of a recipient of any part of the proceeds of the loan engaged in corrupt, fraudulent, collusive, coercive or obstructive practices during the procuremen or the implementation of the contract in question, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur, including by failing to inform the Bank in a timely manner at the time they knew of the practices;

(d) will sanction a firm or individual, at any time, in accordance with prevailing Bank’s sanctions procedures, including by publicly declaring such firm or individual ineligible, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; and (ii) to be a nominated sub-contractor, consultant, supplier or services provider of an otherwise eligible firm being awarded a Bank-financed contract;

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6 For the purpose of this sub-paragraph, “party” refers to a participant in the procurement process or contract execution.

7 A firm or individual may be declared ineligible to be awarded a Bank financed contract upon: (i) completion of the Bank’s sanctions proceedings as per its sanctions procedures, including inter alia cross-debarment as agreed with other International Financial Institutions, including Multilateral Development Banks, and through the application the World Bank Group corporate administrative procurement sanctions procedures for fraud and corruption; and (ii) as a result of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding. See footnote 14 and paragraph 8 of Appendix 1 of these Guidelines.

8 A nominated sub-contractor, consultant, manufacturer or supplier, or service provider (different names are used depending on the particular bidding document) is one which has either been: (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid; or (ii) appointed by the Borrower.
(e) will require that a clause be included in bidding documents and in contracts financed by a Bank loan, requiring bidders, suppliers and contractors, and their subcontractors, agents, personnel, consultants, service providers or suppliers, to permit the Bank to inspect all accounts, records and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the Bank; and

(f) will require that, when a Borrower procures goods, works or non-consulting services directly from a United Nations (UN) agency in accordance with paragraph 3.10 of these Guidelines under an agreement signed between the Borrower and the UN agency, the above provisions of this paragraph 1.16 regarding sanctions on fraud or corruption shall apply in their entirety to all suppliers, contractors, service providers, consultants, sub-contractors or sub-consultants, and their employees that signed contracts with the UN agency.

As an exception to the foregoing, sub-paragraphs 1.16(d) and (e) will not apply to the UN agency and its employees, and sub-paragraph 1.16(e) will not apply to the contracts between the UN agency and its suppliers and service providers. In such cases the UN agencies will apply their own rules and regulations for investigating allegations of fraud or corruption subject to such terms and conditions as the Bank and the UN agency may agree, including an obligation to periodically inform the Bank of the decisions and actions taken. The Bank retains the right to require the Borrower to invoke remedies such as suspension or termination. UN agencies shall consult the Bank’s list of firms and individuals suspended or debarred. In the event a UN agency signs a contract or purchase order with a firm or an individual suspended or debarred by the Bank, the Bank will not finance the related expenditures and will apply other remedies as appropriate.

2.8 With the specific agreement of the Bank, a Borrower may introduce, into bid forms for contracts financed by the Bank, an undertaking of the bidder to observe, in competing for and executing a contract, the country’s laws against fraud and corruption (including bribery), as listed in the bidding documents. The Bank will accept the introduction of such undertaking at the request of the Borrowing country, provided the arrangements governing such undertaking are satisfactory to the Bank.

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9 As an example, such an undertaking might read as follows: “We undertake that, in competing for (and, if the award is made to us, in executing) the above contract, we will strictly observe the laws against fraud and corruption in force in the country of the [Purchaser] [Employer], as such laws have been listed by the [Purchaser] [Employer] in the bidding documents for this contract.”
CHAPTER III
PROCUREMENT PROCESS AND METHODS

3.1 Procurement Process Flow Chart:

ASSESSMENT OF REQUIREMENTS ↓
DECIDING PROCUREMENT STRATEGY ↓
MODE OF PROCUREMENT ↓
PREPARATION OF BID DOCUMENTS ↓
ADVERTISEMENT FOR INVITING BIDS ↓
ISSUE OF SALE OF BID DOCUMENT ↓
PRE BID MEETING ↓
RECEIPT AND OPENING OF BIDS ↓
EVALUATION OF BIDS ↓
SEEKING APPROVAL OF BANK WHEN APPLICABLE ↓
NOTIFICATION OF AWARD ↓
SIGNING OF CONTRACT ↓
INSPECTION AND QUALITY CONTROL ↓
COMPLETION OF WORKS AND HANDING OVER
3.2 Procurement Schedule and Plan

The size and scope of individual packages under Procurement Plan shall be decided based on the magnitude, nature and location of microplan; nature and kind of works and goods to be procured such that they are economically and efficiently consistent with the quality.

3.3 Methods of Procurement

The choice of appropriate method of procurement is related to the nature, size, and complexity, likely impact of the assignment, technical and financial considerations and particular circumstances of the assigned job. It is necessary to define the assignment, the objectives and scope of goods, works and services before deciding the selection process.

Method of procurement includes:

(a) Goods, works and services (other than consultancy services)

- International Competitive Bidding (ICB)
- National Competitive Bidding (NCB)
- Shopping
- Direct Contracting
- Force account
- Community Participation in Procurement

(b) Consultancy Services

- Quality and Cost Based Selection (QCBS)
- Quality Based Selection (QBS)
- Selection under a Fixed Budget (FBS)
- Least Cost Selection (LCS)
- Selection Based on Consultants Qualification (CQ)
- Single Source Selection (SSS)
- Individual Consultant (IC)

3.3.1 International Competitive Bidding (ICB):

- The method of procurement of goods, works and services is generally adopted where supplies need import and foreign firms are expected to participate irrespective of the value. However no ICB procurement is envisaged under the Project presently. If ICB is adopted in future, the following procedure read with provision of the Bank Guidelines would be followed.

- This requires adequate notification of client requirements to provide equal opportunity to bid for the required goods and works. The size and scope of individual contracts will depend on the magnitude, nature and volume of projects. For projects requiring similar but separate item of equipment or works, bids may be invited under alternative contract option that would attract the interest of both small and large firms, which could be allowed at their option, to bid for individual contracts (slices) or for a group of similar contract (package). All bids and combination of bids shall be received by the same deadline and opened and evaluated simultaneously so as to determine the bid or combination of bids offering the lowest evaluated cost to the client.

- For projects that include ICB the society / foundation is required to prepare and submit to the Bank a General Procurement Notice and Bank shall arrange for its publication in UN Development Business online (UNDB online) and the Development Gateway, dg Market.
Simultaneously it shall be published in at least one newspaper of national circulation and official website of foundation / society.

- The related prequalification or bidding documents, as the case may be, shall not be released to the public earlier than the date of publication of the General Procurement Notice.
- The prequalification is usually necessary for large or complex works or in any other circumstance in which the high cost of preparing detailed bids could discourage competition.
- Bidding preparation period shall be 45 to 90 days from date of start of sale of bidding document or invitation of bid which ever is later.
- The bidding documents shall include the details as in described in various paras that follow.
- Within two weeks of receiving the Bank’s ‘no objection’ to the recommendation of contract award, the foundation / society shall publish on website online and in dg market and the foundation / society website the results identifying the bids an lot numbers and the following information:
  
  (a) Name of each bidder who submitted a bid;
  (b) Bid prices as read out at bid opening;
  (c) Name and evaluated prices of each bid that was evaluated;
  (d) Name of bidder whose bids were rejected and the reasons for their rejection; and
  (e) Name of the winning bidder, and price it offered, as well as the duration and summary scope of the contract awarded.
  (f) Society / foundation will also advise the bidder that if a bidder wishes to ascertain the grounds on which its bid was not selected, it shall address its request to society / foundation.

- If after publication of results of evaluation society / foundation receives protests / complaints from the bidders, and if as a result of analysis of such protests society / foundation changes its contract award recommendation and the Bank accepts such changes, then the revised contract recommendations containing all the above details shall be published within 2 weeks in society / foundation online and in dg market and the foundation / society website.
- Goods and works estimated to cost USD 5,00,000 and USD 1,00,0000 respectively equivalent or more per contract will be procured under ICB procedure acceptable to the Bank.

3.3.2 National Competitive Bidding (NCB):

The project envisages procurement of various goods and equipments such computers, servers, printers, scanners, photocopiers, fax machines, UPS, hydrological measuring equipments, office equipments, training and communication equipments like digital cameras, video cameras, media equipments, furniture & fixtures, audio-visual equipments, vehicles, R&D equipments, etc. The requirement is multi states and over the project period of six years.

Goods and works estimated to cost USD 30,000 equivalent or more per contract will be procured under NCB procedure acceptable to the Bank. These tenders will be advertised at the national level in leading news papers for procuring goods or works. Foreign bidders will however be permitted to participate in the bidding but will be paid in the local currency only.

3.3.2.1 Steps to be followed under NCB:

3.3.2.1.1 issue of Invitation for Bids (IFB);
3.3.2.1.2 publication of IFB in National newspapers with wide circulation in India;
3.3.2.1.3 use of standard bidding documents;
3.3.2.1.4 sale of bidding documents after the publications and permitting adequate bidding period;
3.3.2.1.5 public opening of the bids and preparation of minutes of bid opening;
3.3.2.1.6 evaluation of bids without discrimination and strictly as per the clauses of the bid document;
3.3.2.1.7 award of contract to the lowest evaluated responsive bidder; and
3.3.2.1.8 monitoring performance of contract.

3.3.2.2. The entire NCB contracting shall follow the following conditions:

(a) Only the model bidding documents for NCB agreed with the GOI Task Force (and as amended from time to time) shall be used for bidding
(b) Invitations to bid shall be advertised at least in one widely circulated national daily newspaper, at least thirty days prior to the deadline for the submission of bids
(c) No special preference will be accorded to any bidder when competing with foreign bidders, state-owned enterprises, small scale enterprises or enterprises from any given state
(d) Except with prior concurrence of the Bank, there shall be no negotiation of price with the bidders, not even with the lowest evaluated bidder.
(e) Extension of bid validity shall not be allowed without the prior concurrence of the Bank (a) for the first request for extension if it is longer than four weeks; and (b) for all subsequent requests for extension irrespective of the period (such concurrence will be considered by Bank only in cases of Force Majeure and circumstances beyond the control of the purchaser/employer. Re-bidding shall not be carried out without prior concurrence of the bank. The system of rejecting the bids outside a pre-determined margin or “bracket” of prices shall not be used.
(f) Rate contracts entered into by DGS&D will not be acceptable as a substitute for NCB procedures. Such contracts will be acceptable for any procurement under shopping procedures.
(g) Two or three envelop system will not be used.

3.3.3 Shopping:

Packages of goods, equipments (including vehicles) and civil works estimated to cost less than US$ 30,000 equivalent per contract would be procured following Shopping procedures in accordance with Shopping method provisions of the Bank procurement guidelines. State Government rate contracts, or direct procurement through Super Bazar / Janata Bazar are not acceptable as a suitable alternative to Shopping. The rate list of these can however be considered as one of the quotations under the Shopping procedure. DGS&D rate contracts are acceptable for any procurement under the Shopping procedures.

MOEF /State Society-Foundation/VSS will follow Shopping method wherever specified, based on comparing price quotations obtained from at least three national suppliers or contractors, to ensure competitive prices. The shopping is simple and rapid procurement method and does not need complex documentation. This method will be followed for:

i. procuring small amounts of readily available off-the-shelf goods or standard specification items or simple civil works of small value
ii. procurement in emergency or for urgent relief-type operations including re-establishment of vital services like utilities, communication, shelter and vital supplies which stem from disaster or conflict.
3.3.3.1 Steps to be followed

3.3.3.1.1 Issue request for quotation.
3.3.3.1.2 Evaluate the quotations by preparing comparative statement
3.3.3.1.3 Select the lowest responsive offer
3.3.3.1.4 Issue purchase order

3.3.3.2 Calling Quotations

- Give description, specifications, quantity and time & place of delivery.
- Say that the contract shall be for the full quantity of each item.
- All duties, taxes and other levies payable on the raw materials and components shall be included in the total price.
- Sales tax in connection with the sale shall be shown separately.
- The rates quoted by the bidder shall be fixed for the duration of the contract and shall not be subject to adjustment on any account.
- The Prices shall be quoted in Indian Rupees only.
- Each bidder shall submit only one quotation.
- Quotations could also be obtained by telex or facsimile.
- Quotation shall remain valid for a period not less than 10 days after the deadline date specified for submission.
- The terms of the accepted offer shall be incorporated in a purchase order or brief contract.

3.3.3.3 Evaluation of Quotations

- The Purchaser will evaluate and compare the quotations determined to be substantially responsive i.e. the quotations which conform to the laid down terms & conditions, and specifications.
- The Quotations would be evaluated for all the item together or would be evaluated separately for each item (select one option and indicate in the quotation notice).
- Sales tax in connection with sale of goods shall be or shall not be taken into account in evaluation.

3.3.3.4 Award of contract

- The Purchaser will award the contract to the bidder whose quotation has been determined to be substantially responsive and who has offered the lowest evaluated quotation price.
- Purchase order should include:
- Description, specification and quantity along with price.
- Delivery period.
- Terms of delivery like free on rail (f.o.r.) station of dispatch or free delivery to the consignee.
- Payment terms

3.3.4 Direct Contracting:

Direct contracting is contracting without competition (single source) and may be appropriate under the following circumstances;
i. An existing contract for goods or works awarded in accordance with the laid down procedures may be extended for additional goods or works of similar nature. The Bank shall be satisfied in such cases that no advantage could be obtained by further competition and that prices on the extended contract are reasonable. Provision for such an extension, if considered likely in advance, shall be included in the original contract.

ii. Standardization of equipment or spare part compatible with existing equipment, may justify additional purchases from the original supplier. For such purchases to be justified, the original equipment shall be suitable, the number of new items shall generally be less than the existing number, the prices shall be reasonable, and the advantages of another make or source of equipment shall have been considered and rejected.

iii. The required equipment is proprietary and obtainable only from one source.

iv. The contractor responsible for a process design requires the purchase of critical items from a particular supplier as a condition of a performance guarantee.

v. In exceptional cases, such as in response to natural disasters.

After the contract is signed MOEF shall publish in UNDB online and in dg market the name of the contractor, price duration and summary scope of the contract. This publication may be done quarterly and in the format of summarized table covering the previous period.

### 3.3.5 Force Account:

Force account, that are works such as construction and installation of equipment and non-consulting services carried out by a Government department of the Borrower’s country using its own personnel and equipment\(^\text{15}\), may be the only practical method of procurement under specific circumstances. The use of force account requires that the Borrower sets maximum aggregate amounts for the use of Force Account, to which the Bank shall give its no objection, and applies the same rigorous quality checks and inspection as for contracts awarded to third parties. Force account shall be justified and may only be used, after Bank no objection, under any of the following circumstances:

(a) Quantities of construction and installation works involved cannot be defined in advance;

(b) Construction and installation works are small and scattered or in remote locations for which qualified construction firms are unlikely to bid at reasonable prices;

(c) Construction and installation works are required to be carried out without disrupting ongoing operations;

(d) Risks of unavoidable work interruption are better borne by the Borrower than by a Contractor;

(e) specialized non-consulting services such as aerial surveys and mapping, as a matter of Borrower’s law or official regulations for consideration such as national security, can only be carried out by specialized branches of the Government; or

\(^\text{15}\) A government-owned construction unit that is not managerially, legally or financially autonomous shall be considered a force account unit. Force account” is otherwise known as “direct labor,” “departmental forces,” or “direct work”.

(f) Urgent repairs to prevent further damages, requiring prompt attention, or works to be carried out in conflict affected areas where private firms may not be interested. **However no deposit work will be carried out under the project.**

### 3.4 Bidding Documents:

#### 3.4.1 Documentation Preparation:

Bidding documents shall have to be prepared on the basis of the standard Bidding Documents cleared with the Bank for the Project. Deviation shall not be made without prior clearance from the Bank.

The bid/tender document should invariably contain the following sections to make it, self-explanatory and some of the important clauses are elaborated in the following paragraphs:

- Invitation for bids (IFB)
- Instructions to bidders (ITB)
- General terms & conditions
- Contract data including bill/schedule of quantities (BOQ)
- Award criteria
- Notification of award
- Execution of contract
- Quality control
- Payment terms
- Taxes and duties
- Completion certificate
- Warranty/defect liability period
- Drawings
- Dispute resolution
- Arbitration
- Force majeure

Bill of quantities (BOQ) or Schedule of Requirement will indicate the description of items/works to be provided along with quantities and the phased manner (if necessary) in which the goods/works are required to be delivered or constructed.

#### 3.4.2 The model bidding documents shall furnish all the above information necessary for a prospective bidder to prepare a tender for the goods and/or works to be provided. Tender documents should be made available to all those who request for them regardless of registration status and they should be allowed to bid. However, the request should be in writing along with the requisite fee of the tender/bid, if any.

#### 3.4.3 Bidding documents in the case of goods shall specify what inspection and tests the purchaser requires, where and who will conduct the tests. The purchasers should notify the suppliers in writing the identity of inspection agency retained along with the supply order.
3.4.4 The following formats of Bidding Documents of World Bank shall be used for the implementation of the project:

- Contracts for works/Goods following ICB procedures
- Contractors for works beyond US$ 1,00,000/- and upto US$ 1 million - under NCB procedures (Model document to be prepared for seeking Bank prior clearance) k)
- Contracts for works valued less than US $ 30,000 or equivalent each under NS procedures
- Contracts for works equivalent or more than $ 30,000 upto US $ 1,00,000/or equivalent under NCB procedures.
- Contracts for goods valued less than US$ 30,000/or equivalent following NS Procedures
- Contracts for goods beyond US$ 30,000/-and upto Rs. US$ 2,00,000/ following NCB procedures

3.4.5 The below noted aspects shall be complied with while inviting the bids and their evaluation:

(i) No special preference will be given to any bidder either for price or for any other terms and conditions when competing with state owned enterprises, small scale enterprises etc.
(ii) Except with prior concurrence of World Bank there will be no negotiations of price with the bidders even with the lowest evaluated bidder.
(iii) Extension of bid validity will not be allowed without prior concurrence of World Bank
(a) For the request for extension of it is longer than 4 weeks and
(b) For all subsequent requests for extension irrespective of the period.
(iv) Re-bidding will not be carried out without prior concurrence of World Bank
(v) DGS&D rate contract or State Controller of Stores contracts will not be acceptable as a substitute for NCB procedure. However DGS &D rates will be acceptable as a substitute for shopping.
(vi) The two or three envelope system will not be used.
(vii) No materials shall be supplied to contractor.
3.4.6. Guidelines as regard commercial terms of Bidding Document shall be as under:

(a) **Validity of Tenders:** Bidders shall be required to submit tender valid for period of 90 days.

(b) **Earnest Money/Bid Security:** shall be 1-2% of the estimated amount of goods, works and a specific amount be indicated. The bid security shall be in the form of Demand Draft / Bankers Cheque/ Bank Guarantee from a Scheduled Bank, which should be valid for 45 days beyond validity period of bid. The bid security of unsuccessful bidders shall be returned within 28 days of the end of bid validity period. The bid security shall be forfeited in the event of withdrawal of bid within original validity or if the bidder does not accept the correction to the Bid Price in pursuanta of corrections as per provisions of Bid Document, and in the case of successful bidder if the bidder fails to sign the agreement within specified period or furnish the required performance security within specified time limit.
3.4.7 SALE OF BIDDING DOCUMENTS, RECEIPT AND OPENING:

- Bidding documents should be made available for sale till a day prior to the last date of receipt of bids, to all those who intend to participate in the bidding. A period of minimum 30 days shall be ensured from date of sale of bidding documents and receipt of bids.

- Bidders shall be permitted to deposit their bids on any day during the bidding period either by post or in person. Bids shall be received only at one place (i.e. by the authority inviting the Bids) and shall be kept in safe custody till the stipulated time of opening.

- Last date of receipt of bids and opening of Bids shall be the next day, following the close of sale of Bidding Documents. If the day happens to be a holiday, the last date of receipt and opening of bids shall be the next working day. The time of opening of bids shall be half an hour after the time of closure of receipt of bids. All bids received shall be opened in presence of bidder’s representatives who choose to attend and shall sign a register evidencing their attendance.

- Envelopes marked “WITHDRAWAL” shall be opened first, and the name of the bidder shall be read out. Bids for which acceptable notice of withdrawal has been submitted shall not be opened. Subsequently all envelopes marked “MODIFICATION” shall be opened and submission therein read out in appropriate detail. The bidder’s names, bid prices including any alternative Bid Price or deviations, discounts, bid modification and withdrawals and the presence or absence of bid security and such other details as considered appropriate shall be announced during opening of bids in the meeting. All cuttings and over writings observed in the Bid Form and Price schedules shall be authenticated by the members of Bid Opening Committee by encircling and initialing the cuttings/ over –writings. The minutes of the bid opening should be prepared in the specified format. No bid shall be rejected at bid opening, except for late bids, which shall be returned unopened to the bidder.

- Bids and modifications that are not opened and read out at bid opening shall not be considered further for evaluation, irrespective of the circumstances.

3.4.8 EVALUATION OF BIDS

Before proceeding for evaluation, it shall be ascertained whether the bids:

(i) Meet the eligibility requirements

(ii) Have been properly signed

(iii) Are accompanied by the required authorization/ undertaking

(iv) Are accompanied by the required securities.
(v) Are substantially responsive to the requirements of bidding documents.

(vi) Provides any clarification and or substantiation that the Employer is required to determine the responsiveness; and

(vii) Are otherwise generally in order.

• If a bid is not substantially responsive, that is, it contains material deviation from or reservation to the terms, conditions and specifications in the bidding documents, it should not be considered further. The bidder must not be permitted to correct or withdraw material deviations or reservations once bids have been opened.

• A substantially response bid is one which conforms to all the terms and conditions of bidding document without material deviations. The determination of a bid’s responsiveness is to be based on the contents of the bid itself without recourse to extrinsic evidence.

• No bidder should be requested or permitted to alter his bid after the bid has been opened. In order to evaluate his bid, if any, clarification is required, the same can be called. 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.

• No preferential treatment should be given to any bidder or class of bidders either for price or for condition unless specifically cleared with the Bank and stipulated in the Project Agreement. Any procedure under which bids above or below a pre–determined assessment of bid values are automatically disqualified, is not applicable.

• The evaluation will exclude and not take into account any allowance for price adjustment during the period of execution of the contract.

• A bidder should not be required as a condition of award to undertake responsibilities for work not stipulated in the specifications or otherwise to modify his bid.

3.4.9 SINGLE BIDS

Where only one bid is received, efforts should be made to ascertain the reasons. If it is determined that publicity was not adequate, bid specification or any of the terms were restrictive or unclear, the bid shall be cancelled and invited afresh after amending the specifications/ terms.
If however, it is determined that bid specifications are not restrictive and prices quoted are reasonable and bid is technically and commercially responsive, the single bid shall be considered for award.

3.4.10. AWARD OF CONTRACT

a) Contract shall be awarded to a bidder, whose bid has been determined to be substantially responsive and who has offered the lowest evaluated price provided further that the bidder is determined to be qualified to perform the contract satisfactorily and meets the qualification criteria specified in bidding document.

b) If the lowest evaluated bidder (in the same name and style) does not meet the qualification criteria, his bid should be rejected and a similar determination should be made for the next lowest evaluated bidder, the process continued, if necessary.

c) Bids should not be rejected solely on account of non-submission of historical information. Bidders should be given an opportunity to furnish the necessary information by giving adequate time.

d) Where considered necessary verifying the information independently be undertaken before considering rejection of lowest offers for non-submission of some information.

3.4.11 REJECTION OF BIDS

a) Regardless of value, if all bids are proposed to be rejected and bids are to be re-invited, the Bank shall be consulted before such action.

b) In case of civil works, the system of rejecting bids outside a pre-determined margin or “bracket” of prices shall not be used.

c) In the case of receipt of unreasonably high prices, the bidders shall be requested to furnish breakdown of unit rates providing justification for higher bid prices. If the justification, after review, is determined rational, contract should be awarded to the lowest evaluated responsive bidder. If not, these bidders shall be declared as ineligible from bidding in the re-bid for that contract.

3.4.12 RESOLUTION OF DISPUTES

There can be a number of possible causes of dispute during the execution of contract and may involve:

i Interpretation of the terms and conditions of the contract.

ii Delay in delivery/ completion of work.

iii Delay in handing over possession of site.
iv Delay in release of payment
v Rates of the items, variation in civil works construct
vi Condition of the items on arrival at consignee site and after delivery.

As far as possible, dispute may be resolved with mutual agreement between the Employer and contractor to avoid going through arbitration and litigation stages.

**Adjudicator:** In case of contracts above value of Rs.45.00 lakhs, the provision of an Adjudicator shall be included. The decision by the Adjudicator will be given in 28 days and his decision will be final if both the parties do not refer the decision of the Adjudicator to an arbitrator within 28 days of the Adjudicator’s written decision.

**Arbitration:** In cases of NCB, the bid/tender documents specify the procedure for appointment of arbitrator and his replacement etc. and provisions laid down therein should be followed. In other cases the following information should be suitably incorporated in the request inviting the quotations to obtain the consent of the bidder/tenderer to accept the arbitration clause.

(i) In the event of any question, dispute or difference arising under the contract conditions or any special conditions of contract, or in connection with the contract (except as to any matters the decision of which is specially provided for by these or the special conditions) the same shall be referred to the sole arbitration of an officer, from the government department other than the department which decided the contract, having sufficient knowledge of law, appointed to be the arbitrator by the purchaser. The decision of the arbitrator shall be final and binding on both the parties to this contract.

(ii) In the event of the arbitrator dying, neglecting or refusing to act or resigning or being unable to act for any reason, it shall be lawful for the purchaser to appoint another arbitrator in place of the outgoing arbitrator in the manner aforesaid.

(iii) It is further a term of the contract that no person other than the person appointed by the purchaser as aforesaid should act as arbitrator and if for any reason that is not possible, the matter is not to be referred to arbitration at all.

(iv) Arbitrator may, from time to time, with the consent of all parties to the contract enlarge the time for making the award.

(v) In pursuance of a reference, the assessment of the costs incidental to the reference and award respectively shall be at the discretion of the arbitrator.

(vi) Subject to as aforesaid, the Arbitration and Reconciliation Act, amended up to date and the rules there under and any statutory modification thereof for the time being in force shall be deemed to apply to the Arbitration proceedings under this clause.

(vii) The arbitrator shall be requested to give reasoned award.

(viii) The venue of arbitration shall be the place from which formal Acceptance of Tender is issued or such other place as the purchaser at his discretion may determine.
3.4.13 EXTENSION OF CONTRACT

Normally contract once awarded should not be extended. Under exceptional circumstances, extension of existing contracts up to 15 percent of the original contract value may be considered, it is justifiable on grounds, subject to approval of the competent authority as per delegation of powers and with the prior approval of the Bank.

3.4.14 LAW GOVERNING THE CONTRACT

i) The contract shall be governed by the laws of India in force. The contract shall be governed by the laws of India in force.

ii) The courts of the place, from where the acceptance of tender has been issued, shall alone have jurisdiction to decide any dispute arising out of or in respect of the contract.

ii) Irrespective of the place of delivery, the place of performance or place of payment under the contract or the place of issue of advance intimation of acceptance of tender, the contract shall be deemed to have been made at the place from where the acceptance of the tender has been issued.

3.4.15 Disclosure:

Information on award of contract would be posted on the Project website.

In general the following information should be put on the department’s website:

⇒ Making publicly available, all annual procurement schedules promptly after finalization.
⇒ Posting all bidding documents and requests for proposals.
⇒ Making available to any member of the public, promptly upon request all shortlist of consultants and in case of pre-qualification, list of pre-qualified contractors and suppliers.
⇒ The information on pre-qualified applicants and award of contracts.
⇒ Posting annual progress and mid-term review reports of the project.

3.4.16 Force Majeure:

There could be circumstances/ events where the supplier/ contractor may not be in a position, in spite of his best efforts, to meet the delivery/ completion schedule due to events beyond their control and not foreseeable such as wars, or revolutions, fires, floods, epidemics, natural calamities, quarantine restrictions and freight embargo etc. In such cases suitable delivery extension based on merit of the case may be granted for arranging the delivery of goods or completion of works. Also the supplier shall not be made liable for forfeiture of performance security, liquidated damages or termination of contract as per provisions made in the contract elsewhere. A suitable clause may be provided in the contract to this effect.

3.4.17 COMPLAINT REDRESSAL MECHANISM (ALSO APPLICABLE TO PROCUREMENT OF SERVICES)

In order to deal with the complaints from the contractors / suppliers and public effectively, a complaint handling mechanism shall be set up at the State level as well as at district level, and immediate action shall be initiated on receipt of complaints to redress the grievances. All
complaints shall be handled at a level higher than that of the level at which the procurement process is being undertaken and the allegation made in the complaints should be thoroughly enquired into, and if found correct, appropriate remedial measures shall be taken by the appropriate authorities. A register of the complaint redressal shall be prepared at each level and shall contain the following information:

- Serial Number of the complaints
- Date on which the complaint was made
- Particular of the person making the complaint
- Nature of the complaint
- Complaint against whom if against a person
- Detail of action taken and subsequent follow ups specifying on which date the action was taken
- Whether the complaint has been satisfied if not why.
- Action taken against the guilty
- General remarks

Subsequently an online database will be created which will be regularly updated and which would be capable of creating online reports for the purpose of the monitoring MOEF will announce on its website about having in place a complaint redressal mechanism. In case any individual officer/staff is found responsible, suitable disciplinary proceedings shall be initiated against such officer/staff. This register shall also be subject to concurrent audit by the chartered accountants engaged as concurrent auditor’s.

3.5 CONSULTATION WITH AND INFORMATION TO THE BANK

3.5.1 For all agreements requiring prior review as well as for those which would increase the value of contract to the prior review threshold and above, before agreeing to any material modification or waiving of the terms and conditions, or granting a material extension of the stipulated time for performance of such contract, or issuing any change order under a contract, which would in aggregate increase the original amount of work by more than 15% of the contract price, Banks clearance shall have to be obtained. Format for seeking Bank’s clearance is enclosed as part of annexure.

3.5.2 Copies of agreements for the Post Review Contracts (disbursement claimed on SOEs) are not to be forwarded to the Bank. However, the information shall be compiled by the Societies/foundation level and sent to the Bank through the Program Director when so required by the Bank. These may also be reviewed selectively by visiting Banks Supervision Mission or otherwise.

3.5.3 Contract information of all procurement executed following any method agreed with the Bank shall be complied by respective societies/foundation and sent to Bank through the Program Director.
CHAPTER IV
COMMUNITY PROCUREMENT

4. Most of the procurement under the project relates to Bio Diversity conservation and livelihood to be carried out through Community participation. This would involve procurement of materials and works for activities that will be identified in the village annual micro plan when it is prepared through a consultative process. Most of the conservation activity are labor intensive and will be carried out by the community institution members such as Vann Samrakshan Samiti (VSS) or Eco Development Community (EDC), VFDC, Village Council, Van Panchyat or similar institution depending on the condition within landscape. In certain project specific input there could be community groups such as user groups, SHG, CIG. These groups will be collectively responsible for formulation and efficient execution of community level micro plans.

The Bio Diversity measures could include protection measures such as community patrolling, trenches, fences, soil and water conservation mostly through vegetative treatment and small stabilization structures such as gully plugging, terracing, and staggered trenches. The livelihood activities include livestock improvement and fodder production through cattle breed improvement, fodder plantations, pasture re-generation, facilities for stall-feeding, eco-tourism, by working as nature guides, creating tourist accommodation facilities, operation of visitor attractions, e.g. museums, alternative income-generations through sericulture, bee-keeping, pig rearing, poultry, mushroom cultivation, inland fisheries, rope production, weaving, tailoring, food processing, etc. Goods procurement is likely to include small agricultural equipments/tools, seeds and planting materials, small items/materials for establishing village level enterprises and income generation activities, etc.

The procurement will be as per agreed procedures laid down in the Procurement Manual. These are mostly labor intensive works as described above and will be carried out by the Community themselves. Similarly majority of the livelihood activities are also labor intensive. Technical guidance will be provided by the Forest Department or line departments. The above procurement is spread over the project period of six years. Most of the contracts under these micro plans will be below $15000 equivalent and the procurement would follow either Shopping/Direct Contracting depending on cost and nature of procurement.

4.1 Concept

Growing awareness of community participation in the works from planning to implementation and post implementation can help in smooth operation and maintenance and successful implementation of the project. Institutional capacity of community plays a major role for effective community participation in procurement, implementation, operation and strengthening biodiversity conservation and improving rural livelihood. Capacity building activities need to be undertaken in order to build and sharpen the existing skills for management and for sustaining all activities related to project implementation completion, operation and maintenance.

4.2 Benefits of Community Procurement:

The benefits of involving community in procurement includes:
- Enhancing community ownership
- Increasing capacity of the community
- Generating employment and economic opportunities within the community.
- Lessening the burden of procurement on Government implementing agencies.

The merits of community procurement refer to:
- Ownership by the community
- Command over the entire process
• Sharing of capital investment of the project
• Simplicity
• Useful in operation and maintenance

It needs to be noted that community involved procurement, must not compromise with the principles of competitiveness and transparency of the process. It is planned to suit the capacity of the community in rural environment.

4.3 Key Rules of Community Procurement:

Following rules shall be observed and complied with during the procurement of works and goods:

• **Transparency:** All procurement procedures must be carried in an open and transparent manner displaying all the details of procurement at prominent places in the villages.

• **Equal opportunity to all Suppliers:** Equal opportunity must be given to all suppliers interested in supplying items to BCRLIP societies/foundations and uniform evaluation procedures must be adopted.

• **Accountability:** Any office bearer or committee member of BCRLIP societies/foundations undertaking procurement function remains accountable for all decisions and actions taken.

• **Ensuring value of money:** Items procured should meet the required technical specifications and the quality standards, and must be arranged at reasonable prices.

• **Avoid procurement of items from Friends and Relatives:** Procuring items from close relatives and friends of any of the office bearers of the BCRLIP societies/foundations must be avoided.

• **No undue benefits for anyone:** No members of the BCRLIP societies/foundations shall accept directly or indirectly any undue benefits or advantages on account of a procurement action.

• **Equal Pay for Equal work:** There should not be any distinction of wages between male and female workers and other benefits.

4.4 Requirements of Community Procurement:

• **Quality Assurance:** Procurement of goods and materials having BIS certification from authorized vendors of manufacturers shall be the first step in obtaining prescribed quality of goods/materials.

• **Quantity Assurance:** Quantities strictly required to execute the work satisfactorily shall always be worked out prior to scheduling the procurement. Purchase of excess goods/materials always results in loss and wastage.

• **Timing:** Appropriate timing of delivery of goods/materials matching with commencement and completion of work shall always be adhered to. Any gap might lead to either excess holding of material or to delay the completion of work, which may result in cost over-run, adversely affecting the financial viability of the project.

• **Rates:** The rates for materials, goods to be procured should be reasonable and commensurate with quality and comparable with purchases being affected for similar projects.

The rates for work to be carried out by VSS shall commensurate with current SSR and compares well with purchases being affected for similar projects.
4.5 Micro Plans and Procedure of Procurement:

4.5.1 The State Society/Foundation will enter into a MOU with community groups/VSS indicating the roles and responsibilities of all the parties, the scope of work to be executed, the payment thereof. Etc

4.5.2 Community/Van Panchayat or community groups will itself prepare a micro plan, but adequate technical guidance will be provided by technical spearhead team, headed by an officer of Assistant Conservator of Forest rank. In addition a support organization may be hired for providing facilitation support.

4.5.3 Each micro plan will clearly spell out the year-wise physical and financial projections and durations of completion time for each and every activity to be executed. Each micro plan will be approved in Trust’s Executive Committee meeting. If necessary, micro plan proposals may be modified by a team of technical experts headed by Assistant Conservator of Forest.

4.5.4 A three member sub committee shall be formed by nominating three of community members with the approval of the general body of the user group and submit a copy of resolution to state society/foundation. The Asst conservator of forest shall nominate an officer to assist procurement sub committee as facilitator.

4.5.5 Procurement plan will be prepared from the contents of approved micro plan

4.6 Procurement of Works by Community:

4.6.1 In the implementation of micro plan, forests department shall act, as ‘facilitator’ and responsibility for ensuring execution of works in accordance with agreed procedures shall be mainly that of executive committee of the BCRLIP societies/foundations. The technical and professional support shall be provided by forest department at all stages including preparing of bid documents, specifications, evaluation of bids, inspection of equipment, implementation of works, financial and technical audit.

4.6.2 All components of works not exceeding US$ 15,000 equivalent per contract like raising nursery and plantations, carrying out habitat improvement work which will mainly include construction of crat write/vegetative checks dams and digging of water percolation tanks etc and other similar works may be executed by community themselves using community labour or engaging skilled and unskilled labor alternatively work may be contracted to a local contractor. In such cases the procurement of goods will be the responsibility of the contractor engaged on single responsibility basis. The community shall supervise the works executed and endure it quality and quantity with the assistance of officer of forest department designated.

4.6.4 Community groups will directly enter into contract with contractors, and will use the bidding document agreed with the Bank and will be made available by executive committee of the societies/foundation.

4.6.5 When implementing the micro plan by community participation the total requirement of procurement of goods shall preferably be done in one or more lots. Number of lots may depend on the total requirement, whether the requirement can be staggered and capacity of suppliers. Market survey is the simplest method that should be undertaken by the community prior to procurement of goods. Specialized works shall be carried out by hiring labour or on single contracting basis as per agreed procedures depending on the hreshold limit agreed under the project.
4.7 PROCUREMENT OF GOODS

4.7.1 Procurement of goods in appropriate amount and at the right time is essential for the completion of any project within scheduled time. Procurement at community level shall be through shopping in which quantity of goods shall be purchased in such amounts, which are required immediately. This would minimize wastage due to lack of proper storage system. Procurement shall be done following the steps given below:

<table>
<thead>
<tr>
<th>Shopping</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shopping is a procurement method based on comparing price quotations obtained from several suppliers usually at least three to ensure competitive prices. Shopping is an appropriate method for procuring readily available off the shelf goods or standard specifications commodities of small value or simple civil work of small value. Contracts estimated to cost more than less than US$15000</td>
</tr>
<tr>
<td>• A minimum of 3 Quotations may be obtained/received, from known sources of supply.</td>
</tr>
<tr>
<td>• Request for quotations shall be made with detailed description, specification and quality of the goods, terms of delivery or specifications of work, as well as desired delivery or completion of time and place</td>
</tr>
<tr>
<td>• It can be posted in the notice board of the local govt. and issued to all suppliers who are enlisted for supply or from database published by Manufacturers Associations, Yellow Pages, Industry Journals, other departments, etc.</td>
</tr>
<tr>
<td>• Minimum 7 Days time shall be given for submission of quotations</td>
</tr>
<tr>
<td>• Quotations shall be received in writing as per format</td>
</tr>
<tr>
<td>• Sealed Quotations shall be opened publicly in the presence of bidders representatives and a member of the Social Audit Committee</td>
</tr>
<tr>
<td>• A purchase/works order shall be issued with details of items to be supplied, price, delivery, warranty and other essential terms and conditions and where advance payment is insisted on, the purchasing officer shall obtain beforehand a written undertaking from the selected firm/contractor to the effect that they shall supply in a timely manner and satisfactory condition</td>
</tr>
<tr>
<td>• Contract award information shall be displayed in the notice board for 7 days</td>
</tr>
</tbody>
</table>
4.7.2. A schematic diagram depicting these method is given below:

4.8 Social Audit Committee:

The BCRLIP societies/foundation shall directly constitute a Social Audit Committee. The Committee members:

- Should be respectable member of the community and on whom the poor have faith.
- Should not be members of any of the decision making Committees.

The Social Audit Committee shall perform the following functions:

i) Ensure that all the Committee’s follow provisions of Procurement Manual.
ii) Report any violation or deviation of rules to BCRLIP societies/foundation
iii) Monitor the adherence of project principles and rules in the selection of beneficiaries, implementation of sub projects and all decisions of BCRLIP societies/foundation.
iv) Ensure that the capital share has been provided by the beneficiaries including user charges.
v) Ensure at the community level locally appropriate disclosure processes and transparency mechanisms like wall writing, local information nodes and translation of materials.
(vi) Ensure approval of all micro plans by the sub committee.
(vii) Suo moto disclosure by VSS of contract award data and material procurement data, including cost of procurement, and labor employment at the place of work.
4.9 Review Requirements

Procurement supervision /review at Community Level:

- The sub committee shall maintain appropriate records in regard to all procurement under micro plan for review.
- Community Procurement at VSS level will be supervised or reviewed by the State Society bi annually.
- Annual Post review of sample contracts to be conducted by independent post review auditor shall cover verification of both quality and quantity of works, goods and services procured and proper use of funds. This will be supplemented by findings of the regular social audit conducted by the committee.
CHAPTER V
HIRING OF CONSULTANTS

5 General Considerations:

5.1.1 The expression “consulting services” defines services of an intellectual and advisory nature provided by the Consultants using their professional skills to study, design and organize specific projects, advice clients, conduct training and transfer knowledge. Consultants are engaged for the following reasons:

(i) Consultant offer more efficient allocation of resources by providing specialized services for limited amounts of time without any obligation of permanent employment on the part of Client.

(ii) Consultant, engaged for their superior knowledge, transfer skills and upgrade the knowledge base of their clients while executing the assignment. Knowledge transfer from Consultants to Client forms an important part of the assignment.

(iii) Consultants can offer independent advice to their client on the most suitable approaches, methodologies, and solution for their projects.

Consultant services in Bank funded projects should satisfy the following requirements:

- Meet the highest standards of quality and efficiency and
- Be unbiased, that is, delivered by a consultant acting independently from any affiliation, economic or otherwise, which may cause conflicts between the consultant’s interest and those of the client;

5.1.2 The Selection of consultants is guided by the following principles:

i. the need for high-quality services;
ii. the need for economy and efficiency;
iii. the need to give qualified consultants from all eligible countries an opportunity to compete in providing the services financed by the Bank;
iv. the Bank's interest in encouraging the development and use of national consultants in it's developing member countries; and
v. the importance of transparency in the selection process.

The various procedures of selection of a Consultant, depending upon the appropriateness in each case, are described in detail in Consultancy Guidelines, May 2004, revised up to October 2006 (CG). The procedures to be followed in all cases are given below in brief.

5.2 Steps for Hiring Consultants:

i. preparation of the Terms of Reference (TOR);
ii. preparation of cost estimate and the budget;
iii. advertising;
iv. preparation of the shortlist of consultants;
v. preparation and issue of the Request for Proposal (RFP) which include:
   a. Letter of Invitation (LOI)
   b. Information to Consultants (ITC)
   c. Technical Proposal - Standard Forms
   d. Financial Proposal - Standard Forms
   e. Terms of Reference
   f. Standard Form of Contract.
vi. receipt of proposals [Technical and Financial in separate envelops];
vii. opening and evaluation of technical proposals: consideration of quality;
viii. opening and evaluation of financial proposals;
ix. final evaluation of quality and cost; and;
x. negotiations and award of the contract to the selected firm.

5.2.1 Terms of Reference:

In a TOR, scope of work of the assignment is usually defined by addressing the following issues:

- definition, scope, limits, and criteria of acceptance of assignment;
- desired level of detail (level of design, accuracy, composition of cost estimate etc.)
- span of projections (time horizon, life span of project components, and so forth);
- necessary comparison of the assignment with similar projects;
- main issues to be addressed;
- alternatives to be considered;
- necessary surveys, special analysis, and models;
- special equipment requirement;
- institutional and legal framework of the project;
- transfer of knowledge, objectives and scope;
- language requirement;
- need of continuity, such as data gathering, and
- quality management requirements.

Phased assignments are likely to require that the scope of work be modified depending on intermediate results. For instance, the scope of work for a feasibility study originally covering a number of alternatives will be reduced if, during execution of the assignment, some alternatives prove more viable. Similarly, the scope of work can be expanded if more accurate studies than initially anticipated become necessary. In such cases, the TOR should clearly indicate the circumstances under which a decision will be made by the Client to modify the scope of work. The TOR shall generally contain the following:

- Background
- A precise statement of objectives
- An outline of the tasks to be carried out (scope of the services)
- Schedule for completion of tasks
- Data, services and facilities to be provided by the client
- Final outputs (i.e., reports, drawings, etc.) That will be required of the consultant
- Composition of review committee to monitor consultants work
- Procedure for review of progress reports, inception, status, final draft and final reports
- List of key professional positions whose CV and experience would be evaluated:
  a. Key Position
  b. Area of Specific Expertise desired
  c. Minimum Qualification and Professional Experience Desired

5.2.2 Preparation of cost estimate and the budget:

The Cost Estimates or Budget should be well thought through and should be based on the assessment of the resources needed to carry out the assignment, staff time, logistical support, and physical inputs (for example, vehicles, office space and equipment, electricity charges, telephone/fax/photocopying etc.). Costs shall be divided into two broad categories:

- Fee or remuneration
• Reimbursable costs (further sub divided into foreign and local, if applicable)

In preparation of cost estimate, the following expenses are added:

• Consultant staff remuneration;
• Travel and transport;
• Mobilization and demobilizations;
• Staff allowances;
• Communication;
• Office rent, supplies, equipment and insurance;
• Surveys and training programs;
• Report printing;
• Taxes and duties; and
• Contingencies.

The cost estimate is based on an estimate of the personnel (expert per month) required for carrying out the services, taking into account the time required by each expert needed, and then making estimate for each of the related cost components. It is important to define these inputs as accurately as possible.

5.2.3 Advertising Seeking Expression of Interest:

A request for expressions of interest for each contract for consulting firms shall be advertised in a national newspaper or in an electronic portal of free access. In addition, contracts expected to cost more than US$ 200,000 shall be advertised in UNDB online & dg Market. The expressions of interest can additionally be advertised in an international newspaper or a technical magazine.

The information requested shall be the minimum required to make a judgment of firm’s suitability and not be so complex as to discourage consultants from expressing interest. Not less than 14 days from date of posting on UNDB online shall be provided for responses, before preparation of the shortlist.

5.2.4 Preparation of Shortlist:

Borrowers are responsible for preparation of the shortlist and shall give first consideration to those firms expressing interest which possess the relevant qualifications. The shortlists shall comprise to six firms with a wide geographic spread, with no more than two firms from any one country and at least one firm from a developing country, unless qualified firms from developing countries are not identifiable.

The shortlist can comprise of entirely national consultants if the value of assignment is less than US$ 500,000. However, if foreign firms have expressed interest, they shall not be excluded from consideration.

5.2.5 Request for Proposals (RFPs):

The RFP shall include:

• A Letter of Invitation (LOI), which will include evaluation criteria
• Information to Consultants
• Terms of Reference
• Draft of the proposed contract
The Borrower shall allow enough time for the consultants to prepare their proposals. The time allowed shall depend on the assignment, but normally shall not be less than four weeks or more than three months. During this interval, the firms may request clarifications about the information provided in the RFP. The Borrower shall provide these clarifications in writing and copy them to all firms on the short list (who intend to submit proposals). If necessary, the Borrower shall extend the deadline for submission of proposals. The technical and financial proposals shall be submitted at the same time. No amendments to the technical or financial proposal shall be accepted after the deadline. To safeguard the integrity of the process, the technical and financial proposals shall be submitted in separate sealed envelopes.

The technical envelopes shall be opened immediately by a committee of officials drawn from the relevant departments, after the closing time for submission of proposals. The financial proposals shall remain sealed. Any proposal received after the closing time for submission of proposals shall be returned unopened.

First the technical proposals shall be evaluated based on the evaluation criteria given in the RFP document and thereafter the financial proposals of only those consultants, who secure equal to or more than the minimum qualifying marks, shall be publicly opened.

5.2.6 Evaluation

The evaluation of the technical proposals should be done as per criteria specified in the Letter of Invitation. The evaluation report should be compiled in the format specified and forwarded to Bank for review and comments for all prior review cases, firstly before price envelopes are opened publicly and combined evaluation is done (financial cum technical), and secondly after final selection is made following combined evaluation and before the contract is negotiated with selected consultant. Evaluation will be based on the factors like quality, price, and both.

The individuals shall be rated on the following three sub criteria, as relevant to the task:

i. General qualifications: General education and training, length of experience, positions held, time with the consulting firm as staff, experience in developing countries and so forth;

ii. Adequacy for the assignment: Education, training, and experience in the specific sector, field, subject, and so forth, relevant to the particular assignment; and

iii. Experience in the region: Knowledge of the local language, culture, administrative system, government organization, and so forth.

5.2.7 Negotiations

Negotiations shall include discussions of the TOR, the methodology, staffing, Borrower's inputs, and special conditions of contract.

The selected firm should not be allowed to substitute key staff, unless both parties agree that undue delay in the selection process makes such substitution unavoidable or that such changes are critical to meet the objectives of the assignment.

Financial negotiations shall include clarification of the consultants' tax liability in the Borrower's own country (if any), and how this tax liability has been or would be reflected in the contract. (Consultancy Services tax (in respect of all consultancies) and tax on fees for technical services provided by foreign consultants, payable as per Section 115A(1)(b) of Income Tax Act and duties on imported equipment brought by foreign consultants to India for providing the required services.
are to be paid/reimbursed by the client separately. (Bank does not finance taxes imposed by
borrowing country)).

Where QCBS procedure is followed proposed unit rates for staff months and reimbursable shall
not be negotiated (since these have already been a factor of selection) unless there are exceptional
reasons.

5.2.8 Rejection:

The Borrower will be justified in rejecting all proposals only if all proposals are non-responsive
because they present major deficiencies in complying with the TOR or if they involve costs
substantially higher than the original estimate. In the latter case, the feasibility of increasing the
budget, or scaling down the scope of services with the firm should be investigated in consultation
with the Bank. Before all the proposals are rejected and new proposals are invited, the Borrower
shall notify the Bank, indicating the reasons for rejection of all proposals, and shall obtain the
Bank’s “no objection” before proceeding with the rejection and the new process. The new process
may include revising the RFP (including the short list) and the budget. These revisions shall be
agreed upon with the Bank.

5.3 Selection Methods

5.3.1 The methods for selection of Consultants include:

- Quality and Cost Based Selection (QCBS);
- Quality Based Selection (QBS);
- Least Cost Selection (LCS);
- Selection Based on Consultants Qualification (CQ);
- Single Source Selection (SSS); and
- Individual Consultant (IC)

5.3.2 The choice of the appropriate method of selection is related to the nature, size,
complexity, likely impact of the assignment, technical and financial considerations, and particular
circumstances. It is therefore necessary to carefully define the assignment, particularly the
objectives and scope of the services, before deciding on the selection method.

5.3.3 Quality and Cost Based Selection (QCBS)

(I) Quality and Cost Based Selection (QCBS) is method based on the quality of the
proposals and cost of services to be provided. This method is appropriate when:

- the scope of work assignment is precisely defined and the TOR are well
    specified and clear; and
- an estimate with reasonable precision for the staff time as well as the other inputs
    and cost required of the Consultants can be assessed.

(II) The QCBS is appropriate for assignments such as:

- Feasibility studies and designs;
- Preparation of bidding documents and detailed designs;
- Supervision of construction of works and installation of equipment;
- Technical assistance services and institutional development of Client agencies;
- and
- Procurement and inspection services.
(III) Under QCBS the technical and financial proposals are submitted simultaneously in separate sealed envelopes (two-envelope systems). Evaluation of proposals is carried out in two stages: (1) quality; and (2) cost. The technical envelopes are opened by a Committee of officials of Client immediately after closing time for submission of proposal; the financial proposals remain sealed and shall be deposited with senior officer until the technical evaluation and the evaluation report are completed and approved by the Bank and technical scores are disclosed publicly. The financial envelopes of those consultants who submitted responsive technical proposals meeting the minimum qualifying mark are opened in the presence of the Consultants or their representatives. The combined evaluation is carried out by weighing and adding the quality and the cost scores, and the Consultant having the highest comprised score is invited for negotiations. Since price is a factor of selection, staff rates and other unit rates shall not be negotiated.

(IV) QCBS permits the Client to select a preferred trade-off between cost and quality and the benefit from prices competition, even if only to a limited extent. Transparency is increased under QCBS with public opening of the financial proposals. The contract negotiations will be easier because of the limited scope of financial negotiations.

5.3.4 Quality Based Selection (QBS) is based on an evaluation of the quality of the proposals and the subsequent negotiation of the financial proposal and contract with the consultant who submitted the highest ranked technical proposal. QBS is appropriate if:

- the downstream impact of the assignment is so large that the quality of services becomes of overriding importance for the outcome of the project;
- the scope of work of the assignment and TOR are difficult to define and there is need to select among innovative solutions;
- the assignment can be carried out in substantially different ways such that cost proposal may not easily be comparable; and
- the introduction of cost as a factor of selection renders competition unfair.

(I) QBS should be adopted for assignment such as:

- Complex country sector and multi disciplinary investment studies.
- Strategic studies in new fields of policy and reforms
- Master plans, complex pre-feasibility and feasibility studies and design of complex projects.
- Assignments in which traditional consultants, non government organization (NGO) and /or a U.N. agencies compete

(II) Under QBS the Client may request submission of technical proposals only. After receiving the Bank no objection for the technical evaluation report, the Consultant with highest rendering technical proposal is invited to present its financial proposal. However, the Client may wish the financial proposals to be submitted at the same time as the technical proposals but in separate envelope (two-envelope system). In that case, financial proposals should be kept safely until the Bank’s no-objection to the technical evaluation is received. Only the financial proposal of winning consultant is opened; the others returned un-opened after negotiations with the winning firm are successfully concluded.

(III) The staff effort indicated by the consultant may differ considerably from the Client’s estimate depending on the particular methodology adopted by the consultant. Since TOR of assignments under QBS are generally less defined and relatively more
complex than QCBS. Contract negotiations with the winning consultant may be lengthy and complicated.

5.3.5 Fixed Budget Selection (FBS)

Selection under a Fixed Budget Selection (FBS) is based on disclosing the available budget to invited consultants in the RFP and selecting the consultant with the highest-ranking technical proposal within the budget. Because consultants are subject to a cost constraint, they will adapt the scope and quality of their services to that budget. The Borrower must therefore ensure that the budget is compatible with the TOR and that consultants will be able to perform the tasks within the budget.

FBS is appropriate only when
• the budget is fixed and cannot be exceeded,
• the TOR are precisely defined, and
• the time and staff-month effort required from the consultants can be assessed with precision.

To reduce the financial risk for consultants and avoid receiving unacceptable technical proposals or no technical proposals at all, FBS must only be used for well-defined and simple assignments with a low financial risk for the consultants. FBS is frequently used by Bank Borrowers when there is lack of flexibility in funds allocation and by the Bank itself when funding is available only in fixed amounts from donor grants and from trust funds.

Typical assignments awarded under FBS are
• sector studies, market studies, and surveys of limited scope;
• simple prefeasibility studies and review of existing feasibility studies;
• review of existing technical designs and bidding documents; and
• project identification for which the level of detail can be matched with the available funds.

Under FBS, consultants are requested to submit their technical and financial proposals in separate envelopes. Technical proposals are evaluated first, using the same procedure followed for QCBS and QBS, and then the financial envelopes are opened in public. In case a proposal does not cover minor technical aspects included in the TOR, the Borrower calculates the evaluated price of that proposal by adding to the offered price the estimated cost of the missing activities or items. Proposals that exceed the indicated budget after adjustments and corrections are discarded. The consultant who has submitted the highest ranked technical proposal among the remaining proposals is selected.

Since the budget is predetermined, the consultant’s TOR cannot change substantially, and technical negotiations shall cover minor aspects. Financial negotiations will not include discussion of remuneration rates and of other unit rates, but only minor rearrangements of activities and staff for compatibility with the plan of work and clarification of any tax liability.
5.3.6 Least Cost Selection (LCS)

(I) Under Least Cost Selection (LCS) a minimum qualifying mark for quality is established and indicated in the RFP, short-listed consultants have to submit their proposals in two envelopes. The technical proposals are opened first and evaluated. Proposals scoring less than minimum qualifying mark are rejected, and the financial envelopes of the rest are opened in public. The consultant with the lowest evaluated price is selected.

(II) The LCS method is more appropriate for small assignments of a standard or routine nature where well established practices and standards exist from which a specific and well defined outcome is expected, which can be executed at different costs, eg.

- Standard accounting audits
- Engineering designs and/or supervision of simple projects.
- Repetitive operations and maintenance work and routine inspection, and
- Simple surveys

(III) Since quality is set as the minimum qualifying mark, the Client should not set such a mark higher than the usual (say at 75 to 80 per cent) to ensure quality and avoid the risk of selecting low-cost proposals of poor or marginally acceptable quality.

5.3.7 Selection Based on Consultant’s Qualification (CQ)

(I) The Selection Based on Consultant’s Qualification (CQ) method applies to very small assignments for which the full–fledged selection process would not be justified. CQ is considered for assignments such as:

- brief evaluation studies at critical decision points of projects;
- executive assessment of strategic plans;
- high level, short term, legal–expertise; and
- participation in project review expert panel.

(IV) Under CQ the Clients first prepare the TOR, then requests for Expression of Interest and qualification information on the consultant’s experience and competence relevant to the assignment. The Client establishes a short list and selects the firm with the best qualifications and references. The selected firm is asked to submit a combined technical and financial proposal and is then invited to negotiate the contract if the technical proposal proves acceptable.

(V) The CQ method aims at reducing the cost and time needed to hire a consultant.

5.3.8 Single Source Selection (SSS)

(I) All single source selection requires Bank’s prior clearance. Once the Bank agrees to any SSS, the IA should invite proposal on the basis of RFP/TOR prepared by the Client or by an independent advisor with no relation to the incumbent.

(II) Since there is no competition, this method is acceptable to the Bank only in exceptional cases and made on the basis of strong and convincing justification where it offers clear advantages over the competition, because the single source is acceptable only if ::

- the assignment represents a natural or direct continuation of a previous one awarded competitively, and performance of the incumbent consultant has been satisfactory.
• a quick selection of consultant is essential e.g. in emergency operation and financial crisis; or
• the contract is very small in value; or
• only one consulting organization has the qualification or experience of exceptional worth to carry out the assignment.

(II) If continuity of downstream work by retaining an incumbent consultant for a downstream assignment is essential to the project and is in the interest of the Client, the RFP for the original assignment should indicate this likelihood. Satisfactory performance in the first assignment has to be a pre-condition for continuation. In these cases, the client should balance the importance of continuing with the same technical approach, the experience acquired and the continued professional liability of the incumbent against the benefits of renewed competition such as fresh technical approaches and competitive remuneration rates.

5.3.9 Procurement of Services of Individual Consultant

a) Individual consultants are employed on assignments for which (a) teams of personnel are not required, (b) no additional outside (home office) professional support is required, and (c) the experience and qualifications of the individual are the paramount requirement. When coordination, administration, or collective responsibility may become difficult because of the number of individuals, it would be advisable to employ a firm.

b) Individual consultants are selected on the basis of their qualifications for the assignment. Consultants shall be selected through comparison of qualifications of at least three candidates among those who have expressed interest in the assignment or have been approached directly by the Client. Individuals considered for comparison of the qualifications shall meet the minimum relevant qualifications and those selected to be employed by the Client shall be the best qualified and shall be fully capable of carrying out the assignment. Capability is judged on the basis of academic background, experience, and, as appropriate, knowledge of local conditions such as local language, culture, administrative system and government organization.

c) From time to time, permanent staff or associates of a consulting firm may be available as individual consultants. In such cases, the conflict of interest provisions described in the Bank’s guidelines shall apply to the parent firm.

d) Individual consultants may be selected on a sole source basis with due justification in exception cases such as:

• Tasks that are a continuation of previous work that the consultant has carried out and for which the consultant was selected competitively;
• Assignments with total expected duration of less than six months;
• Emergency situations resulting from natural disasters; and
• When the individual is the only consultant qualified for the assignment.

e) For hiring of consultant job description, qualification and experience required and terms of engagement should be finalized. The consultants for the assignments must be called through advertisement in the newspaper. Individual should meet all relevant qualifications and should be fully capable of carrying out the assignment. The qualified individuals will be called for interview/discussions prior to offering the assignment. Based on the above, a list of candidates shall be prepared for each assignment separately and the top listed candidate shall be offered the job.
5.4 Procurement of Support Organizations

Selection of Support Organisations/NGO shall be based on below noted eligibility criteria:

Eligibility CRITERIA:

a) Regulating Requirement:

The eligibility criteria for a NGO to participate in the project shall be as follows:

1. A legal entity: Registered body under applicable state law. Registration must have been made at least three years prior to the date of enlistment for each batch. Should have an organizational man-date to participate in water supply and sanitation project.
2. A secular organization with no affiliation to the political parties.
3. An independent governing body with no political / Government representation. An organization becomes eligible so long as it has no representation from project administering department (RD & PR Department)
4. Non Government entity – sources of income should be either own funds or fees related to specific activities or services and devoid of Government grants. Similarly, staff should have been hired exclusively from the non-government sector.
5. Functioning for a period of minimum of three years, at least in the State, if not in the project districts as evident by on going activities.
6. A successful / proven record of inter-meditation services – mobilizing rural communities for group action, working with women, landless Scheduled Castes, Scheduled Tribes or other less endowed sections of the society and engagement in rural water supply and sanitation desirable.
7. Staff composition should be such as either already endowed or be in a position to deploy appropriate staff (at least 1/3rd of staff should be women). Staff must know the local language.
8. A good record of book keeping as evident by audited statement of accounts at least for the last three years.

b) Human and Physical measures

- Committed leadership at the top supported by adequate service level leadership.
- Existence of adequate skilled staff in relation to needs of assignment
- Should have necessary physical resource base like accessible office space, vehicles, and communication facilities and so on.

c) Community Sensitivity

- Should have prior experience of community development activity and mobilization.
- Should have sufficient understanding of local problems and are sensitive to issues concerning women and weaker sections of Society.
- Should have keen understanding and should be sensitive to works related to environment.
- Should have excellent communication skills.
- A successful proven record of inter mediation services-Mobilizing rural communities for group action, working with women, landless ,schedule caste, schedule tribes or other less endowed sections of the society and engagement in community driven poverty reduction projects is desirable.
d) Financial Capacity
- Should have required financial strength (last three years turnover and audited balance sheet should be examined).
- Sources of income should be either own funds or fee related to specific activities or services.
- Should have facility to maintain separate records and accounting of funds allotted for the assignment.

e) Relevant Sectional and Operational experience
- Should have prior experience in related areas.
- Should have adequate experience in Participatory Rural Appraisal.
- Must have been functioning for last three years in similar type of assignments.

Based on the Procurement Method used the Technical and Financial Proposals are evaluated and contract agreement signed in accordance with agreed procedure.

5.5 Hiring of Government Owned Enterprises:

Government owned enterprises or institutions in Borrower’s country may participate only if:
- They are legally and financially autonomous
- Operate under commercial law and
- Are not dependent agencies of borrower or sub-borrowers

5.6 Types of Consultant’s Contracts: The type of contract with Consultant can be:
- Lump Sum;
- Time – based;
- Retainer and / or success fee
- Percentage; and
- Indefinite delivery

5.6.1 Lump sum Contracts
Lump sum contracts are used mainly for assignment in which the content and length of the services and duration of services is clearly defined. Remuneration is fixed for the life of the contract, and no physical or price contingencies are normally provided. Lump sum contracts are often used in relatively simple and clearly defined assignments such as:
- Planning and Feasibility studies
- Environmental studies
- Detailed design of infrastructures
- Preparation of Data Base

Payments are made in accordance with a contractually agreed upon schedule of delivery or against schedule of percentage of work completed.

A lump sum contract is easy for the Clients to administer and requires little technical supervision.

5.6.2 Time –Based Contracts
Under time based contract, the consultant provides services on a time basis according to quality specification and consultant’s remuneration as based on agreed upon unit rate for consultant staff
multiplied by actual time spent by staff on assignment and reimbursable expenses as per actual and/or agreed unit rates. Such contracts are recommended for:

- Complex studies or studies of new approach
- Supervision of Implementation assignment
- Training Assignments
- Advisory services

Time based contracts transfer cost risks to the Client

### 5.6.3 Selection of Appropriate Contract Form

Table below indicates the correlation between type of assignment, selection method and type of contract. They should be considered with some degree of flexibility, depending on the size and characteristics of the assignment.

#### Table: Correlation between Type of Assignment, Selection Method, and Type of Contract

<table>
<thead>
<tr>
<th>Type of assignments/scope of work</th>
<th>Selection method</th>
<th>Type of contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Critical studies in the field of policy, strategy, and management of Client’s institutions</td>
<td>QBS</td>
<td>Time –based</td>
</tr>
<tr>
<td>Country economic, section, or investment studies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Master plans</td>
<td></td>
<td></td>
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<tr>
<td>Pre feasibility studies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Complex feasibility studies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Studies or design of complex projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Studies in new technology or human and social</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Simple planning studies</td>
<td>QCBS</td>
<td>Lump sum</td>
</tr>
<tr>
<td>Simple feasibility studies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental studies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract and detailed design of infrastructures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preparation of bidding documents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date processing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clearly defined strategy and management studies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical assistance for institutional development</td>
<td>QBS or</td>
<td>Time-based or indefinite</td>
</tr>
<tr>
<td>development</td>
<td></td>
<td>delivery</td>
</tr>
</tbody>
</table>
CHAPTER VI
REVIEW BY BANK

6. Review of Procurement Decisions by the Bank:

6.1 General: Bank undertakes ‘Prior Review for procurement process at all stages and also the post review to endure that guidelines of Bank are being strictly complied with and that proper procedure is being followed at each stage. Brief detail of such review in respect of procurement of goods, works and services is given in paras below:

6.2 Procurement of consultancy services:

6.2.1 Prior Review

Prior review would be at every stages as follows:
- Procurement plan
- Terms of Reference;
- Short Listing;
- RFP document containing letter of Invitation, Information to Consultant and Conditions of Contract;
- Evaluation report of the technical proposals;
- Negotiated Draft Contract; and
- Final contract (to be accompanied by check list)

6.2.2 Post Review

All other cases
- Post review shall cover the final contract alongwith appendices and copy of evaluation note/award recommendations which should be submitted alongwith the checklist. However, Terms of Reference and Consultants contracts for assignments of critical nature will be reviewed in all cases, regardless of values.
6.3    Procurement of civil works, goods

6.3.1 Prior Review

It consists of review of:

- Procurement plan
- Bidding documents including invitation of bids
- Minutes of Pre Bid conference
- Bid Evaluation Report); and
- Final contract (s) with check list)

6.3.2 Post Review

Review of final concluded contract (s) with check list and supporting documents for all other cases.

6.4 Review Requirements by the Bank

6.4.1 The prior review thresholds are stipulated in the legal Agreements and procurement plan. For all such packages, prior review of the bank will be required at the stages mentioned in the prior review paragraphs

6.4.2. Copies of agreements of the Contracts subject to post review (disbursement claimed as SOEs) are not to be forwarded to the Bank. However, the information shall be compiled at the Division level by the Project Officer for Divisions under their jurisdiction and Bank will seek whenever information is required for post review as per the guidelines. These will be reviewed selectively by visiting Bank’s Supervision Mission.

6.4.3 Information in respect of works executed on Force Account shall be compiled at the Division level) by the project facilitation unit for the Divisions under their jurisdiction and sent to Bank through the Project Director.

6.4.4 Information on the value of procurement mode under shopping procedure shall be compiled at Divisional level and consolidated by the project facilitation unit for Divisions under their jurisdiction and sent to the Bank through the Program Director.
### 6.5. Procurement Arrangements

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Expenditure Category</th>
<th>Contract Value US$</th>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Works</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>i. &gt; 1,000,000 per contract</td>
<td>International competitive Bidding (ICB)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ii. &gt; 30,000 per contract</td>
<td>National Competitive Bidding (NCB)</td>
<td></td>
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<tr>
<td></td>
<td>iii. &lt; 30,000 per contract</td>
<td>Shopping</td>
<td></td>
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<tr>
<td></td>
<td>Iv &lt;15000</td>
<td>Community Contracting</td>
<td></td>
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<tr>
<td>2</td>
<td>Goods Equipments including vehicles</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>i. &gt; 5,000,000 per contract</td>
<td>International Competitive Bidding (ICB)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ii. &gt; 30,000 per contract</td>
<td>National Competitive Bidding (NCB)</td>
<td></td>
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<td></td>
<td>iii. &lt; 30,000 per contract</td>
<td>Shopping</td>
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<td></td>
<td>iv) Direct Contracting in accordance with the conditions specified in the Bank Consultancy Guideline and with Bank prior approval</td>
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<tr>
<td></td>
<td>v) Community Contracting</td>
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<tr>
<td>3</td>
<td>Services Consulting Firms (including NGOs)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>i. &gt; 200,000</td>
<td>QCBS/ QBS</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ii. Less than 200,000</td>
<td>FBS, LCS, QCBS, QBS,</td>
<td></td>
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<tr>
<td></td>
<td>iii) &lt; 50,000</td>
<td>CQ, SSS</td>
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<td></td>
<td>iv) In accordance with the provision of Bank guideline and Bank prior approval.</td>
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<tr>
<td></td>
<td>&lt; 25,000</td>
<td>Individual consultants/CQ/SSS</td>
<td></td>
</tr>
</tbody>
</table>

### 6.6. Prior Review Requirements

As specified in the Procurement plan cleared by the Bank.

### 6.7 Procurement Review and Audit

6.7.1 Procurement review refers to auditing of files and documents relating to the procurement of Goods, works and consultancy services. Procurement review is basically
carried out to ascertain whether the procurement procedures were correctly and completely followed, both in letter and spirit. It brings out omissions/commissions and lapses, whether on account of poor or inadequate understanding of the procedures or wilful negligence including likely fraud/corruption evidence during the review. The report and observation of procurement review therefore, also serve as a guide for taking remedial measures to streamline and improve the procurement system. The procurement review covers the following aspects:-

a. Whether the procurement plan was prepared?
b. Whether the procurement was made as per the procurement plan?
c. Whether the method adopted for procurement was as per the threshold limits given in the procurement manual?
d. Whether the procurement sub-committee involved in the procurement procedure?
e. Whether the overall procurement was done within a reasonable time?
f. Whether there was any avoidable delay at any stage/stages of the procurement process?
g. Whether the necessary approval was taken from appropriate authority wherever required?
h. Whether proper and adequate documents relating to procurement were maintained?
i. Whether the technical and financial evaluation was done properly and in a fair manner?
j. Whether the contracted firm, supplied the goods or executed the work as per the quality, quantity and price agreed upon?
k. Whether the goods were supplied or works executed in time and properly recorded in stock books/works registers after inspection?
l. Whether the payment was made to the supplier/contractor in time? If not, reasons for delay.

6.7.2 The procurement review shall be done by the following

a. **External Firm for Post review of the procurement:** - An agency will be appointed by the project office at the state level for an annual review of sample of all the procurement carried out during the previous year. The TOR of the agency shall be approved by the bank before appointing the agency. The procurement review shall be done at the State, District and Community level and the Bank shall review the report of the Agency.

b. **Internal Auditors:** The Internal auditor’s (firm of chartered accountants) will be appointed by SPMU for conducting the Financial Audit at the department level. The TOR of financial audit will include adequate requirement to cover review of procurement activities. The auditor will carry out the review of procurement procedures adopted for works, goods and consultancy services.

c. **Statutory Auditors:**- The statutory audit of the Program will be conducted by the Comptroller and Auditor General of India, who will also review the procurement procedures adopted and give a report accordingly. The review shall be done both at the State, District and Community level

d. **By The World Bank:**- In addition, the World Bank will have the right to carry out the prior and post review of the contracts by State District and Community level.
The Bank staff may conduct post award review during supervision missions or a procurement consultant appointed by the Bank may carry out the post award review.

6.8 Misprocurement

The Bank does not finance expenditures under a contract for goods, works, or non-consulting services and consultancy services if the Bank concludes that such contract: (a) has not been awarded in accordance with the agreed provisions of the Loan Agreement and as further elaborated in the Procurement Plan to which the Bank provided no objection; (b) could not be awarded to the bidder otherwise determined successful due to willful dilatory conduct or other actions of the Borrower resulting in unjustifiable delays, the successful bid being no longer available, or the wrongful rejection of any bid; or (c) involves the engagement of a representative of the Borrower, or a recipient of any part of the Loan proceeds, in fraud and corruption as per paragraph 1.16(c) of the Bank Guideline for Procurement of Goods, works and consultancy services and para 1.23 (c) of the consultant guideline. In such cases, whether under prior or post review, the Bank will declare misprocurement, and it is the Bank’s policy to cancel that portion of the loan allocated to the goods, works or non-consulting services that have been misprocured. The Bank may, in addition, exercise other remedies provided for under the Loan Agreement. Even once the contract is awarded after obtaining a no objection from the Bank, the Bank may still declare misprocurement and apply in full its policies and remedies regardless of whether of the loan has closed or not, if it concludes that the no objection was issued on the basis of incomplete, inaccurate, or misleading information furnished by the Borrower or the terms and conditions of the contract had been substantially modified without the Bank’s no objection.

*****
LOCAL SHOPPING - INVITATION TO QUOTE (ITQ)

To:
_________________________________
_________________________________

Date:

1. You are invited to submit your price quotation(s) for the supply of the following item(s) duly sealed:

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Brief Description of goods/equipments</th>
<th>Brief Specifications</th>
<th>Quantity</th>
<th>Delivery Period</th>
<th>Place of delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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<td>6</td>
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</tbody>
</table>

2. You must quote for all the items under this Invitation. Price quotations will be evaluated for all the items together and contract awarded to the firm offering the lowest evaluated total cost of all the items.

3. Your quotation(s) in the required format should be addressed and submitted to:

_________________________________________________________
_________________________________________________________
Telephone: __________________
FAX:          __________________

4. Your quotation should be accompanied by adequate technical documentation and catalogue(s) and other printed material or pertinent information for each item quoted, including names and addresses of firms providing service facilities in the country.
5. The deadline for receipt of your quotation (s) by the Purchaser at the addressed indicated in Paragraph 3 is: _______________

6. You quotation(s) should be submitted as per the following instructions and in accordance with the Terms and Conditions of Supply in the Purchase Order. Please sign the Terms and Conditions of the Supply which will become part of the Purchase Order that the Purchaser will issue to the selected supplier.

(i) **PRICES:** The prices should be quoted in the local currency for delivery ex-factory, including the cost of delivering to the place of destination, which is as follows: Taxes and any other local duties should be quoted separately.

(ii) **EVALUATION AND AWARD OF PURCHASE ORDER:** Offers determined to be substantially responsive to the technical specifications will be evaluated by comparison of their prices by converting their Ex-Works price, including the cost of delivery to the place of destination. The award will be made to the firm offering the lowest evaluated price and that meets the required standards of technical and financial capabilities.

(iii) **VALIDITY OF THE OFFER:** Your quotation(s) should be valid for a period of 30 days from the date for receipt of quotation(s) indicated in Paragraph 5 above.

7. Further information can be obtained from:

______________________________
Telephone:_____________________
Fax:__________________________
Telex _________________________

Sincerely,
LOCAL SHOPPING

DRAFT PURCHASE ORDER

Purchase Order No.____________________________________________
Date of Purchase Order_________________________________________
Name of the Purchaser___________________________________________
Complete Postal Address of Purchaser____________________________
Telephone No.__________________________________________________
Fax No.________________________________________________________

Subject: SUPPLY OF ______________________________________
___________________________________________________________________________

TO: {Please insert Supplier’s name and address}
______________________________________

Dear Sirs:

Your price quotation No.______________________________________
Dated_______________for the supply of the
above goods is accepted by the Purchaser for an amount of__________________as per
the attached Technical Specifications and Terms and Conditions.

Please acknowledge receipt within 5(five) days from the date of receipt of this
Purchase Order.

Sincerely,

Purchaser

TERMS AND CONDITIONS OF SUPPLY

Project Name:__________________________________Purchaser:______________________
Consignee:____________________Package No____________________________
1. **Prices and Schedules for Supply**

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Item No.</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Total Price</th>
<th>Delivery Time</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

Taxes

Total

(Note: In case of discrepancy between unit price and Total derived from unit price, unit price shall prevail)

- **Spare Parts**
- **Tools and Accessories**
- **Manuals**
- **Maintenance Requirements** Specify, if applicable.

2. **Fixed Price** The prices indicated above are firm and fixed and not subject to any adjustment during contract performance.

3. **Delivery Schedule**: The delivery should be completed as per schedule.

4. **Payment** for your invoice will be made 100% against delivery of goods.

5. **Warranty**: Goods offered should be covered by manufacturer’s warranty for at least 12 months from the date of delivery to the Purchaser (Please specify warranty period and terms in detail).

6. **Packaging and Marking Instructions**: [Purchaser to specify]

7. **Required Technical Specifications**
   (i) **General Description**
   (ii) **Specific details and technical standards**
   (iii) **Performance Parameters**

Supplier confirms compliance with above specifications {In case of deviations supplier to list all such deviations}
8. The material which will be supplied by the vendor will be tested in recognized testing institutions. If the sample material fails in testing the vendor will be liable to replace the whole lot with the material already supplied as per specification given above or refund the amount paid for the material. The cost of replacement will be borne by the vendor.

9. **Failure to Perform:** The Purchaser may cancel the Purchase Order if the Supplier fails to deliver the Goods, in accordance with the above terms and conditions, in spite of a 21 day notice given by the Purchaser, without incurring any liability.

NAME OF SUPPLIER______________________________
PROCUREMENT OF CIVIL WORKS
UNDER
NATIONAL SHOPPING PROCEDURES
(For Works valued less than equivalent of $ 30,000 each)

INVITATION FOR QUOTATIONS FOR CONSTRUCTION OF
CIVIL WORKS UNDER SHOPPING PROCEDURES

To

Dear Sirs,

Sub : INVITATION FOR QUOTATIONS FOR CONSTRUCTION OF

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

<table>
<thead>
<tr>
<th>Brief Description of the Works</th>
<th>Approximate value of Works (Rs.)</th>
<th>Period of Completion</th>
</tr>
</thead>
</table>


2. Government of India has received a credit from the International Development Association (IDA) in various currencies equivalent to US$ ___________ towards the cost of the ______________________ Project and intends to apply part of the proceeds of this credit to eligible payments under the contract for which this invitation for quotations is issued.

3. The ______________________ Project in __________________ state is being implemented by ____________, which is an autonomous society registered under the Societies Registration Act.

4. To assist you in the preparation of your quotation, we are enclosing the following:
   i. Layout Drawings of the works;
   ii. Structural Details;
   iii. Detailed Bill of Quantities, with estimated rates and prices;
   iv. Technical Specifications;
   v. Instructions to Bidders (in two sections).
   vi. Draft Contract Agreement format which will be used for finalizing the agreement for this Contract.

5. You are requested to provide your offer latest by ........................................... hrs. on
   ...........................

6. Quotations will be opened in the presence of Bidders or their representatives who choose to attend at ________________ AM/PM on ________________ in the office of ____________________________

7. We look forward to receiving your quotations and thank you for your interest in this project.

   (Employer)

   Name: ______________________

   Address: ______________________

   ______________________

   Tel. No: ______________________

   Fax No. ______________________

---

1 Delete if inapplicable
Instructions to Bidders

SECTION - A

1. **Scope of Works**

The _____________________ (Employer) invites quotations for the construction of works as detailed in the table given below.

<table>
<thead>
<tr>
<th>Brief Description of the Works</th>
<th>Approximate value of Works (Rs.)</th>
<th>Period of Completion</th>
</tr>
</thead>
</table>

The successful bidder will be expected to complete the works by the intended completion date specified above.

2. **Qualification of the bidder** : The bidder shall provide qualification information which shall include :-

   (a) total monetary value of construction works performed for each year of the last 3 years:

   (b) Report on his financial standing; and

   (c) Details of any litigation, current or during the last 3 years in which the bidder is involved, the parties concerned and disputed amount in each case.

3. **To qualify for award of the contract the bidder:**

   (a) should have satisfactorily completed as a prime contractor at least one similar work of value not less than Rs. 500,000 in the last three years;

   (b) should possess valid electrical license for executing building electrification works (in the event of the works being sub-contracted, the sub-contractor should have the necessary license);
should possess required valid license for executing the water supply/sanitary works (in the event of the works being sub-contracted, the sub-contractor should have the necessary license);

4. **Bid Price**

a) The contract shall be for the whole works as described in the Bill of quantities, drawings and technical specifications. Corrections, if any, shall be made by crossing out, initialling, dating and rewriting.

b) All duties, taxes and other levies payable by the contractor under the contract shall be included in the total price.

c) The rates quoted by the bidder shall be fixed for the duration of the contract and shall not be subject to adjustment on any account.

d) The rates should be quoted in Indian Rupees only.

5. **Submission of Quotations**

5.1 The bidder is advised to visit the site of works at his own expense and obtain all information that may be necessary for preparing the quotation.

5.2 Each bidder shall submit only one quotation.

5.3 The quotation submitted by the bidder shall comprise the following:-

   (a) Quotation in the format given in Section B.

   (b) Signed Bill of Quantities ; and

   (c) Qualification information form given in Section B duly completed.

5.4 The bidder shall seal the quotation in an envelope addressed to the ................................................. (Purchaser). The envelope will also bear the following identification :-

   - Quotation for _________________ (Name of the Contract)
   - Do not open before _____________ (time and date of quotation opening).

5.5 Quotations must be received in the office of the ................................................. (Employer) not later than the time and date given in the letter of invitation . If the specified date is declared a holiday, quotations shall be received upto the appointed time on the next working day.
5.6 Any quotation received by the ..................., (Employer) after the deadline for submission of quotations will be rejected and returned unopened to the bidder.

6. Validity of Quotation

Quotation shall remain valid for a period not less than 45 days after the deadline date specified for submission.

7. Opening of Quotations

Quotations will be opened in the presence of bidders or their representatives who choose to attend on the date and time and at the place specified in the letter of invitation.

8. Information relating to evaluation of quotations and recommendations for the award of contract shall not be disclosed to bidders or any other persons not officially concerned with the process until the award to the successful bidder is announced.

9. Evaluation of Quotations

The Employer will evaluate and compare the quotations determined to be substantially responsive i.e. which

(a) meet the qualification criteria specified in clause 3 above;

(b) are properly signed ; and

(c) conform to the terms and conditions, specifications and drawings without material deviations.

10. Award of contract

The Employer will award the contract to the bidder whose quotation has been determined to be substantially responsive and who has offered the lowest evaluated quotation price and who meets the specified qualification criteria.

10.1 Notwithstanding the above, the Employer reserves the right to accept or reject any quotations and to cancel the bidding process and reject all quotations at any time prior to the award of contract.

10.2 The bidder whose bid is accepted will be notified of the award of contract by the Employer prior to expiration of the quotation validity period.
11. **Performance Security**

Within 15 days of receiving letter of acceptance, the successful bidder shall deliver to the ................. (Employer) the performance security (either a bank guarantee or a bank draft in favour of the Employer) for an amount equivalent of 3 % of the contract price. The Performance Security shall be valid till the expiry of the period of maintenance of the work, specified in clause 12.

12. **Period of Maintenance**:

The “Period of Maintenance” for the work is six months from the date of taking over possession or one full monsoon season whichever occurs later. During the period of maintenance, the contractor will be responsible for rectifying any defects in construction free of cost to the Employer.

13. Purchase of all construction materials including cement and steel as per the specifications (ISI certification marked goods wherever available) shall be the responsibility of the contractor.

.........................
SECTION - B

1. Format for Qualification Information.

2. Format for Submission of Quotation.

QUALIFICATION INFORMATION

1  For Individual Bidders

1.1 Principal place of business: ______________________________

   Power of attorney of signatory of Quotation.
   [Attach copy]

1.2 Total value of Civil Engineering construction work performed in the last three years (in Rs. Lakhs)

   19___ ____________________  19___ ____________________  19___ ____________________

1.3 Work performed as prime contractor (in the same name) on works of a similar nature over the last three years.

<table>
<thead>
<tr>
<th>Project Name of work</th>
<th>Name of Employer</th>
<th>Description of work</th>
<th>Contract No.</th>
<th>Value of contract (Rs.Lakhs)</th>
<th>Date of issue of work order</th>
<th>Stipulated period of completion</th>
<th>Actual date of completion</th>
<th>Remarks explaining reasons for delay and work completed</th>
</tr>
</thead>
</table>

Existing commitments and on-going works:

<table>
<thead>
<tr>
<th>Description of Work</th>
<th>Place &amp; State &amp; Date</th>
<th>Contract No. &amp; Date</th>
<th>Value of Contract (Rs. Lakh)</th>
<th>Stipulated period of completion</th>
<th>Value of works* remaining to be completed (Rs. Lakhs)</th>
<th>Anticipated date of completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
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<td>(5)</td>
<td>(6)</td>
<td>(7)</td>
</tr>
</tbody>
</table>

* Enclose a certificate from Engineer concerned.
### 1.4 Proposed subcontracts and firms involved.

<table>
<thead>
<tr>
<th>Sections of the works</th>
<th>Value of Sub-contract</th>
<th>Sub-contractor (name &amp; address)</th>
<th>Experience in similar work</th>
</tr>
</thead>
<tbody>
<tr>
<td>*</td>
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</tbody>
</table>

### 1.5 Evidence of access to financial resources to meet the requirements of working capital: cash in hand, lines of credit, etc. List them below and attach copies of support documents.

### 1.6 Name, address, and telephone, telex, and fax numbers of the Bidders’ bankers who may provide references if contacted by the Employer.

### 1.7 Information on litigation history in which the Bidder is involved.

<table>
<thead>
<tr>
<th>Other party(ies)</th>
<th>Employer</th>
<th>Cause of dispute</th>
<th>Amount involved</th>
<th>Remarks showing present status</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>
QUOTATION

* Description of the Works:

To:

Subject: Construction of ........................................................................
.................................................................................................

Reference: Letter No............................................dated.....................from......................

Sir,

We offer to execute the Works described in your letter referred to above in accordance with
the Conditions of Contract enclosed therewith at ........ percentage above / below the estimated
rates, i.e., for a total Contract Price of -

Rs.** ................................................................. [ in figures ]
Rs. ................................................................. [ in words ].

This quotation and your written acceptance of it shall constitute a binding contract between us.
We understand that you are not bound to accept the lowest or any quotation you receive.

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

We hereby confirm that this quotation is valid for 45 days as required in Clause 6 of the
Instructions to Bidders.

Yours faithfully,

Authorized Signature: ____________________________ Date: ______________

Name & Title of Signatory: ____________________________
Name of Bidder: ____________________________
Address: ____________________________

* To be filled in by the Employer before issue of the Letter of Invitation.

** To be filled in by the Bidder, together with his particulars and date of submission at the
bottom of this Form.
LETTER OF ACCEPTANCE
CUM NOTICE TO PROCEED WITH THE WORK

(LETTERHEAD OF THE EMPLOYER)

Dated: ____________________________

To: ________________________________ [Name and address of the Contractor]

_________________________________
_________________________________
_________________________________
_________________________________

Dear Sirs,

This is to notify you that your Quotation dated ____________________ for execution of the ___________________________________________________________ for the contract price of Rupees __________________________________________ [amount in words and figures], is hereby accepted by us.

You are hereby requested to furnish performance security for an amount of Rs. ____________________ (equivalent to 3% of the contract price) within 15 days of the receipt of the letter. The Performance Security in the form of Bank guarantee or a Bank draft in favour of ......................(Employer) shall be valid till the expiry of the period of maintenance i.e. upto ______________________. Failure to furnish the Performance Security will entail cancellation of the award of contract.

You are also requested to sign the agreement form and proceed with the work not later than __________________________ under the instructions of the Engineer, __________________ and ensure its completion within the contract period.

With the issuance of this acceptance letter and your furnishing the Performance Security, contract for the above said work stands concluded.

Yours faithfully,

Authorized Signature
Name and title of Signatory
Draft Agreement form for
Construction through National Shopping

ARTICLES OF AGREEMENT

This deed of agreement is made in the form of agreement on _______ day
______________ month ____________ 199 ___, between the
_____________________________ (Employer) or his authorized representative (hereinafter
referred to as the first party) and _____________________ (Name of the Contractor), S/O
_______________ resident of ______________ (hereinafter referred to as the second party),
to execute the work of construction of __________________________ (hereinafter referred to
as works) on the following terms and conditions.

2. Cost of the Contract

The total cost of the works (hereinafter referred to as the “total cost”) is Rs. ____ as
reflected in Annexure - 1.

3.1 Payments under its contract:

Payments to the second party for the construction work will be released by the first
party in the following manner :-

On signing of agreement : 25% of total cost
On reaching plinth level (first stage) : 25% of the total cost
On reaching lintel level (second stage) : 25% of the total cost
On reaching roof level (third stage) : 15% of the total cost
Plastering and completion of whole work (fourth stage) : 10% of the total cost

(The above has been drafted for construction of school buildings; modify this suitably for other
works)

3.2 Payments at each stage will be made by the first party :

(a) on the second party submitting an invoice for an equivalent amount ;

(b) on certification of the invoice (except for the first installment) by the engineer
nominated by the first party with respect to quality of works in the format in
Annexure - 2; and

(c) upon proper and justified utilization of at least 50 % of the previous installment
and 100 % of any prior installment.

NSP/CW
4. **Notice by Contractor to Engineer**

The second party, on the works reaching each stage of construction, issue a notice to the first party or the Engineer nominated by the first party (who is responsible for supervising the contractor, administering the contract, certifying the payments due to the contractor, issuing and valuing variations to the contract, awarding extensions of time etc.), to visit the site for certification of stage completion. Within 15 days of the receipt of such notice, the first party or the engineer nominated by it, will ensure issue of stage completion certificate after due verification.

5. **Completion time**

The works should be completed in ______________ (months/weeks/days) from the date of this Agreement. In exceptional circumstances, the time period stated in this clause may be extended in writing by mutual consent of both the parties.

6. If any of the compensation events mentioned below would prevent the work being completed by the intended completion date, the first party will decide on the intended completion date being extended by a suitable period:

   a) The first party does not give access to the site or a part thereof by the agreed period.

   b) The first party orders a delay or does not issue completed drawings, specifications or instructions for execution of the work on time.

   c) Ground conditions are substantially more adverse than could reasonably have been assumed before issue of letter of acceptance and from information provided to second party or from visual inspection of the site.

   d) Payments due to the second party are delayed without reason.

   e) Certification for stage completion of the work is delayed unreasonably.

7. Any willful delay on the part of the second party in completing the construction within the stipulated period will render him liable to pay liquidated damages. @ Rs. *____________ per day which will be deducted from payments due to him. The first party may cancel the contract and take recourse to such other action as deemed appropriate once the total amount of liquidated damages exceeds 2% of the contract amount.

   (Note: The amount of liquidated damages per day should be determined at 0.05% of the contract value of the works and indicated here).
8. **Duties and responsibilities of the first party**

8.1 The first party shall be responsible for providing regular and frequent supervision and guidance to the second party for carrying out the works as per specifications. This will include written guidelines and regular site visit of the authorized personnel of the first party, for checking quality of material and construction to ensure that it is as per the norms.

8.2 The first party shall supply 3 sets of drawings, specifications and guidelines to the second party for the proposed works.

8.3 Possession of the site will be handed over to the second party within 10 days of signing of the agreement.

8.4 The Engineer or such other person as may be authorized by the first party shall hold meeting once in a month where the second party or his representative at site will submit the latest information including progress report and difficulties if any, in the execution of the work. The whole team may jointly inspect the site on a particular day to take stock of activities.

8.5 The Engineer shall record his observations/instructions at the time of his site visit in a site register maintained by the second party. The second party will carry out the instructions and promptly rectify any deviations pointed out by the engineer. If the deviations are not rectified, within the time specified in the Engineer’s notice, the first party as well as the engineer nominated by it, may instruct stoppage or suspension of the construction. It shall thereupon be open to the first party or the engineer to have the deviations rectified at the cost of the second party.

9. **Duties and responsibilities of the second party**

9.1 The second party shall:

   a) take up the works and arrange for its completion within the time period stipulated in clause 5;

   b) employ suitable skilled persons to carry out the works;

   c) regularly supervise and monitor the progress of work;

   d) abide by the technical suggestions / direction of supervisory personnel including engineers etc. regarding building construction;

   e) be responsible for bringing any discrepancy to the notice of the representative of the first party and seek necessary clarification;
f) ensure that the work is carried out in accordance with specifications, drawings and within the total of the contract amount without any cost escalation;

g) keep the first party informed about the progress of work;

h) be responsible for all security and watch and ward arrangements at site till handing over of the building to the first party; and

i) maintain necessary insurance against loss of materials/cash, etc. or workman disability compensation claims of the personnel deployed on the works as well as third party claims.

f) Pay all duties, taxes and other levies payable by construction agencies as per law under the contract (First party will effect deduction from running bills in respect of such taxes as may be imposed under the law).

10. **Variations / Extra Items**

The works shall be carried out by the second party in accordance with the approved drawings and specifications. However, if, on account of site conditions or any other factors, variations are considered necessary, the following procedure shall be followed:

a) The second party shall provide the Engineer with a quotation for carrying out the Variation when requested to do so by the Engineer. The Engineer shall assess the quotation, which shall be given within seven days of the request before the Variation is ordered.

b) If the quotation given by the second party is unreasonable, the Engineer may order the Variation and make a change to the Contract Price which shall be based on Engineer’s own forecast of the effects of the Variation on the Contractor’s costs.

c) The second party shall not be entitled to additional payment for costs which could have been avoided by giving early warning.

11. **Securities**

The Performance Security shall be provided to the Employer no later than the date specified in the Letter of Acceptance and shall be issued in an amount and form and by a bank or surety acceptable to the Employer. The Performance Security shall be valid until a date 28 days from the date of issue of the Certificate of Completion in the case of a Bank Guarantee.

12. **Termination**

12.1 The Employer may terminate the Contract if the other party causes a fundamental breach of the Contract.
12.2 Fundamental breaches of Contract include, but shall not be limited to the following:

(a) the contractor stops work for 28 days and the stoppage has not been authorized by the Engineer;

(b) the Contractor has become bankrupt or goes into liquidation other than for a reconstruction or amalgamation;

(c) the Engineer gives Notice that failure to correct a particular Defect is a fundamental breach of Contract and the Contractor fails to correct it within a reasonable period of time determined by the Engineer;

(d) the Contractor does not maintain a security which is required;

12.3 Notwithstanding the above, the Employer may terminate the Contract for convenience.

12.4 If the Contract is terminated the Contractor shall stop work immediately, make the Site safe and secure and leave the Site as soon as reasonably possible.

13. Payment upon Termination

13.1 If the Contract is terminated because of a fundamental breach of Contract by the Contractor, the Engineer shall issue a certificate for the value of the work done less advance payments received up to the date of the issue of the certificate, less other recoveries due in terms of the contract, less taxes due to be deducted at source as per applicable law.

13.2 If the Contract is terminated at the Employer’s convenience, the Engineer shall issue a certificate for the value of the work done, the reasonable cost of removal of Equipment, repatriation of the Contractor’s personnel employed solely on the Works, and the Contractor’s costs of protecting and securing the Works and less advance payments received up to the date of the certificate, less other recoveries due in terms of the contract and less taxes due to be deducted at source as per applicable law.

14. Dispute settlement

If over the works, any dispute arises between the two parties, relating to any aspects of this Agreement, the parties shall first attempt to settle the dispute through mutual and amicable consultation.

In the event of agreement not being reached, the matter will be referred for arbitration by a Sole Arbitrator not below the level of retired Superintending Engineer, PWD to be appointed by the first party. The Arbitration will be conducted in accordance with
the Arbitration and Conciliation Act, 1996. The decision of the Arbitrator shall be final and binding on both the parties.
Bill of Quantities

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Description of Work</th>
<th>Qty.</th>
<th>Unit</th>
<th>Estimated Cost In figure (Rs.)</th>
<th>Amount In Words</th>
</tr>
</thead>
</table>

Gross Total Cost: Rs. ..........................

We agree to execute the works in accordance with the approved drawings and technical specifications at .......... percentage above/below the estimated rates, i.e., for a total contract price of Rs. ...........(amount in figures) (Rs. ........ amount in words).

Signature of Contractor

NSP/CW
Annexure - 2

Format of certificate

Certified that the works upto __________________________ level in respect of construction of __________________________ at __________________________ have been executed in accordance with the approved drawing and technical specifications.

Signature
Name & Designation
(Official address)

Place :
Date :

Office seal
PERFORMANCE BANK GUARANTEE

To: __________________________________________ [name of Employer]
__________________________________________ [address of Employer]

WHEREAS ___________________________ [name and address of Contractor] (hereinafter called "the Contractor") has undertaken, in pursuance of Contract No. _____ dated ________________ to execute ________________ [name of Contract and brief description of Works] (hereinafter called "the Contract");

AND WHEREAS it has been stipulated by you in the said Contract that the Contractor shall furnish you with a Bank Guarantee by a recognized bank for the sum specified therein as security for compliance with his obligations in accordance with the Contract;

AND WHEREAS we have agreed to give the Contractor such a Bank Guarantee;

NOW THEREFORE we hereby affirm that we are the Guarantor and responsible to you, on behalf of the Contractor, up to a total of ____________________ [amount of guarantee] 1, such sum being payable in the types and proportions of currencies in which the Contract Price is payable, and we undertake to pay you, upon your first written demand and without cavil or argument, any sum or sums within the limits of ____________________ [amount of guarantee] 1 as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the Contractor before presenting us with the demand.

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

This guarantee shall be valid until ........ (i.e.) 28 days from the date of expiry of the Defects Liability Period.

Signature and seal of the guarantor _____________________________
Name of Bank ____________________________________________
Address ____________________________________________
Date ________________________________________________

__________________________

1 An amount shall be inserted by the Guarantor, representing the percentage of the Contract Price specified in the Contract and denominated in Indian Rupees.
PROCUREMENT OF GOODS UNDER NATIONAL SHOPPING PROCEDURES

(For Contracts valued less than the equivalent of US $30,000 each)
INVITATION FOR QUOTATIONS FOR SUPPLY OF 
GOODS UNDER NATIONAL SHOPPING PROCEDURES 

To 
___________________________________
___________________________________
___________________________________

Dear Sirs,

Sub :  INVITATION FOR QUOTATIONS FOR SUPPLY OF 
____________________________________________

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

<table>
<thead>
<tr>
<th>Brief Description of the Goods</th>
<th>Specifications*</th>
<th>Quantity</th>
<th>Delivery Period</th>
<th>Place of Delivery</th>
<th>Installation Requirement if any</th>
</tr>
</thead>
</table>

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

2. Government of India has received a credit from the International Development Association (IDA) in various currencies equivalent to US$ ___________ towards the cost of the ________________ Project and intends to apply part of the proceeds of this credit to eligible payments under the contract for which this invitation for quotations is issued.

3. **Bid Price**

   a) The contract shall be for the full quantity as described above. Corrections, if any, shall be made by crossing out, initialing, dating and re writing.
   
   b) All duties, taxes and other levies payable on the raw materials and components shall be included in the total price.
   
   c) Sales tax in connection with the sale shall be shown separately.
   
   d) The rates quoted by the bidder shall be fixed for the duration of the contract and shall not be subject to adjustment on any account.
   
   e) The Prices shall be quoted in Indian Rupees only.

4. Each bidder shall submit only one quotation.

5. **Validity of Quotation**
Quotation shall remain valid for a period not less than 15 days after the deadline date specified for submission.

6. **Evaluation of Quotations**

The Purchaser will evaluate and compare the quotations determined to be substantially responsive i.e. which

(a) are properly signed ; and

(b) conform to the terms and conditions, and specifications.

The Quotations would be evaluated for all the item together/would be evaluated separately for each item. [Select one of the options].

Sales tax in connection with sale of goods shall not be taken into account in evaluation.

7. **Award of contract**

The Purchaser will award the contract to the bidder whose quotation has been determined to be substantially responsive and who has offered the lowest evaluated quotation price.

7.1 Notwithstanding the above, the Purchaser reserves the right to accept or reject any quotations and to cancel the bidding process and reject all quotations at any time prior to the award of contract.

7.2 The bidder whose bid is accepted will be notified of the award of contract by the Purchaser prior to expiration of the quotation validity period. The terms of the accepted offer shall be incorporated in the supply order (sample form attached).

8. Payment shall be made immediately after delivery of the goods.

9. Normal commercial warranty/guarantee shall be applicable to the supplied goods.

10. You are requested to provide your offer latest by ……hours on ……..(date).

11. We look forward to receiving your quotations and thank you for your interest in this project.

(Purchaser)

Name: ..................................

Address: ...............................

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

Tel. No. ...............................

Fax No. ...............................
## FORMAT OF QUOTATION *

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Description Goods</th>
<th>Specifications</th>
<th>Qty.</th>
<th>Unit</th>
<th>Quoted Unit Rate in Rs.</th>
<th>Total Amount</th>
</tr>
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<tbody>
<tr>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>In Figures</th>
<th>In Words</th>
</tr>
</thead>
</table>

**TOTAL**

**Sales Tax**

**Gross Total Cost : Rs. ..................**

We agree to supply the above goods in accordance with the technical specifications for a total contract price of Rs. ..........(amount in figures ) (Rs. .......... amount in words) within the period specified in the Invitation for Quotations.

We also confirm that the normal commercial warrantee/guarantee of .......... months shall apply to the offered goods.

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

**Signature of Supplier**

*Applicable while the bids are being invited for more than one item and would be evaluated for all the items together. Modify where evaluation would be made for each item separately.*
SUPPLY ORDER

To:

M/s

Dear Sirs,

Sub: Supply of

Ref Your quotation no……… dated ……………………

1. Your quotation no……of ……………………..(Date) for the supply of has been accepted. You are requested to supply the following goods/equipment at the rates quoted by you and specified against each as per the specifications and terms & conditions specified hereunder:

<table>
<thead>
<tr>
<th>SL.No</th>
<th>Brief description of goods/ equipment</th>
<th>Specification</th>
<th>Quantity to be supplied</th>
<th>Unit Rate (Rs.)</th>
<th>Total Price (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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<td></td>
<td></td>
<td>Total</td>
</tr>
</tbody>
</table>

Vat/Sales Tax will be extra

2. Delivery Period: …………days from the date of issue of this supply order.

3. Place of delivery ……………………………………………………

4. Consignee Address: …………………………………………………

5. Vat/Sales tax if any will be paid at actual prevailing on the date of supply.

6. Standard Manufactures commercial Warranty/Guarantee shall be……….. months from the date of delivery and acceptance.
7. Payment shall be made within 15 days of delivery; and acceptance of the goods/equipment.

8. Other terms and conditions are as under:

(Purchaser)

Date:

Place:

Name: ......................................

Designation: ............................

*Modified as appropriate for individual cases*
PROCUREMENT OF SMALL WORKS
UNDER NCB

Date:
Bid No.:

1. The Ministry of Environment and Forest has implemented the Bio diversity conservation and Rural livelihood improvement. Bidding is open to all bidders from eligible source countries. Bidders from India should, however, be registered with the State Governments/Government of India, or State/Central Government Undertakings. Bidders are advised to note the minimum qualification criteria specified in Clause 3 of the Instructions to Bidders to qualify for the award of the contract.

2. The .................................... invites bids for the construction of works detailed in the table. The bidders may submit bids for any or all of the following works.

3. Bidding documents (and additional copies) may be purchased from the office of................................ from ........ to.........., for a non-refundable fee (three sets) as indicated, in the form of cash or Demand Draft on any Scheduled bank payable at............ in favour of...... ..................Interested bidders may obtain further information at the same address. Bidding documents requested by mail will be dispatched by registered/speed post on payment of an extra amount of Rs........... The ................................ will not be held responsible for the postal delay if any, in the delivery of the documents or non-receipt of the same.

4. Bids should be valid for 45 days after the deadline date specified for submission.

5. Bids must be delivered to..................................................... on or before........hours on ............ (date) and will be opened on the same day at.........hours, in the presence of the bidders who wish to attend. If the office happens to be closed on the date of receipt of the bids as specified, the bids will be received and opened on the next working day at the same time and venue.

6. Other details can be seen in the bidding documents.
<table>
<thead>
<tr>
<th>Package No.</th>
<th>Name of work</th>
<th>Approximate value of work (Rs.)</th>
<th>Cost of document (Rs.)</th>
<th>Period of completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
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<td>5</td>
</tr>
</tbody>
</table>

Seal of office

(Employer)

Name: ______________________
Address: ______________________
_____________________
_____________________
Tel. No: ______________________
Fax No. ______________________
Instructions to Bidders
SECTION - A

1. Scope of Works

The _____________________ (Employer) invites bids for the construction of works as detailed in the table given below

<table>
<thead>
<tr>
<th>Brief Description of the Works</th>
<th>Approximate value of Works (Rs.)</th>
<th>Period of Completion</th>
</tr>
</thead>
</table>

The successful bidder will be expected to complete the works by the intended completion date specified above.

2. Qualification of the bidder: The bidder shall provide qualification information which shall include:-

(a) total monetary value of construction works performed for each year of the last 3 years;
(b) Income tax clearance certificate from the concerned IT circle;
(c) Report on his financial standing; and
(d) Details of any litigation, current or during the last 3 years in which the bidder is involved, the parties concerned and disputed amount in each case.

3. To qualify for award of the contract the bidder:-

(a) should have satisfactorily completed as a prime contractor at least one similar work of value not less than Rs. 500,000 in the last three years;
(b)* should possess valid electrical license for executing building electrification works (in the event of the works being sub-contracted, the sub-contractor should have the necessary license);
(c)* should possess required valid license for executing the water supply/sanitary works (in the event of the works being sub-contracted, the sub-contractor should have the necessary license);

(* Delete whichever is inapplicable.)

4. Bid Price

a) The contract shall be for the whole works as described in drawings and technical specifications. Corrections, if any, shall be made by crossing out, initialing, dating, and rewriting.
b) All duties, taxes and other levies payable by the contractor under the contract shall be included in the total price.
c) The rates quoted by the bidder shall be fixed for the duration of the contract and shall not be subject to adjustment on any account.

5. Submission of Bids

5.1 The bidder is advised to visit the site of works at his own expense and obtain all information that may be necessary for preparing the bid.
5.2 Each bidder shall submit only one bid.
5.3 The set of bidding documents comprise of the following:
   i. Layout Drawings of the works;
   ii. Structural Details;
iii. Detailed Bill of Quantities;
iv. Technical Specifications;
v. Instructions to Bidders (in two sections); and
vi. Draft Contract Agreement format which will be used for finalizing the agreement for this Contract.

5.4 The bid submitted by the bidder shall comprise the following:-
(a) Bid in the format given in Section B.
(b) Signed Bill of Quantities; and
(c) Qualification information form given in Section B duly completed.

5.5 The bidder shall seal the bid in an envelope addressed to the ................................................. (Purchaser). The envelope will also bear the following identification :

- Bid for ___________________ (Name of the Contract)
- Do not open before ___________ (time and date of bid opening).

5.6 Bids must be received in the office of the ------------------------------- (Employer) not later than the time and date given in the letter of invitation. If the specified date is declared a holiday, bids shall be received upto the appointed time on the next working day.

5.7 Any bid received by the ................................................. (Employer) after the deadline for submission of bids will be rejected and returned unopened to the bidder.

6. Validity of Bid
Bid shall remain valid for a period not less than 45 days after the deadline date specified for submission.

7. Opening of Bids
Bids will be opened in the presence of bidders or their representatives who choose to attend on the date and time and at the place specified in sub-clause 5.6 above.

8. Information relating to evaluation of bids and recommendations for the award of contract shall not be disclosed to bidders or any other persons not officially concerned with the process until the award to the successful bidder is announced.

9. Evaluation of Bids
The Employer will evaluate and compare the bids determined to be substantially responsive i.e. which

(a) meet the qualification criteria specified in clause 3 above;
(b) are properly signed; and
(c) conform to the terms and conditions, specifications and drawings without material deviations.
10. **Award of contract**

The Employer will award the contract to the bidder whose bid has been determined to be substantially responsive and who has offered the lowest evaluated bid price and who meets the specified qualification criteria.

10.1 Notwithstanding the above, the Employer reserves the right to accept or reject any bids and to cancel the bidding process and reject all bids at any time prior to the award of contract.

10.2 The bidder whose bid is accepted will be notified of the award of contract by the Employer prior to expiration of the bid validity period.

11. **Performance Security**

Within 15 days of receiving letter of acceptance, the successful bidder shall deliver to the ................... (Employer) the performance security (either a bank guarantee or a bank draft in favour of the Employer) for an amount equivalent of 3 % of the contract price. The Performance Security shall be valid till the expiry of the period of maintenance of the work, specified in clause 12.

12. **Defects Liability**:

The “Defects Liability Period” for the work is six months from the date of taking over possession or one full monsoon season whichever occurs later. During this period, the contractor will be responsible for rectifying any defects in construction free of cost to the Employer.

13. **Supply of all construction materials including cement and steel as per the specifications (ISI certification marked goods wherever available) shall be the responsibility of the contractor.**

........................
SECTION - B

1. Format for Qualification Information.

2. Format for Submission of Bid.

QUALIFICATION INFORMATION

1 For Individual Bidders

1.1 Principal place of business: ____________________________

Power of attorney of signatory of Bid. [Attach copy]

1.2 Total value of Civil** Engineering construction work performed in the last three years (in Rs. Lakhs)

| 19__ | ____________________ |
| 19__ | ____________________ |
| 19__ | ____________________ |

1.3 Work performed as prime contractor (in the same name) on works of a similar nature over the last three years.

<table>
<thead>
<tr>
<th>Project Name of Employer</th>
<th>Description of Work</th>
<th>Contract No. &amp; Date</th>
<th>Value of Contract (Rs. Lakhs)</th>
<th>Date of issue of work order</th>
<th>Stipulated period of completion</th>
<th>Actual date of completion</th>
<th>Remarks explaining reasons for delay and work completed</th>
</tr>
</thead>
</table>

Existing commitments and on-going works:

<table>
<thead>
<tr>
<th>Description of Work</th>
<th>Place &amp; State</th>
<th>Contract No. &amp; Date</th>
<th>Value of Contract (Rs. Lakhs)</th>
<th>Stipulated period of completion</th>
<th>Value of works* remaining to be completed (Rs. Lakhs)</th>
<th>Anticipated date of completion</th>
</tr>
</thead>
<tbody>
<tr>
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<td>(4)</td>
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<td>(6)</td>
<td>(7)</td>
</tr>
</tbody>
</table>

* Enclose a certificate from Engineer concerned.

** Modify as appropriate.
1.4 Proposed subcontracts and firms involved.

<table>
<thead>
<tr>
<th>Sections of the works</th>
<th>Value of Sub-contract</th>
<th>Sub-contractor (name &amp; address)</th>
<th>Experience in similar work</th>
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</table>

1.5 Evidence of access to financial resources to meet the requirement of working capital: cash in hand, lines of credit, etc. List them below and attach copies of support documents.

1.6 Name, address, and telephone, telex, and fax numbers of the Bidders’ bankers who may provide references if contacted by the Employer.

1.7 Information on litigation history in which the Bidder is involved.

<table>
<thead>
<tr>
<th>Other party(ies)</th>
<th>Employer</th>
<th>Cause of dispute</th>
<th>Amount involved</th>
<th>Remarks showing present status</th>
</tr>
</thead>
</table>
BID FORM

* Description of the Works:

To:

Subject: Construction of .................................................................
.................................

Reference: Letter No..................................dated......................from..................

Sir,

We offer to execute the Works described in your letter referred to above in accordance with the Conditions of Contract enclosed therewith at a total Fixed Contract Price of -

Rs.** ................................................................. [ in figures ]
Rs. ................................................................. [ in words ].

This bid and your written acceptance of it shall constitute a binding contract between us. We understand that you are not bound to accept the lowest or any bid you receive.

We hereby confirm that this bid is valid for 45 days as required in Clause 6 of the Instructions to Bidders.

Yours faithfully,

Authorized Signature : ........................................

Date: ______________

Name & Title of Signatory : .................................................................

Name of Bidder : .................................................................

Address : .................................................................

* To be filled in by the Employer before issue of the Letter of Invitation.

** To be filled in by the Bidder, together with his particulars and date of submission at the bottom of this Form.
LETTER OF ACCEPTANCE
CUM NOTICE TO PROCEED WITH THE WORK

(LETTERHEAD OF THE EMPLOYER)

Dated: __________________________

To: ...........................................  [Name and address of the Contractor]

Dear Sirs,

This is to notify you that your Bid dated ____________________ for execution of the
_____________________________________________________________ for the contract
price of Rupees __________________________________________ [amount in words and
figures], is hereby accepted by us.

You are hereby requested to furnish performance security for an amount of Rs.
____________________ (equivalent to 3% of the contract price) within 15 days of the receipt of
the letter. The Performance Security in the form of Bank guarantee or a Bank draft in favour of
...........................(Employer) shall be valid till the expiry of the period of maintenance i.e. upto
______________________. Failure to furnish the Performance Security will entail cancellation
of the award of contract.

You are also requested to sign the agreement form and proceed with the work not later
than ____________________________ under the instructions of the Engineer,
____________________________ and ensure its completion within the contract period.

With the issuance of this acceptance letter and your furnishing the Performance Security,
contract for the above said work stands concluded.

Yours faithfully,

Authorized Signature
Name and title of Signatory
Draft Agreement form for
Construction through Lumpsum Contract

ARTICLES OF AGREEMENT

1. This deed of agreement is made in the form of agreement on ________ day ______________ month ____________ 199 ___, between the _______________________________ (Employer) or his authorized representative (hereinafter referred to as the first party) and _____________________ (Name of the Contractor), S/O ______________ resident of ______________ (hereinafter referred to as the second party), to execute the work of construction of __________________________ (hereinafter referred to as works) on the following terms and conditions.

2. Cost of the Contract

The total cost of the works (hereinafter referred to as the “total cost”) is Rs. ____ as reflected in Annexure - 1.

3.1 Payments under its contract:

Payments to the second party for the construction work will be released by the first party in the following manner :-

On signing of agreement : 10% of the contract price on receipt of unconditional bank guarantee in the format attached

On reaching plinth level (first stage) : 25% of the total cost
On reaching lintel level (second stage) : 25% of the total cost
On reaching roof level (third stage) : 25% of the total cost
Plastering and completion of whole work (fourth stage) : 15% of the total cost

(The above payment terms have been drafted for construction of school buildings; modify this suitably for other works)

3.2 Payments at each stage will be made by the first party :

(a) on the second party submitting an invoice for an equivalent amount ;

(b) on certification of the invoice (except for the first installment) by the engineer nominated by the first party with respect to quality of works in the format in Annexure - 2; and

(c) upon proper and justified utilization of at least 50 % of the previous installment and 100 % of any prior installment.
4. **Notice by Contractor to Engineer**

The second party, on the works reaching each stage of construction, issue a notice to the **first party or the Engineer nominated by the first party** (who is responsible for supervising the contractor, administering the contract, certifying payments due to the contractor, issuing and valuing variations to the contract, awarding extension of time etc.) to visit the site for certification of stage completion. Within 15 days of the receipt of such notice, the first party or the engineer nominated by it, will ensure issue of stage completion certificate after due verification.

5. **Completion time**

The works should be completed in ____________ (months/weeks/days) from the date of this Agreement. In exceptional circumstances, the time period stated in this clause may be extended in writing by mutual consent of both the parties.

6. If any of the compensation events mentioned below would prevent the work being completed by the intended completion date, the first party will decide on the intended completion date being extended by a suitable period:

   a) The first party does not give access to the site or a part thereof by the agreed period.

   b) The first party orders a delay or does not issue completed drawings, specifications or instructions for execution of the work on time.

   c) Ground conditions are substantially more adverse than could reasonably have been assumed before issue of letter of acceptance and from information provided to second party or from visual inspection of the site.

   d) Payments due to the second party are delayed without reason.

   e) Certification for stage completion of the work is delayed unreasonably.

7. Any willful delay on the part of the second party in completing the construction within the stipulated period will render him liable to pay liquidated damages. @ Rs. *___________* per day which will be deducted from payments due to him. The first party may cancel the contract and take recourse to such other action as deemed appropriate once the total amount of liquidated damages exceeds 2 % of the contract amount.

   *(Note : The amount of liquidated damages per day should be determined at 0.05 % of the contract value of the works and indicated here).*
8. **Duties and responsibilities of the first party**

8.1 The first party shall be responsible for providing regular and frequent supervision and guidance to the second party for carrying out the works as per specifications. This will include written guidelines and regular site visit of the authorized personnel of the first party, for checking quality of material and construction to ensure that it is as per the norms.

8.2 The first party shall supply 3 sets of drawings, specifications and guidelines to the second party for the proposed works.

8.3 Possession of the site will be handed over to the second party within 10 days of signing of the agreement.

8.4 The Engineer or such other person as may be authorized by the first party shall hold meeting once in a month where the second party or his representative at site will submit the latest information including progress report and difficulties if any, in the execution of the work. The whole team may jointly inspect the site on a particular day to take stock of activities.

8.5 The Engineer shall record his observations/instructions at the time of his site visit in a site register maintained by the second party. The second party will carry out the instructions and promptly rectify any deviations pointed out by the engineer. If the deviations are not rectified, within the time specified in the Engineer’s notice, the first party as well as the engineer nominated by it, may instruct stoppage or suspension of the construction. It shall thereupon be open to the first party or the engineer to have the deviations rectified at the cost of the second party.

9. **Duties and responsibilities of the second party**

9.1 The second party shall:

a) take up the works and arrange for its completion within the time period stipulated in clause 5;

b) employ suitable skilled persons to carry out the works;

c) regularly supervise and monitor the progress of work;

d) abide by the technical suggestions / direction of supervisory personnel including engineers etc. regarding building construction;

e) be responsible for bringing any discrepancy to the notice of the representative of the first party and seek necessary clarification;

f) ensure that the work is carried out in accordance with specifications, drawings and within the total of the contract amount without any cost escalation;

g) keep the first party informed about the progress of work;
h) be responsible for all security and watch and ward arrangements at site till handing over of the building to the first party; and

i) maintain necessary insurance against loss of materials/cash, etc. or workman disability compensation claims of the personnel deployed on the works as well as third party claims.

j) Pay all duties, taxes and other levies payable by construction agencies as per law under the contract (First party will effect deduction from running bills in respect of such taxes as may be imposed under the law).

10. Variations / Extra Items

The works shall be executed by the second party in accordance with the approved drawings and specifications. No variation in cost is acceptable. However, if the Engineer issues instructions for execution of extra items, the following procedure shall be followed:

a) The second party shall provide the Engineer with a bid for carrying out the extra items when requested to do so by the Engineer. The Engineer shall assess the bid, which shall be given within seven days of the request before the extra items are ordered.

b) If the bid given by the second party is unreasonable, the Engineer may order the extra items and make a change to the Contract Price which shall be based on Engineer’s own forecast of the effects of the extra items on the Contractor’s costs.

c) The second party shall not be entitled to additional payment for costs, which could have been avoided by giving early warning.

11. Securities

The Performance Security shall be provided to the Employer no later than the date specified in the Letter of Acceptance and shall be issued in an amount and form and by a bank or surety acceptable to the Employer. The Performance Security shall be valid until a date 28 days from the date of issue of the Certificate of Completion in the case of a Bank Guarantee.

12. Termination

12.1 The Employer may terminate the Contract if the other party causes a fundamental breach of the Contract.

12.2 Fundamental breaches of Contract include, but shall not be limited to the following:

(a) the contractor stops work for 28 days and the stoppage has not been authorized by the Engineer;

(b) the Contractor has become bankrupt or goes into liquidation other than for a reconstruction or amalgamation;
(c) the Engineer gives Notice that failure to correct a particular Defect is a fundamental breach of Contract and the Contractor fails to correct it within a reasonable period of time determined by the Engineer;

(d) the Contractor does not maintain a security which is required;

12.3 Notwithstanding the above, the Employer may terminate the Contract for convenience.

12.4 If the Contract is terminated the Contractor shall stop work immediately, make the Site safe and secure and leave the Site as soon as reasonably possible.

13. Payment upon Termination

13.1 If the Contract is terminated because of a fundamental breach of Contract by the Contractor, the Engineer shall issue a certificate for the value of the work done less advance payments received up to the date of the issue of the certificate, less other recoveries due in terms of the contract, less taxes due to be deducted at source as per applicable law.

13.2 If the Contract is terminated at the Employer’s convenience, the Engineer shall issue a certificate for the value of the work done, the reasonable cost of removal of Equipment, repatriation of the Contractor’s personnel employed solely on the Works, and the Contractor’s costs of protecting and securing the Works and less advance payments received up to the date of the certificate, less other recoveries due in terms of the contract and less taxes due to be deducted at source as per applicable law.

14. Dispute settlement

If over the works, any dispute arises between the two parties, relating to any aspects of this Agreement, the parties shall first attempt to settle the dispute through mutual and amicable consultation.

In the event of agreement not being reached, the matter will be referred for arbitration by a Sole Arbitrator not below the level of retired Chief Engineer / Superintending Engineer, (not connected in part or whole with this Project in his service) to be appointed by the first party. The Arbitration will be conducted in accordance with the Arbitration and Conciliation Act, 1996. The decision of the Arbitrator shall be final and binding on both the parties.
BILL OF QUANTITIES

The approximate Bill of Quantities is indicated below to give an idea of the work which should be executed in accordance with the approved drawings and specifications to enable the bidder to furnish the lumpsum price. Bidders may, however, note that no variations in the lumpsum cost is acceptable (except where extra items are ordered by the Engineer).

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Description of Work</th>
<th>Unit</th>
<th>Qty.</th>
</tr>
</thead>
</table>

We agree to execute the works in accordance with the approved drawings and technical specifications at a total fixed contract price of Rs......................(amount in figures) (Rs........... amount in words).

Signature of Contractor

Note: Where there is a discrepancy between the rate in figures and words, the rates in words will govern.
Format of certificate

Certified that the works upto ---------------------------------- level in respect of construction of ------------------- at ---------------------- have been executed in accordance with the approved drawings and technical specifications.

Signature
Name & Designation
(Official address)

Place :
Date :

Office seal
BANK GUARANTEE FOR ADVANCE PAYMENT

To: ___________________________ [name of Employer]
_____________________________ [address of Employer]
_____________________________ [name of Contract]

Gentlemen:

In accordance with the provisions of the Conditions of Contract, subclause 3.1 of the above-mentioned Contract, ________________ [name and address of Contractor] (hereinafter called "the Contractor") shall deposit with ______________________ [name of Employer] a bank guarantee to guarantee his proper and faithful performance under the said Clause of the Contract in an amount of _____________ [amount of guarantee] ______ [in words].

We, the ____________________ [bank or financial institution], as instructed by the Contractor, agree unconditionally and irrevocably to guarantee as primary obligor and not as Surety merely, the payment to ____________________ [name of Employer] on his first demand without whatsoever right of objection on our part and without his first claim to the Contractor, in the amount not exceeding _____________ [amount of guarantee] ______ [in words].

We further agree that no change or addition to or other modification of the terms of the Contract or of Works to be performed thereunder or of any of the Contract documents which may be made between ____________________ [name of Employer] and the Contractor, shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition or modification.

This guarantee shall remain valid and in full effect from the date of the advance payment under the Contract until ____________________ [name of Employer] receives full repayment of the same amount from the Contractor.

Yours truly,

Signature and seal: ___________________________
Name of Bank/Financial Institution: _______________
Address: ________________________________
Date: ___________________________

1 An amount shall be inserted by the bank or financial institution representing the amount of the Advance Payment, and denominated in Indian Rupees.
To:  

______________________________________________  [name of Employer]

_________________________________________  [address of Employer]

WHEREAS _________________________  [name and address of Contractor] (hereinafter called "the Contractor") has undertaken, in pursuance of Contract No. _____ dated ________________ to execute __________________________  [name of Contract and brief description of Works] (hereinafter called "the Contract");

AND WHEREAS it has been stipulated by you in the said Contract that the Contractor shall furnish you with a Bank Guarantee by a recognized bank for the sum specified therein as security for compliance with his obligations in accordance with the Contract;

AND WHEREAS we have agreed to give the Contractor such a Bank Guarantee;

NOW THEREFORE we hereby affirm that we are the Guarantor and responsible to you, on behalf of the Contractor, up to a total of ____________________  [amount of guarantee] 1, such sum being payable in the types and proportions of currencies in which the Contract Price is payable, and we undertake to pay you, upon your first written demand and without cavil or argument, any sum or sums within the limits of ____________________  [amount of guarantee] 1 as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the Contractor before presenting us with the demand.

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

This guarantee shall be valid until 28 days from the date of expiry of the Defects Liability Period.

Signature and seal of the guarantor _____________________________

Name of Bank ____________________________________________

Address ____________________________________________

Date ____________________________________________

1 An amount shall be inserted by the Guarantor, representing the percentage of the Contract Price specified in the Contract including additional security for unbalanced Bids, if any and denominated in Indian Rupees.
PROCUREMENT OF WORKS
UNDER NCB COSTING US $100,000 AND BELOW

NAME OF WORK : 

PERIOD OF SALE OF BIDDING DOCUMENT : FROM TO

LAST DATE AND TIME FOR RECEIPT OF BIDS : DATE _______ TIME _______
HOURS

* TIME AND DATE OF OPENING OF BIDS : DATE _______ TIME _______
HOURS

PLACE OF OPENING OF BIDS :

OFFICER INVITING BIDS :

* Should be the same as for the deadline for receipt of bids or promptly thereafter.
INVITATION FOR BID

(IFB)
GOVERNMENT OF

.................................................PROJECT

INVITATIONS FOR BIDS (IFB)

NATIONAL COMPETITIVE BIDDING

Date: 
Bid No.: 

1. The Government of India has received a credit from the International Development Association / loan from the International Bank for Reconstruction & Development towards the cost of ........................................Project and intends to apply a part of the funds to cover eligible payments under the contracts for construction of works as detailed below. Bidding is open to all bidders from eligible source countries as defined in the IBRD Guidelines for Procurement. Bidders from India should, however, be registered with the Government of .......... or other State Governments/Government of India, or State/Central Government Undertakings. Bidders are advised to note the minimum qualification criteria specified in Clause 4 of the Instructions to Bidders to qualify for the award of the contract.

2. The .................................... invites bids for the construction of works detailed in the table. The bidders may submit bids for any or all of the following works, for the package or for any of the slices.

3. Bidding documents (and additional copies) may be purchased from the office of.............. ..........................from ...........to.........., for a non-refundable fee (three sets) as indicated, in the form of cash or Demand Draft on any Scheduled bank payable at................ in favour of...... ..........................  Interested bidders may obtain further information at the same address. Bidding documents requested by mail will be despatched by registered/speed post on payment of an extra amount of Rs........... The .......................... will not be held responsible for the postal delay if any, in the delivery of the documents or non-receipt of the same.

4. Bids must be accompanied by security of the amount specified for the work in the table below, drawn in favour of......................... Bid security will have to be in any one of the forms as specified in the bidding document and shall have to be valid for 45 days beyond the validity of the bid.

5. Bids must be delivered to............................................................... on or before........ hours on .......... (date) and will be opened on the same day at............hours, in the
presence of the bidders who wish to attend. If the office happens to be closed on the date of receipt of the bids as specified, the bids will be received and opened on the next working day at the same time and venue.

6. Other details can be seen in the bidding documents.
<table>
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<tr>
<th>Package No.</th>
<th>Name of work</th>
<th>Approximate value of work (Rs.)</th>
<th>Bid security (Rs.)</th>
<th>Cost of document (Rs.)</th>
<th>Period of completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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Seal of office
SECTION 1: INSTRUCTIONS TO BIDDERS (ITB)
### Section 1: Instructions to Bidders

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35. Advance Payment and Security
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37. Corrupt or Fraudulent Practices
A. General

1. Scope of Bid

1.1 The ............................................. (referred to as Employer in these documents) invites bids for the construction of works (as defined in these documents and referred to as "the works") detailed in the table given in the Invitation for Bids (IFB). The bidders may submit bids for any or all of the works detailed in the table given in IFB.

1.2 The successful bidder will be expected to complete the works by the intended completion date specified in the Contract data.

2. Source of Funds

2.1 The Government of India has received a loan/credit from the International Bank for Reconstruction and Development/the International Development Association (hereinafter interchangeably called “the Bank”) towards the cost of.................. .........................P-project and intends to apply a part of the funds to cover eligible payments under the contract for the Works. Payments by the Bank will be made only at the request of the borrower and upon approval of the Bank in accordance with the Loan/Credit Agreement, and will be subject in all respects to the terms and conditions of that Agreement. Except as the Bank may specifically otherwise agree, no party other than the borrower shall derive any rights from the Loan/Credit Agreement or have any rights to the loan/credit proceeds.

2.2 The loan agreement prohibits a withdrawal from the loan account for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the knowledge of the Bank, is prohibited by a decision of the United Nations Security Council, taken under Chapter VII of the Charter of the United Nations.

3. Eligible Bidders

3.1 This Invitation for Bids is open to all bidders from the eligible countries as defined under the IBRD Guidelines for Procurement. Any materials, equipment, and services to be used in the performance of the Contract shall have their origin in the eligible source countries.

3.2 All bidders shall provide in Section 2, Forms of Bid and Qualification Information, a statement that the Bidder is not associated, nor has been associated in the past, directly or indirectly, with the Consultant or any other entity that has prepared the design, specifications, and other documents for the Project or being proposed as Project Manager for the Contract. A firm that has been engaged by the Borrower to provide consulting services for the preparation or supervision of the works, and any of its affiliates, shall not be eligible to bid.

3.3 Government-owned enterprises in the Employer’s country may only participate if they are legally and financially autonomous, operate under commercial law and are not a dependent agency of the Borrower or Sub-borrower.

3.4 Bidders shall not be under a declaration of ineligibility for corrupt and fraudulent practices issued by the Bank in accordance with sub-clause 37.1.
4. Qualification of the Bidder

4.1 All bidders shall provide in Section 2, Forms of Bid and Qualification Information, a preliminary description of the proposed work method and schedule, including drawings and charts, as necessary.

4.2 In the event that Pre-qualification of potential bidders has been undertaken, only bids from prequalified bidders will be considered for award for Contract. These qualified bidders should submit with their bids any information updating their original prequalification applications or, alternatively, confirm in their bids that the originally submitted prequalification information remains essentially correct as of date of bid submission. The update or confirmation should be provided in Section 2.

4.3 If the Employer has not undertaken prequalification of potential bidders, all bidders shall include the following information and documents with their bids in Section 2:

(a) copies of original documents defining the constitution or legal status, place of registration, and principal place of business; written power of attorney of the signatory of the Bid to commit the Bidder;

(b) total monetary value of construction work performed for each of the last five years;

(c) experience in works of a similar nature and size for each of the last five years, and details of works under way or contractually committed; and clients who may be contacted for further information on those contracts;

(d) major items of construction equipment proposed to carry out the Contract;

(e) qualifications and experience of key site management and technical personnel proposed for the Contract;

(f) reports on the financial standing of the Bidder, such as profit and loss statements and auditor's reports for the past five years;

(g) evidence of adequacy of working capital for this contract (access to line(s) of credit and availability of other financial resources);

(h) authority to seek references from the Bidder's bankers;

(i) information regarding any litigation or arbitration resulting from contracts executed by the Bidder in the last five years or currently under execution. The information shall include the names of the parties concerned, the disputed amount, cause of litigation, and matter in dispute; and

(j) proposals for subcontracting components of the Works which in aggregate add to more than 20 percent of the Contract Price [for each, the qualifications and experience of the identified sub-contractor in the relevant field should be annexed; no vertical splitting of work for sub-contracting is acceptable].

4.4 Bids from Joint ventures are not acceptable.
4.5 A. To qualify for award of the contract, each bidder in its name should have in the last five years:
   i.e. ....................

   (a) achieved, in at least two financial years, a minimum annual financial turnover (in all classes of civil engineering construction works only) of Rs....... @ (usually not less than two times the estimated annual payments under the contract);

   (b) satisfactorily completed (not less than 90% of contract value), as a prime contractor (or as subcontractor duly certified by the employer/main contractor) at least one similar work of value not less than Rs....... @ (usually not less than 80% of estimated value of contract);

   (c) deleted;

   (d) The contractor or his identified sub-contractor should possess required valid electrical license for executing the building electrification works and should have executed similar electrical works totalling Rupees ............@ ** in any one year.

   (e) The contractor or his identified sub-contractor should possess required valid license for executing the water supply/sanitary engineering works and should have executed similar water supply/sanitary engineering works totalling Rupees .................@ ** in any one year.

   @ at ————* price level. Financial turnover and cost of completed works of previous years shall be given weightage of 5% per year based on rupee value to bring them to ————* price level.

4.5 B. Deleted.

4.5 C. To qualify for a package of contracts made up of this and other contracts for which bids are invited in the IFB, the bidder must demonstrate having experience and resources sufficient to meet the aggregate of the qualifying criteria for the individual contracts.

4.6 Sub-contractors' experience and resources shall not be taken into account in determining the bidder's compliance with the qualifying criteria except to the extent stated in para 4.5 (A) (d and e) above.

4.7 Bidders who meet the minimum qualification criteria will be qualified only if their available bid capacity is more than the total bid value. The available bid capacity will be calculated as under:

   \[
   \text{Assessed Available Bid capacity} = (A*N*1.5 - B)
   \]

   * Specify the financial years; they should be those immediately preceding the financial year in which the bids are received.

   ** at least 50% of the estimated value of electrical/ water supply works.

   * the financial year in which bids are received
where

\[ A = \text{Maximum value of civil engineering works executed in any one year during the last five years (updated to } \text{- price level)} \text{ taking into account the completed as well as works in progress.} \]

\[ N = \text{Number of years prescribed for completion of the works for which bids are invited.} \]

\[ B = \text{Value, at } \text{- price level, of existing commitments and on-going works to be completed during the next......years (period of completion of the works for which bids are invited)} \]

\text{Note: The statements showing the value of existing commitments and on-going works as well as the stipulated period of completion remaining for each of the works listed should be countersigned by the Engineer in charge, not below the rank of an Executive Engineer or equivalent.}

4.8 Even though the bidders meet the above qualifying criteria, they are subject to be disqualified if they have:

- made misleading or false representations in the forms, statements and attachments submitted in proof of the qualification requirements; and/or

- record of poor performance such as abandoning the works, not properly completing the contract, inordinate delays in completion, litigation history, or financial failures etc.; and/or

- participated in the previous bidding for the same work and had quoted unreasonably high bid prices and could not furnish rational justification to the employer.

5. \textbf{One Bid per Bidder}

5.1 Each bidder shall submit only one bid for one contract. A bidder who submits or participates in more than one Bid (other than as a subcontractor or in cases of alternatives that have been permitted or requested) will cause all the proposals with the Bidder’s participation to be disqualified.

6. \textbf{Cost of Bidding}

6.1 The bidder shall bear all costs associated with the preparation and submission of his Bid, and the Employer will in no case be responsible and liable for those costs.
7. Site visit

7.1 The Bidder, at the Bidder’s own responsibility and risk is encouraged to visit and examine the Site of Works and its surroundings and obtain all information that may be necessary for preparing the Bid and entering into a contract for construction of the Works. The costs of visiting the Site shall be at the Bidder's own expense.

B. Bidding Documents

8. Content of Bidding Documents

8.1 The set of bidding documents comprises the documents listed in the table below and addenda issued in accordance with Clause 10:

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8.2 Of the three sets of the bidding documents supplied, two sets should be completed and returned with the bid.

9. Clarification of Bidding Documents

9.1 A prospective bidder requiring any clarification of the bidding documents may notify the Employer in writing or by cable (hereinafter "cable" includes telex and facsimile) at the Employer's address indicated in the invitation to bid. The Employer will respond to any request for clarification which he received earlier than 15 days prior to the deadline for submission of bids. Copies of the Employer's response will be forwarded to all purchasers of the bidding documents, including a description of the enquiry but without identifying its source.

10. Amendment of Bidding Documents

10.1 Before the deadline for submission of bids, the Employer may modify the bidding documents by issuing addenda.

10.2 Any addendum thus issued shall be part of the bidding documents and shall be communicated in writing to all the purchasers of the bidding documents. Prospective bidders shall acknowledge receipt of each addendum in writing to the Employer.
To give prospective bidders reasonable time in which to take an addendum into account in preparing their bids, the Employer shall extend as necessary the deadline for submission of bids, in accordance with Sub-Clause 20.2 below.

C. Preparation of Bids

11. Language of the Bid

11.1 All documents relating to the bid shall be in the English language.

12. Documents comprising the Bid

12.1 The bid submitted by the bidder shall comprise the following:

(a) The Bid (in the format indicated in Section 2).
(b) Bid Security;
(c) Priced Bill of Quantities;
(d) Qualification Information Form and Documents;

and any other materials required to be completed and submitted by bidders in accordance with these instructions. The documents listed under Sections 2, 4 and 7 of Sub-Clause 8.1 shall be filled in without exception.

12.2 Bidders bidding for this contract together with other contracts stated in the IFB to form a package will so indicate in the bid together with any documents offered for the award of more than one contract.

13. Bid Prices

13.1 The contract shall be for the whole works as described in Sub-Clause 1.1, based on the priced Bill of Quantities submitted by the Bidder.

13.2 The bidder shall fill in rates and prices and line item total (both in figures and words) for all items of the Works described in the Bill of Quantities along with total bid price (both in figures and words). Items for 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 other rates and prices in the Bill of Quantities. Corrections, if any, shall be made by crossing out, initialing, dating and rewriting.

13.3 All duties, taxes, and other levies payable by the contractor under the contract, or for any other cause, shall be included in the rates, prices and total Bid Price submitted by the Bidder.

13.4 The rates and prices quoted by the bidder shall be fixed for the duration of the Contract and shall not be subject to adjustment on any account.

14. Currencies of Bid and Payment
14.1 The unit rates and the prices shall be quoted by the bidder entirely in Indian Rupees.

15. **Bid Validity**

15.1 Bids shall remain valid for a period not less than ninety days after the deadline date for bid submission specified in Clause 20. A bid valid for a shorter period shall be rejected by the Employer as non-responsive.

15.2 In exceptional circumstances, prior to expiry of the original time limit, the Employer may request that the bidders may extend the period of validity for a specified additional period. The request and the bidders' responses shall be made in writing or by cable. A bidder may refuse the request without forfeiting his bid security. A bidder agreeing to the request will not be required or permitted to modify his bid except as provided in 15.3 hereinafter, but will be required to extend the validity of his bid security for a period of the extension, and in compliance with Clause 16 in all respects.

15.3 In the case of contracts in which the Contract Price is fixed (not subject to price adjustment), in the event that the purchaser requests and the Bidder agrees to an extension of the validity period, the contract price, if the Bidder is selected for award shall be the bid price corrected as follows:

The price shall be increased by the factor \((value \text{ of } factor \ B)^1\) for each week or part of a week that has elapsed from the expiration of the initial bid validity to the date of issue of letter of acceptance to the successful Bidder.

15.4 Bid evaluation will be based on the bid prices without taking into consideration the above correction.

16. **Bid Security**

16.1 The Bidder shall furnish, as part of his Bid, a Bid security in the amount as shown in column 4 of the table of IFB for this particular work. This bid security shall be in favour of .............................................. and may be in one of the following forms:

- a bank guarantee issued by a nationalized / Scheduled Bank located in India or a reputable Bank located abroad in the form given in Section 8; or

- Certified cheque/ Bank draft/Letter of credit, in favour of ............... payable at ..............

16.2 Bank guarantees issued as surety for the bid shall be valid for 45 days beyond the validity of the bid.

16.3 Any bid not accompanied by an acceptable Bid Security and not secured as indicated in Sub-Clauses 16.1 and 16.2 above shall be rejected by the Employer as non-responsive.

---

1 The value of \(B\) is based on the country's inflation for the period in question. The borrower inserts the value in the bid document prior to issue.
16.4 The Bid Security of unsuccessful bidders will be returned within 28 days of the end of the bid validity period specified in Sub-Clause 15.1.

16.5 The Bid Security of the successful bidder will be discharged when the bidder has signed the Agreement and furnished the required Performance Security.

16.6 The Bid Security may be forfeited

(a) if the Bidder withdraws the Bid after Bid opening during the period of Bid validity;

(b) if the Bidder does not accept the correction of the Bid Price, pursuant to Clause 27; or

(c) in the case of a successful Bidder, if the Bidder fails within the specified time limit to

   (i) sign the Agreement; or
   (ii) furnish the required Performance Security.

17. Alternative Proposals by Bidders

17.1 Bidders shall submit offers that comply with the requirements of the bidding documents, including the basic technical design as indicated in the drawing and specifications. Alternatives will not be considered.

18. Format and Signing of Bid

18.1 The Bidder shall prepare one original and a copy of the documents comprising the bid as described in Clause 12 of these Instructions to Bidders, bound with the volume containing the Form of Bid, and clearly marked "ORIGINAL" and "COPY" as appropriate. In the event of discrepancy between them, the original shall prevail.

18.2 The original and a copy of the Bid shall be typed or written in indelible ink and shall be signed by a person or persons duly authorized to sign on behalf of the Bidder, pursuant to Sub-Clauses 4.3. All pages of the bid where entries or amendments have been made shall be initialled by the person or persons signing the bid.

18.3 The Bid shall contain no alterations or additions, except those to comply with instructions issued by the Employer, or as necessary to correct errors made by the bidder, in which case such corrections shall be initialled by the person or persons signing the bid.

18.4 The Bidder shall furnish information as described in the Form of Bid on commissions or gratuities, if any, paid or to be paid to agents relating to this Bid, and to contract execution if the Bidder is awarded the contract.

D. Submission of Bids

19. Sealing and Marking of Bids
19.1 The Bidder shall seal the original and a copy of the Bid in separate envelopes, duly marking the envelopes as "ORIGINAL" and "COPY". These envelopes (called as inner envelopes) shall then be put inside one outer envelope.

19.2 The **inner and outer** envelopes shall

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

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

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

(insert address of office for bid submission), and

(b) bear the following identification:

- Bid for ......................................................[name of contract]
- Bid Reference No..............................................[insert number]
- DO NOT OPEN BEFORE...............................[time and date for bid opening, per Clause 23]

19.3 In addition to the identification required in Sub-Clause 19.2, the inner envelopes 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 21.

19.4 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.

20. **Deadline for Submission of the Bids**

20.1 Bids must be received by the Employer at the address specified above no later than..........................................

* Insert time and date; this should be the same as those given in the Invitation for Bids.

20.2 The Employer may extend the deadline for submission of bids by issuing an amendment in accordance with Clause 10, in which case all rights and obligations of the Employer and the bidders previously subject to the original deadline will then be subject to the new deadline.

21. **Late Bids**

21.1 Any Bid received by the Employer after the deadline prescribed in Clause 20 will be returned unopened to the bidder.
22. **Modification and Withdrawal of Bids**

22.1 Bidders may modify or withdraw their bids by giving notice in writing before the deadline prescribed in Clause 20.

22.2 Each Bidder's modification or withdrawal notice shall be prepared, sealed, marked, and delivered in accordance with Clause 18 & 19, with the outer and inner envelopes additionally marked "MODIFICATION" or "WITHDRAWAL", as appropriate.

22.3 No bid may be modified after the deadline for submission of Bids.

22.4 Withdrawal or modification of a Bid between the deadline for submission of bids and the expiration of the original period of bid validity specified in Clause 15.1 above or as extended pursuant to Clause 15.2 may result in the forfeiture of the Bid security pursuant to Clause 16.

22.5 Bidders may offer discounts to, or modify the prices of their Bids only by submitting Bid modifications in accordance with this clause, or included in the original Bid submission.

---

**E. Bid Opening and Evaluation**

23. **Bid Opening**

23.1 The Employer will open all the Bids received (except those received late), including modifications made pursuant to Clause 22, in the presence of the Bidders or their representatives who choose to attend at ........ hours on the date and the place specified in Clause 20. In the event of the specified date of Bid opening being declared a holiday for the Employer, the Bids will be opened at the appointed time and location on the next working day.

23.2 Envelopes marked "WITHDRAWAL" shall be opened and read out first. Bids for which an acceptable notice of withdrawal has been submitted pursuant to Clause 22 shall not be opened. Subsequently all envelopes marked “Modification” shall be opened and the submissions therein read out in appropriate detail.

23.3 The Bidders' names, the Bid prices, the total amount of each Bid and of any alternative Bid (if alternatives have been requested or permitted), any discounts, Bid modifications and withdrawals, the presence or absence of Bid security, and such other details as the Employer may consider appropriate, will be announced by the Employer at the opening. No bid shall be rejected at bid opening except for the late bids pursuant to Clause 21. Bids [and modifications] sent pursuant to Clause 22 that are not opened and read out at bid opening will not be considered for further evaluation regardless of circumstances. Late and withdrawn bids will be returned un-opened to bidders.

23.4 The Employer shall prepare minutes of the Bid opening, including the information disclosed to those present in accordance with Sub-Clause 23.3.

24. **Process to Be Confidential**
24.1 Information relating to the examination, clarification, 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 effort by a Bidder to influence the Employer's processing of Bids or award decisions may result in the rejection of his Bid.

25. **Clarification of Bids**

25.1 To assist in the examination, evaluation, and comparison of Bids, the Employer may, at his discretion, ask any Bidder for clarification of his Bid, including breakdowns of unit rates. The request for clarification and the response shall be in writing or by cable, but no change in the price or substance of the Bid shall be sought, offered, or permitted except as required to confirm the correction of arithmetic errors discovered by the Employer in the evaluation of the Bids in accordance with Clause 27.

25.2 Subject to sub-clause 25.1, no Bidder shall contact the Employer on any matter relating to its bid from the time of the bid opening to the time the contract is awarded. If the Bidder wishes to bring additional information to the notice of the Employer, it should do so in writing.

25.3 Any effort by the Bidder to influence the Employer in the Employer’s bid evaluation, bid comparison or contract award decisions may result in the rejection of the Bidders’ bid.

26. **Examination of Bids and Determination of Responsiveness**

26.1 Prior to the detailed evaluation of Bids, the Employer will determine whether each Bid (a) meets the eligibility criteria defined in Clause 3; (b) has been properly signed; (c) is accompanied by the required securities and; (d) is substantially responsive to the requirements of the Bidding documents.

26.2 A substantially responsive Bid is one which conforms to all the terms, conditions, and specifications of the Bidding documents, without material deviation or reservation. A material deviation or reservation is one (a) which affects in any substantial way the scope, quality, or performance of the Works; (b) which limits in any substantial way, inconsistent with the Bidding documents, the Employer's rights or the Bidder's obligations under the Contract; or (c) whose rectification would affect unfairly the competitive position of other Bidders presenting substantially responsive Bids.

26.3 If a Bid is not substantially responsive, it will be rejected by the Employer, and may not subsequently be made responsive by correction or withdrawal of the nonconforming deviation or reservation.

27. **Correction of Errors**

27.1 Bids determined to be substantially responsive will be checked by the Employer for any arithmetic errors. Errors will be corrected by the Employer as follows:

(a) where there is a discrepancy between the rates in figures and in words, the rate in words will 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 will govern.

27.2 The amount stated in the Bid will be adjusted by the Employer in accordance with the above procedure for the correction of errors and, with the concurrence of the Bidder, shall be considered as binding upon the Bidder. If the Bidder does not accept the corrected amount the Bid will be rejected, and the Bid security may be forfeited in accordance with Sub-Clause 16.6 (b).

28. Deleted

29. Evaluation and Comparison of Bids

29.1 The Employer will evaluate and compare only the Bids determined to be substantially responsive in accordance with Clause 26.

29.2 In evaluating the Bids, the Employer will determine for each Bid the evaluated Bid Price by adjusting the Bid Price as follows:

(a) making any correction for errors pursuant to Clause 27; or

(b) making an appropriate adjustments for any other acceptable variations, deviations; and

(c) making appropriate adjustments to reflect discounts or other price modifications offered in accordance with Sub Clause 22.5.

29.3 The Employer reserves the right to accept or reject any variation, deviation, or alternative offer. Variations, deviations, and alternative offers and other factors which are in excess of the requirements of the Bidding documents or otherwise result in unsolicited benefits for the Employer shall not be taken into account in Bid evaluation.

29.4 The estimated effect of the price adjustment conditions under Clause 47 of the Conditions of Contract, during the period of implementation of the Contract, will not be taken into account in Bid evaluation.

29.5 If the Bid of the successful Bidder is seriously unbalanced in relation to the Engineer'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 Bill of Quantities, 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 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.

30. Deleted

F. Award of Contract
31. **Award Criteria**

31.1 Subject to Clause 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 (a) eligible in accordance with the provisions of Clause 3, and (b) qualified in accordance with the provisions of Clause 4.

31.2 If, pursuant to Clause 12.2 this contract is being let alongwith other contracts, the lowest evaluated Bid Price will be determined when evaluating this contract in conjunction with other contracts to be awarded concurrently, taking into account any discounts offered by the bidders for the award of more than one contract.

32. **Employer's Right to Accept any Bid and to Reject any or all Bids**

32.1 Notwithstanding Clause 31, the Employer reserves the right to accept or reject any Bid, and to cancel the Bidding process and reject all Bids, at any time prior to the award of Contract, without thereby incurring any liability to the affected Bidder or Bidders or any obligation to inform the affected Bidder or Bidders of the grounds for the Employer's action.

33. **Notification of Award and Signing of Agreement**

33.1 The Bidder whose Bid has been accepted will be notified of the award by the Employer prior to expiration of the Bid validity period by cable, telex or facsimile confirmed by registered letter. This letter (hereinafter and in the Conditions of Contract called the "Letter of Acceptance") will state the sum that the Employer will pay the Contractor in consideration of the execution, completion, and maintenance of the Works by the Contractor as prescribed by the Contract (hereinafter and in the Contract called the "Contract Price").

33.2 The notification of award will constitute the formation of the Contract, subject only to the furnishing of a performance security in accordance with the provisions of Clause 34.

33.3 The Agreement will incorporate all agreements between the Employer and the successful Bidder. It will be signed by the Employer and sent to the successful Bidder, or kept ready for signature of the successful bidder in the office of employer (choose one alternative) within 28 days following the notification of award along with the Letter of Acceptance. Within 21 days of receipt, the successful Bidder will sign the Agreement and deliver it to the Employer.

33.4 Upon the furnishing by the successful Bidder of the Performance Security, the Employer will promptly notify the other Bidders that their Bids have been unsuccessful.
34. **Performance Security**

34.1 Within 21 days of receipt of the Letter of Acceptance, the successful Bidder shall deliver to the Employer a Performance Security in any of the forms given below for an amount equivalent to 5% of the Contract price plus additional security for unbalanced Bids in accordance with Clause 29.5 of ITB and Clause 52 of Conditions of Contract:

- a bank guarantee in the form given in Section 8; or
- Certified cheque/Bank draft, in favour of ................. payable at .................

34.2 If the performance security is provided by the successful Bidder in the form of a Bank Guarantee, it shall be issued either (a) at the Bidder's option, by a Nationalized/Scheduled Indian bank or (b) by a foreign bank located in India and acceptable to the Employer.

34.3 Failure of the successful bidder to comply with the requirements of sub-clause 34.1 shall constitute a breach of contract, cause for annulment of the award, forfeiture of the bid security, and any such other remedy the Employer may take under the contract, and the Employer may resort to awarding the contract to the next ranked bidder.

35 **Advance Payment and Security (deleted)**

36. **Adjudicator (deleted)**

37. **Corrupt or Fraudulent Practices**

1.1 **Clause 37:**

This clause should be revised as under:

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

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

(i) “corrupt practice” is the offering, giving, receiving or soliciting, directly or indirectly, of anything of

---

1 In this context, any action taken by a bidder, supplier, contractor, or any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/or their employees to influence the procurement process or contract execution for undue advantage is improper.

2 For the purpose of these Guidelines, “another party” refers to a public official acting in relation to the procurement process.
value to influence improperly the actions of another party;

(ii) “fraudulent practice”\(^3\) is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;

(iii) “collusive practice”\(^4\) is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

(iv) “coercive practice”\(^5\) is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;

(v) “obstructive practice” is

(a) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or

(b) acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for under par. 1.14 (e) below.

(b) will reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for the contract in question;

(c) will cancel the portion of the loan allocated to a contract if it determines at any time that representatives of the

\(^3\) For the purpose of these Guidelines, “party” refers to a public official; the terms “benefit” and “obligation” relate to the procurement process or contract execution; and the “act or omission” is intended to influence the procurement process or contract execution.

\(^4\) For the purpose of these Guidelines, “parties” refers to participants in the procurement process (including public officials) attempting to establish bid prices at artificial, non-competitive levels.

\(^5\) For the purpose of these Guidelines, “party” refers to a participant in the procurement process or contract execution.
Borrower or of a beneficiary of the loan engaged in corrupt, fraudulent, collusive, or coercive practices during the procurement or the execution of that contract, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur;

(d) will sanction a firm or individual, at any time, in accordance with prevailing Bank’s sanctions procedures, including by publicly declaring such firm or individual ineligible, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; and (ii) to be a nominated sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract;

(e) will have the right to require that a provision be included in bidding documents and in contracts financed by a Bank loan, requiring bidders, suppliers and contractors to permit the Bank to inspect their accounts and records and other documents relating to the bid submission and contract performance and to have them audited by auditors appointed by the Bank.

37.2 A Bidder that has been sanctioned by the Bank in accordance with the above ITB 37.1 (d), or in accordance with the Bank’s Guidelines on Preventing and Combating Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants, shall be ineligible to be awarded a Bank-financed contract, or benefit from a Bank-financed contract, financially or otherwise, during such period of time as the Bank shall determine.

37.3 Furthermore, bidders shall be aware of the provision stated in Sub-Clause 23.2 and Clause 64 of the Conditions of Contract.”

---

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

b A nominated sub-contractor, consultant, manufacturer or supplier, or service provider (different names are used depending on the particular bidding document) is one which has: (i) either been included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid; or (ii) appointed by the Borrower.
SECTION 2: FORMS OF BID, QUALIFICATION INFORMATION AND LETTER OF ACCEPTANCE

TABLE OF FORMS:

- CONTRACTOR’S BID
- QUALIFICATION INFORMATION
- LETTER OF ACCEPTANCE
- NOTICE TO PROCEED WITH THE WORK
- AGREEMENT FORM
Contractor's Bid

Description of the Works:  __________________________________________________

______________________________________________________________________________

______________________________________________________________________________

6

BID

To :   ________________________________ [the Employer]

Address :   _______________________________________________________________

___________________________________________________________________________

7

GENTLEMEN,

Having examined the bidding documents including addendum, we offer to execute the Works
described above in accordance with the Conditions of Contract, Specifications, Drawings and Bill
of Quantities accompanying this Bid for the Contract Price of _________ [in figures]
(_________________________________________ [in letters]).

This Bid and your written acceptance of it shall constitute a binding contract between us. We
understand that you are not bound to accept the lowest or any Bid you receive.

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

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

Commissions or gratuities, if any, paid or to be paid by us to agents relating to this Bid, and to
contract execution if we are awarded the contract, are listed below:

<table>
<thead>
<tr>
<th>Name and address of agent</th>
<th>Amount</th>
<th>Purpose of Commission or gratuity</th>
</tr>
</thead>
<tbody>
<tr>
<td>________________________</td>
<td>______</td>
<td>______________________________</td>
</tr>
<tr>
<td>________________________</td>
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<tr>
<td>________________________</td>
<td>______</td>
<td>______________________________</td>
</tr>
</tbody>
</table>

(if none, state “none”)

We hereby confirm that this Bid complies with the Eligibility, Bid Validity and Bid Security
required by the Bidding documents.

1.  To be filled in by the Employer before issue of the Bidding Documents.

2.  To be filled in by the Employer before issue of the Bidding Documents.

3.  To be filled in by the Bidder, together with his particulars and date of submission at the bottom of the
Form of Bid.
Yours faithfully,

Authorized Signature:

<table>
<thead>
<tr>
<th>Name</th>
<th>&amp;</th>
<th>Title</th>
<th>of</th>
<th>Signatory:</th>
</tr>
</thead>
<tbody>
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</tr>
</tbody>
</table>

Name of Bidder:

Address:

: **

: **
Qualification Information

The information to be filled in by the Bidder in the following pages will be used for purposes of postqualification as provided for in Clause 4 of the Instructions to Bidders. This information will not be incorporated in the Contract.

1. **For Individual Bidders**

1.1 Constitution or legal status of Bidder

[Attach copy]

Place of registration: ________________________________

Principal place of business:

______________________________

Power of attorney of signatory of Bid

[Attach copy]
1.2 Total value of Civil Engineering construction work executed and payments received in the last five years**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (Rs. Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-2001</td>
<td></td>
</tr>
<tr>
<td>2001-2002</td>
<td></td>
</tr>
<tr>
<td>2002-2003</td>
<td></td>
</tr>
</tbody>
</table>

1.3 Work performed as prime contractor (in the same name) on works of a similar nature over the last five years.**

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Employer Name</th>
<th>Description of work</th>
<th>Contract No.</th>
<th>Value of contract (Rs. Million)</th>
<th>Date of issue of work order</th>
<th>Stipulated period of completion</th>
<th>Actual date of completion</th>
<th>Remarks explaining reasons for delay and work completed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

1.4 Information on Bid Capacity (works for which bids have been submitted and works which are yet to be completed) as on the date of this bid.

* Attach certificate(s) from Engineer(s)-in-charge

** Immediately preceeding the financial year in which bids are received.

β Attach certificate from Chartered Accountant

(A) Existing commitments and on-going works:

<table>
<thead>
<tr>
<th>Description</th>
<th>Place</th>
<th>Contract No.</th>
<th>Name</th>
<th>Value of works*</th>
<th>Stipulated</th>
<th>Value of Anticipated works</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work of &amp; State &amp; Date &amp; Address of Employer &amp; Contract (Rs. million) &amp; period of completion &amp; remaining to be completed (Rs. million) &amp; date of completion</td>
<td></td>
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<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
<td>(7)</td>
</tr>
</tbody>
</table>

(B) Works for which bids already submitted:

<table>
<thead>
<tr>
<th>Description of Work &amp; Place &amp; Address of Employer</th>
<th>Estimated value of works (Rs. million)</th>
<th>Stipulated period of completion</th>
<th>Date when decision is expected</th>
<th>Remarks if any</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
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</tbody>
</table>

* Attach certificate(s) from the Engineer(s)-in-Charge.

1.5 Proposed subcontracts and firms involved. [Refer ITB Clause 4.3 (j)]

<table>
<thead>
<tr>
<th>Sections of the works</th>
<th>Value of Sub-contract</th>
<th>Sub-contractor (name and address)</th>
<th>Experience in similar work</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

1.6 Financial reports for the last five years: balance sheets, profit and loss statements, auditors' reports (in case of companies/corporation), etc. List them below and attach copies.

1.7 Deleted.
1.8. Name, address, and telephone, telex, and fax numbers of the Bidders' bankers who may provide references if contacted by the Employer.
1.9 Information on litigation history in which the Bidder is involved.

<table>
<thead>
<tr>
<th>Other party(ies)</th>
<th>Employer</th>
<th>Cause of dispute</th>
<th>Amount involved</th>
<th>Remarks showing present status</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>
Letter of Acceptance
(letterhead paper of the Employer)

__________________________[date]

To: _____________________________________________________________[name and address of the Contractor]

Dear Sirs,

This is to notify you that your Bid dated ____________ for execution of the ______________________ [name of the contract and identification number, as given in the Instructions to Bidders] for the Contract Price of Rupees ———— (_____________) [amount in words and figures], as corrected and modified in accordance with the Instructions to Bidders¹ is hereby accepted by our Agency.

We note that as per bid, you do not intend to subcontract any component of work

[OR]

We note that as per bid, you propose to employ M/s. .......................................... as sub-contractor for executing ...........................................

[Delete whichever is not applicable].

You are hereby requested to furnish Performance Security, plus additional security for unbalanced bids in terms of ITB Clause 29.5, in the form detailed in Para 34.1 of ITB for an amount of Rs.——— within 21 days of the receipt of this letter of acceptance valid upto 28 days from the date of expiry of Defects Liability Period i.e. upto ............ and sign the contract, failing which action as stated in Para 34.3 of ITB will be taken.

Yours faithfully,

Authorized Signature

Name and Title of Signatory

Name of Agency

¹ Delete "corrected and" or "and modified" if only one of these actions applies. Delete "as corrected and modified in accordance with the Instructions to Bidders" if corrections or modifications have not been effected.
Issue of Notice to proceed with the work
(letterhead of the Employer)

To

__________________________________________ (name and address of the Contractor)


Dear Sirs:

Pursuant to your furnishing the requisite security as stipulated in ITB Clause 34.1 and signing of the contract agreement for the construction of ———— @ a Bid Price of Rs.————, you are hereby instructed to proceed with the execution of the said works in accordance with the contract documents.

Yours faithfully,

(Signature, name and title of signatory authorized to sign on behalf of Employer)
Agreement Form

Agreement

This agreement, made the ___________________ day of ______________ 19_______, between ______________________________________________________[

(name and address of Employer) (hereinafter called “the Employer”) of the one part and

____________________________________________________[

(name and address of contractor) (hereinafter called “the Contractor”) of the other part.

Whereas the Employer is desirous that the Contractor execute

____________________________________________________________

[  name and identification number of Contract] (hereinafter called “the Works”) and the Employer has accepted the Bid by the Contractor for the execution and completion of such Works and the remedying of any defects therein at a contract price of Rupees..........................

NOW THIS AGREEMENT WITNESSETH as follows:

1. In this Agreement, words and expression shall have the same meanings as are respectively assigned to them in the Conditions of Contract hereinafter referred to, and they shall be deemed to form and be read and construed as part of this Agreement.

2. 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 any defects therein in conformity in all aspects with the provisions of the Contract.

3. The Employer hereby covenants to pay the Contractor in consideration of the execution and completion of the Works and the remedying the defects wherein 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.

4. The following documents shall be deemed to form and be read and construed as part of this Agreement, viz:

i) Letter of Acceptance;
ii) Notice to proceed with the works;
iii) Contractor’s Bid;
iv) Contract Data;
v) Conditions of contract (including Special Conditions of Contract);
vi) Specifications;
vii) Drawings;
viii) Bill of Quantities; and
ix) Any other document listed in the Contract Data as forming part of the contract.

CB.CW/W-1
In witness whereof the parties thereto have caused this Agreement to be executed the day and year first before written.

The Common Seal of

___________________________________________________________

was hereunto affixed in the presence of:

Signed, Sealed and Delivered by the said

___________________________________________________________

___________________________________________________________

in the presence of:

Binding Signature of Employer

__________________________________________________________________

Binding Signature of Contractor

__________________________________________________________________
SECTION 3: CONDITIONS OF CONTRACT
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Conditions of Contract

A. General

1. Definitions

1.1 Terms which are defined in the Contract Data are not also defined in the Conditions of Contract but keep their defined meanings. Capital initials are used to identify defined terms.

**Bill of Quantities** means the priced and completed Bill of Quantities forming part of the Bid.

**Compensation Events** are those defined in Clause 44 hereunder.

The **Completion Date** is the date of completion of the Works as certified by the Engineer in accordance with Sub Clause 55.1.

The **Contract** is the contract between the Employer and the Contractor to execute, complete and maintain the Works. It consists of the documents listed in Clause 2.3 below.

The **Contract Data** defines the documents and other information which comprise the Contract.

The **Contractor** is a person or corporate body whose Bid to carry out the Works has been accepted by the Employer.

The **Contractor's Bid** is the completed Bidding document submitted by the Contractor to the Employer.

The **Contract Price** is the price stated in the Letter of Acceptance and thereafter as adjusted in accordance with the provisions of the Contract.

**Days** are calendar days; **months** are calendar months.

A **Defect** is any part of the Works not completed in accordance with the Contract.

The **Defects Liability Period** is the period named in the Contract Data and calculated from the Completion Date.

The **Employer** is the party who will employ the Contractor to carry out the Works.

The **Engineer** is the person named in the Contract Data (or any other competent person appointed and notified to the contractor to act in replacement of the Engineer) who is responsible for supervising the execution of the works and administering the Contract.

**Equipment** is the Contractor's machinery and vehicles brought temporarily to the Site to construct the Works.
The **Initial Contract Price** is the Contract Price listed in the Employer's Letter of Acceptance.

The **Intended Completion Date** is the date on which it is intended that the Contractor shall complete the Works. The Intended Completion Date is specified in the Contract Data. The Intended Completion Date may be revised only by the Engineer by issuing an extension of time.

**Materials** are all supplies, including consumables, used by the contractor for incorporation in the Works.

**Plant** is any integral part of the Works which is to have a mechanical, electrical, electronic or chemical or biological function.

The **Site** is the area defined as such in the Contract Data.

**Site Investigation Reports** are those which were included in the Bidding documents and are factual interpretative reports about the surface and sub-surface conditions at the site.

**Specification** means the Specification of the Works included in the Contract and any modification or addition made or approved by the Engineer.

The **Start Date** is given in the Contract Data. It is the date when the Contractor shall commence execution of the works. It does not necessarily coincide with any of the Site Possession Dates.

A **Subcontractor** is a person or corporate body who has a Contract with the Contractor to carry out a part of the work in the Contract which includes work on the Site.

**Temporary Works** are works designed, constructed, installed, and removed by the Contractor which are needed for construction or installation of the Works.

A **Variation** is an instruction given by the Engineer which varies the Works.

The **Works** are what the Contract requires the Contractor to construct, install, and turn over to the Employer, as defined in the Contract Data.

2. **Interpretation**

2.1 In interpreting these Conditions of Contract, singular also means plural, male also means female or neuter, and the other way around. Headings have no significance. Words have their normal meaning under the language of the Contract unless specifically defined. The Engineer will provide instructions clarifying queries about the Conditions of Contract.

2.2 If sectional completion is specified in the Contract Data, references in the Conditions of Contract to the Works, the Completion Date, and the Intended Completion Date
apply to any Section of the Works (other than references to the Completion Date and Intended Completion date for the whole of the Works).

2.3 The documents forming the Contract shall be interpreted in the following order of priority:

(1) Agreement

(2) Letter of Acceptance, notice to proceed with the works

(3) Contractor’s Bid

(4) Contract Data

(5) Conditions of Contract

(6) Specifications

(7) Drawings

(8) Bill of quantities and

(9) any other document listed in the Contract Data as forming part of the Contract.
3. **Language and Law**

3.1 The language of the Contract and the law governing the Contract are stated in the Contract Data.

4. **Engineer's Decisions**

4.1 Except where otherwise specifically stated, the Engineer will decide contractual matters between the Employer and the Contractor in the role representing the Employer.

5. **Delegation**

5.1 The Engineer may delegate any of his duties and responsibilities to other people except to the Adjudicator after notifying the Contractor and may cancel any delegation after notifying the Contractor.

6. **Communications**

6.1 Communications between parties which are referred to in the conditions are effective only when in writing. A notice shall be effective only when it is delivered (in terms of Indian Contract Act).

7. **Subcontracting**

7.1 The Contractor may subcontract with the approval of the Engineer but may not assign the Contract without the approval of the Employer in writing. Subcontracting does not alter the Contractor's obligations.

8. **Other Contractors**

8.1 The Contractor shall cooperate and share the Site with other contractors, public authorities, utilities, and the Employer between the dates given in the Schedule of Other Contractors. The Contractor shall as referred to in the Contract Data, also provide facilities and services for them as described in the Schedule. The employer may modify the schedule of other contractors and shall notify the contractor of any such modification.

9. **Personnel**

9.1 The Contractor shall employ the key personnel named in the Schedule of Key Personnel as referred to in the Contract Data to carry out the functions stated in the Schedule or other personnel approved by the Engineer. The Engineer will approve any proposed replacement of key personnel only if their qualifications, abilities, and relevant experience are substantially equal to or better than those of the personnel listed in the Schedule.

9.2 If the Engineer asks the Contractor to remove a person who is a member of the Contractor’s staff or his work force stating the reasons the Contractor shall ensure
that the person leaves the Site within seven days and has no further connection with
the work in the Contract.

10. **Employer’s and Contractor's Risks**

   10.1 The Employer carries the risks which this Contract states are Employer’s risks, and
   the Contractor carries the risks which this Contract states are Contractor’s risks.

11. **Employer's Risks**

   11.1 The Employer is responsible for the excepted risks which are (a) in so far as they
directly affect the execution of the Works in the Employer’s country, the risks of war,
hostilities, invasion, act of foreign enemies, rebellion, revolution, insurrection or
military or usurped power, civil war, riot commotion or disorder (unless restricted to
the Contractor’s employees), and contamination from any nuclear fuel or nuclear
waste or radioactive toxic explosive, or (b) a cause due solely to the design of the
Works, other than the Contractor’s design.

12. **Contractor's Risks**

   12.1 All risks of loss of or damage to physical property and of personal injury and death
which arise during and in consequence of the performance of the Contract other than
the excepted risks are the responsibility of the Contractor.

13. **Insurance**

   13.1 The Contractor shall provide, in the joint names of the Employer and the Contractor,
insurance cover from the Start Date to the end of the Defects Liability Period, in the
amounts and deductibles stated in the Contract Data for the following events which
are due to the Contractor’s risks:

   (a) loss of or damage to the Works, Plant and Materials;

   (b) loss of or damage to Equipment;

   (c) loss of or damage of property (except the Works, Plant, Materials and
   Equipment) in connection with the Contract; and

   (d) personal injury or death.

   13.2 Policies and certificates for insurance shall be delivered by the Contractor to the
Engineer for the Engineer’s approval before the Start Date. All such insurance shall
provide for compensation to be payable in the types and proportions of currencies
required to rectify the loss or damage incurred.

   13.3 If the Contractor does not provide any of the policies and certificates required, the
Employer may effect the insurance which the Contractor should have provided and
recover the premiums the Employer has paid from payments otherwise due to the
Contractor or, if no payment is due, the payment of the premiums shall be a debt due.
13.4 Alterations to the terms of an insurance shall not be made without the approval of the Engineer.

13.5 Both parties shall comply with any conditions of the insurance policies.

14. Site Investigation Reports

14.1 The Contractor, in preparing the Bid, shall rely on any site Investigation Reports referred to in the Contract Data, supplemented by any information available to the Bidder.

15. Queries about the Contract Data

15.1 The Engineer will clarify queries on the Contract Data.

16. Contractor to Construct the Works

16.1 The Contractor shall construct and install the Works in accordance with the Specification and Drawings, and as per instructions of Engineer.

17. The Works to Be Completed by the Intended Completion Date

17.1 The Contractor may commence execution of the Works on the Start Date and shall carry out the Works in accordance with the program submitted by the Contractor, as updated with the approval of the Engineer, and complete them by the Intended Completion Date.
18. Approval by the Engineer

18.1 The Contractor shall submit Specifications and Drawings showing the proposed Temporary Works to the Engineer, who is to approve them if they comply with the Specifications and Drawings.

18.2 The Contractor shall be responsible for design of Temporary Works.

18.3 The Engineer's approval shall not alter the Contractor's responsibility for design of the Temporary Works.

18.4 The Contractor shall obtain approval of third parties to the design of the Temporary Works where required.

18.5 All Drawings prepared by the Contractor for the execution of the temporary or permanent Works, are subject to prior approval by the Engineer before their use.

19. Safety

19.1 The Contractor shall be responsible for the safety of all activities on the Site.

20. Discoveries

20.1 Anything of historical or other interest or of significant value unexpectedly discovered on the Site is the property of the Employer. The Contractor is to notify the Engineer of such discoveries and carry out the Engineer's instructions for dealing with them.

21. Possession of the Site

21.1 The Employer shall give possession of all parts of the Site to the Contractor. If possession of a part is not given by the date stated in the Contract Data the Employer is deemed to have delayed the start of the relevant activities and this will be Compensation Event.

22. Access to the Site

22.1 The Contractor shall allow the Engineer and any person authorized by the Engineer access to the Site, to any place where work in connection with the Contract is being carried out or is intended to be carried out and to any place where materials or plant are being manufactured / fabricated / assembled for the works.

23. Instructions

23.1 The Contractor shall carry out all instructions of the Engineer which comply with the applicable laws where the Site is located.

This sub-clause should be revised as under:

23.2 Inspections and Audits by the Bank
The Contractor shall permit the Bank and/or persons appointed by the Bank to inspect the Site and/or the accounts and records of the Contractor and its subcontractors relating to the performance of the Contract, and to have such accounts and records audited by auditors appointed by the Bank if required by the Bank. The Contractor’s attention is drawn to Clause 64 [Corrupt or Fraudulent Practices] which provides, inter alia, that acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for under Sub-Clause 23.2 constitute a prohibited practice subject to contract termination (as well as to a determination of ineligibility under the Procurement Guidelines).”

24. Disputes

24.1 If the Contractor believes that a decision taken by the Engineer was either outside the authority given to the Engineer by the Contract or that the decision was wrongly taken, the decision shall be referred to the Arbitrator within 28 days of the notification of the Engineer's decision.

25 Procedure for Disputes

25.1 deleted
25.2 deleted
25.3 The arbitration shall be conducted in accordance with the arbitration procedure stated in the Special Conditions of Contract.

26. Replacement of Adjudicator - deleted

B. Time Control

27. Program

27.1 Within the time stated in the Contract Data the Contractor shall submit to the Engineer for approval a Program showing the general methods, arrangements, order, and timing for all the activities in the Works, along with monthly cash flow forecast.

27.2 An update of the Program shall be a program showing the actual progress achieved on each activity and the effect of the progress achieved on the timing of the remaining work including any changes to the sequence of the activities.

27.3 The Contractor shall submit to the Engineer, for approval, an updated Program at intervals no longer than the period stated in the Contract Data. If the Contractor does not submit an updated Program within this period, the Engineer may withhold the amount stated in the Contract Data from the next payment certificate and continue to withhold this amount until the next payment after the date on which the overdue Program has been submitted.
27.4 The Engineer's approval of the Program shall not alter the Contractor's obligations. The Contractor may revise the Program and submit it to the Engineer again at any time. A revised Program is to show the effect of Variations and Compensation Events.

28. Extension of the Intended Completion Date

28.1 The Engineer shall extend the Intended Completion Date if a Compensation Event occurs or a Variation is issued which makes it impossible for Completion to be achieved by the Intended Completion Date without the Contractor taking steps to accelerate the remaining work and which would cause the Contractor to incur additional cost.

28.2 The Engineer shall decide whether and by how much to extend the Intended Completion Date within 21 days of the Contractor asking the Engineer for a decision upon the effect of a Compensation Event or Variation and submitting full supporting information. If the Contractor has failed to give early warning of a delay or has failed to cooperate in dealing with a delay, the delay by this failure shall not be considered in assessing the new Intended Completion Date.

29. Deleted

30. Delays Ordered by the Engineer

30.1 The Engineer may instruct the Contractor to delay the start or progress of any activity within the Works.

31. Management Meetings

31.1 Either the Engineer or the Contractor may require the other to attend a management meeting. The business of a management meeting shall be to review the plans for remaining work and to deal with matters raised in accordance with the early warning procedure.

31.2 The Engineer shall record the business of management meetings and is to provide copies of his record to those attending the meeting and to the Employer. The responsibility of the parties for actions to be taken is to be decided by the Engineer either at the management meeting or after the management meeting and stated in writing to all who attended the meeting.

32. Early Warning

32.1 The Contractor is to warn the Engineer at the earliest opportunity of specific likely future events or circumstances that may adversely affect the quality of the work, increase the Contract Price or delay the execution of works. The Engineer may require the Contractor to provide an estimate of the expected effect of the future event or circumstance on the Contract Price and Completion Date. The estimate is to be provided by the Contractor as soon as reasonably possible.

32.2 The Contractor shall cooperate with the Engineer in making and considering proposals for how the effect of such an event or circumstance can be avoided or
reduced by anyone involved in the work and in carrying out any resulting instruction of the Engineer.

C. Quality Control

33. Identifying Defects

33.1 The Engineer shall check the Contractor’s work and notify the Contractor of any Defects that are found. Such checking shall not affect the Contractor’s responsibilities. The Engineer may instruct the Contractor to search for a Defect and to uncover and test any work that the Engineer considers may have a Defect.

33.2 The contractor shall permit the Employer’s Technical auditor to check the Contractor’s work and notify the Engineer and Contractor of any defects that are found. Such a check shall not affect the Contractor’s or the Engineer’s responsibility as defined in the Contract Agreement.

34. Tests

34.1 If the Engineer instructs the Contractor to carry out a test not specified in the Specification to check whether any work has a Defect and the test shows that it does, the Contractor shall pay for the test and any samples. If there is no Defect the test shall be a Compensation Event.

35. Correction of Defects

35.1 The Engineer shall give notice to the Contractor of any Defects before the end of the Defects Liability Period, which begins at Completion and is defined in the Contract Data. The Defects Liability Period shall be extended for as long as Defects remain to be corrected.

35.2 Every time notice of a Defect is given, the Contractor shall correct the notified Defect within the length of time specified by the Engineer’s notice.

36. Uncorrected Defects

36.1 If the Contractor has not corrected a Defect within the time specified in the Engineer’s notice, the Engineer will assess the cost of having the Defect corrected, and the Contractor will pay this amount.

Note: Where in certain cases, the technical specifications provide for acceptance of works within specified tolerance limits at reduced rates, Engineer will certify payments to Contractor accordingly.

D. Cost Control

37. Bill of Quantities

37.1 The Bill of Quantities shall contain items for the construction, installation, testing, and commissioning work to be done by the Contractor.

37.2 The Bill of Quantities is used to calculate the Contract Price. The Contractor is paid for the quantity of the work done at the rate in the Bill of Quantities for each item.
38. Changes in the Quantities

38.1 If the final quantity of the work done differs from the quantity in the Bill of Quantities for the particular item by more than 25 percent provided the change exceeds 1% of Initial Contract Price, the Engineer shall adjust the rate to allow for the change.

38.2 The Engineer shall not adjust rates from changes in quantities if thereby the Initial Contract Price is exceeded by more than 15 percent, except with the Prior approval of the Employer.

38.3 If requested by the Engineer, the Contractor shall provide the Engineer with a detailed cost breakdown of any rate in the Bill of Quantities.

39. Variations

39.1 All Variations shall be included in updated Programs produced by the Contractor.

40. Payments for Variations

40.1 The Contractor shall provide the Engineer with a quotation (with breakdown of unit rates) for carrying out the Variation when requested to do so by the Engineer. The Engineer shall assess the quotation, which shall be given within seven days of the request or within any longer period stated by the Engineer and before the Variation is ordered.

40.2 If the work in the Variation corresponds with an item description in the Bill of Quantities and if, in the opinion of the Engineer, the quantity of work above the limit stated in Sub Clause 38.1 or the timing of its execution do not cause the cost per unit of quantity to change, the rate in the Bill of Quantities shall be used to calculate the value of the Variation. If the cost per unit of quantity changes, or if the nature or timing of the work in the Variation does not correspond with items in the Bill of Quantities, the quotation by the Contractor shall be in the form of new rates for the relevant items of work.

40.3 If the Contractor's quotation is unreasonable (or if the contractor fails to provide the Engineer with a quotation within a reasonable time specified by the Engineer in accordance with Clause 40.1), the Engineer may order the Variation and make a change to the Contract Price which shall be based on Engineer’s own forecast of the effects of the Variation on the Contractor’s costs.

40.4 If the Engineer decides that the urgency of varying the work would prevent a quotation being given and considered without delaying the work, no quotation shall be given and the Variation shall be treated as a Compensation Event.

40.5 The Contractor shall not be entitled to additional payment for costs which could have been avoided by giving early warning.

41. Cash flow forecasts
41.1 When the Program is updated, the contractor is to provide the Engineer with an updated cash flow forecast.

42. Payment Certificates

42.1 The Contractor shall submit to the Engineer monthly statements of the estimated value of the work completed less the cumulative amount certified previously along with details of measurement of the quantity of works executed in a tabulated form as approved by the Engineer.

42.2 The Engineer shall check the Contractor’s monthly statement and within 14 days certify the amount to be paid to the Contractor.

42.3 The value of work executed shall be determined by the Engineer after due check measurement of the quantities claimed as executed by the contractor.

42.4 The value of work executed shall comprise the value of the quantities of the items in the Bill of Quantities completed.

42.5 The value of work executed shall include the valuation of Variations and Compensation Events.

42.6 The Engineer may exclude any item certified in a previous certificate or reduce the proportion of any item previously certified in any certificate in the light of later information.

43. Payments

43.1 Payments shall be adjusted for deductions for advance payments, retention, other recoveries in terms of the contract and taxes, at source, as applicable under the law. The Employer shall pay the Contractor the amounts certified by the Engineer within 28 days of the date of each certificate. If the Employer makes a late payment, the Contractor shall be paid interest on the late payment in the next payment. Interest shall be calculated from the date by which the payment should have been made up to the date when the late payment is made at 8% per annum.

43.2 If an amount certified is increased in a later certificate or as a result of an award by an Arbitrator, the Contractor shall be paid interest upon the delayed payment as set out in this clause. Interest shall be calculated from the date upon which the increased amount would have been certified in the absence of dispute.

43.3 Items of the Works for which no rate or price has been entered will not be paid for by the Employer and shall be deemed covered by other rates and prices in the Contract.

44. Compensation Events

44.1 The following are Compensation Events unless they are caused by the Contractor:

(a) The Employer does not give access to a part of the Site by the Site Possession Date stated in the Contract Data.
(b) The Employer modifies the schedule of other contractors in a way which affects the work of the contractor under the contract.

(c) The Engineer orders a delay or does not issue drawings, specifications or instructions required for execution of works on time.

(d) The Engineer instructs the Contractor to uncover or to carry out additional tests upon work which is then found to have no Defects.

(e) The Engineer unreasonably does not approve for a subcontract to be let.

(f) Ground conditions are substantially more adverse than could reasonably have been assumed before issuance of Letter of Acceptance from the information issued to Bidders (including the Site Investigation Reports), from information available publicly and from a visual inspection of the Site.

(g) The Engineer gives an instruction for dealing with an unforeseen condition, caused by the Employer, or additional work required for safety or other reasons.

(h) Other contractors, public authorities, utilities or the Employer does not work within the dates and other constraints stated in the Contract, and they cause delay or extra cost to the Contractor.

(i) Deleted.

(j) The effect on the Contractor of any of the Employer’s Risks.

(k) The Engineer unreasonably delays issuing a Certificate of Completion.

(l) Other Compensation Events listed in the Contract Data or mentioned in the Contract.

44.2 If a Compensation Event would cause additional cost or would prevent the work being completed before the Intended Completion Date, the Contract Price shall be increased and/or the Intended Completion Date is extended. The Engineer shall decide whether and by how much the Contract Price shall be increased and whether and by how much the Intended Completion Date shall be extended.

44.3 As soon as information demonstrating the effect of each Compensation Event upon the Contractor's forecast cost has been provided by the Contractor, it is to be assessed by the Engineer and the Contract Price shall be adjusted accordingly. If the Contractor's forecast is deemed unreasonable, the Engineer shall adjust the Contract Price based on Engineer’s own forecast. The Engineer will assume that the Contractor will react competently and promptly to the event.

44.4 The Contractor shall not be entitled to compensation to the extent that the Employer's interests are adversely affected by the Contractor not having given early warning or not having cooperated with the Engineer.
45. Tax

45.1 The rates quoted by the Contractor shall be deemed to be inclusive of the sales and other taxes that the Contractor will have to pay for the performance of this Contract. The Employer will perform such duties in regard to the deduction of such taxes at source as per applicable law.

46. Currencies

46.1 All payments shall be made in Indian Rupees.

47. Price Adjustment - deleted

48. Retention

48.1 The Employer shall retain from each payment due to the Contractor the proportion stated in the Contract Data until Completion of the whole of the Works.

48.2 On Completion of the whole of the Works half the total amount retained is repaid to the Contractor and half when the Defects Liability Period has passed and the Engineer has certified that all Defects notified by the Engineer to the Contractor before the end of this period have been corrected.

48.3 On completion of the whole works, the Contractor may substitute retention money \((balance \ half)\) with an “on demand” Bank guarantee.

49. Liquidated Damages

49.1 The Contractor shall pay liquidated damages to the Employer at the rate per day stated in the Contract Data for each day that the Completion Date is later than the Intended Completion Date (for the whole of the works or the milestones as stated in the Contract Data). The total amount of liquidated damages shall not exceed the amount defined in the Contract Data. The Employer may deduct liquidated damages from payments due to the Contractor. Payment of liquidated damages does not affect the Contractor's liabilities.

49.2 If the Intended Completion Date is extended after liquidated damages have been paid, the Engineer shall correct any overpayment of liquidated damages by the Contractor by adjusting the next payment certificate. The Contractor shall be paid interest on the over payment calculated from the date of payment to the date of repayment at the rates specified in Sub Clause 43.1.

50. Deleted

51. Advance Payment Deleted

52. Securities
52.1 The Performance Security shall be provided to the Employer no later than the date specified in the Letter of Acceptance and shall be issued in an amount and form and by a bank or surety acceptable to the Employer, and denominated in Indian Rupees. The Performance Security shall be valid until a date 28 days from the date of expiry of Defects Liability Period and the additional security for unbalanced bids shall be valid until a date 28 days from the date of issue of the certificate of completion.

53. Deleted

54. Cost of Repairs

54.1 Loss or damage to the Works or Materials to be incorporated in the Works between the Start Date and the end of the Defects Correction periods shall be remedied by the Contractor at the Contractor's cost if the loss or damage arises from the Contractor's acts or omissions.

E. Finishing the Contract

55. Completion

55.1 The Contractor shall request the Engineer to issue a Certificate of Completion of the Works and the Engineer will do so upon deciding that the Work is completed.

56. Taking Over

56.1 The Employer shall take over the Site and the Works within seven days of the Engineer issuing a certificate of Completion.

57. Final Account

57.1 The Contractor shall supply to the Engineer a detailed account of the total amount that the Contractor considers payable under the Contract before the end of the Defects Liability Period. The Engineer shall issue a Defect Liability Certificate and certify any final payment that is due to the Contractor within 56 days of receiving the Contractor's account if it is correct and complete. If it is not, the Engineer shall issue within 56 days a schedule that states the scope of the corrections or additions that are necessary. If the Final Account is still unsatisfactory after it has been resubmitted, the Engineer shall decide on the amount payable to the Contractor and issue a payment certificate within 56 days of receiving the Contractor's revised account.

58. Operating and Maintenance Manuals

58.1 If “as built” Drawings and/or operating and maintenance manuals are required, the Contractor shall supply them by the dates stated in the Contract Data.

58.2 If the Contractor does not supply the Drawings and/or manuals by the dates stated in the Contract Data, or they do not receive the Engineer’s approval, the Engineer shall withhold the amount stated in the Contract Data from payments due to the Contractor.
59. Termination

59.1 The Employer or the Contractor may terminate the Contract if the other party causes a fundamental breach of the Contract.

59.2 Fundamental breaches of Contract include, but shall not be limited to the following:

(a) the Contractor stops work for 28 days when no stoppage of work is shown on the current Program and the stoppage has not been authorized by the Engineer;

(b) the Engineer instructs the Contractor to delay the progress of the Works and the instruction is not withdrawn within 28 days;

(c) the Employer or the Contractor is made bankrupt or goes into liquidation other than for a reconstruction or amalgamation;

(d) a payment certified by the Engineer is not paid by the Employer to the Contractor within 56 days of the date of the Engineer's certificate;

(e) the Engineer gives Notice that failure to correct a particular Defect is a fundamental breach of Contract and the Contractor fails to correct it within a reasonable period of time determined by the Engineer;

(f) the Contractor does not maintain a security which is required;

(g) the Contractor has delayed the completion of works by the number of days for which the maximum amount of liquidated damages can be paid as defined in the Contract data; and

(h) if the Contractor, in judgment of the Purchaser engaged in fraud and corruption, a defined in GCC Clause 64, in competing for or in executing the Contract.

59.3 When either party to the Contract gives notice of a breach of contract to the Engineer for a cause other than those listed under Sub Clause 59.2 above, the Engineer shall decide whether the breach is fundamental or not.

59.4 Notwithstanding the above, the Employer may terminate the Contract for convenience.

59.5 If the Contract is terminated the Contractor shall stop work immediately, make the Site safe and secure and leave the Site as soon as reasonably possible.

60. Payment upon Termination

60.1 If the Contract is terminated because of a fundamental breach of Contract by the Contractor, the Engineer shall issue a certificate for the value of the work done less advance payments received up to the date of the issue of the certificate, less other recoveries due in terms of the contract, less taxes due to be deducted at source as per
applicable law and less the percentage to apply to the work not completed as indicated in the Contract Data. Additional Liquidated Damages shall not apply. If the total amount due to the Employer exceeds any payment due to the Contractor the difference shall be a debt payable to the Employer.

60.2 If the Contract is terminated at the Employer's convenience or because of a fundamental breach of Contract by the Employer, the Engineer shall issue a certificate for the value of the work done, the reasonable cost of removal of Equipment, repatriation of the Contractor's personnel employed solely on the Works, and the Contractor's costs of protecting and securing the Works and less advance payments received up to the date of the certificate, less other recoveries due in terms of the contract, and less taxes due to be deducted at source as per applicable law.

61. Property

61.1 All materials on the Site, Plant, Equipment, Temporary Works and Works are deemed to be the property of the Employer, if the Contract is terminated because of a Contractor’s default.
62. Release from Performance

62.1 If the Contract is frustrated by the outbreak of war or by any other event entirely outside the control of either the Employer or the Contractor the Engineer shall certify that the Contract has been frustrated. The Contractor shall make the Site safe and stop work as quickly as possible after receiving this certificate and shall be paid for all work carried out before receiving it and for any work carried out afterwards to which commitment was made.

63. Suspension of World Bank Loan or Credit

63.1 In the event that the World Bank suspends the Loan or Credit to the Employer, from which part of the payments to the Contractor are being made:

(a) The Employer is obligated to notify the Contractor of such suspension within 7 days of having received the World Bank’s suspension notice.

(b) If the Contractor has not received sums due to it upon the expiration of the 28 days for payment provided for in Sub-Clause 43.1, the Contractor may immediately issue a 14-day termination notice.

64. Corrupt or Fraudulent Practices:

64.1 If the Employer determines that the Contractor has engaged in corrupt, fraudulent, collusive coercive or obstructive practices, in competing for or in executing the Contract, then the Employer may, after giving 14 days notice to the Contractor, terminate the Contractor's employment under the Contract and expel him from the Site, and the provisions of Clause 59 shall apply.

Should any employee of the Contractor be determined to have engaged in corrupt, fraudulent, collusive, coercive, or obstructive practice during the execution of the Works, then that employee shall be removed in accordance with Clause 9 [Personnel].

For the purposes of this Sub-Clause:
(i) “corrupt practice”\textsuperscript{9} is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;

(ii) “fraudulent practice”\textsuperscript{10} is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;

(iii) “collusive practice”\textsuperscript{11} is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

(iv) “coercive practice”\textsuperscript{12} is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;

(v) “obstructive practice” is

\begin{itemize}
  \item[(aa)] deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or
  \item[(bb)] acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for under Sub-Clause 23.2 [Inspections and Audits by the Bank]."
\end{itemize}

\textsuperscript{9} “another party” refers to a public official acting in relation to the procurement process or contract execution. In this context, “public official” includes World Bank staff and employees of other organizations taking or reviewing procurement decisions.

\textsuperscript{10} a “party” refers to a public official; the terms “benefit” and “obligation” relate to the procurement process or contract execution; and the “act or omission” is intended to influence the procurement process or contract execution.

\textsuperscript{11} “parties” refers to participants in the procurement process (including public officials) attempting to establish bid prices at artificial, non competitive levels.

\textsuperscript{12} a “party” refers to a participant in the procurement process or contract execution.
F. Special Conditions of Contract

1. **LABOUR:**

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

The Contractor shall, if required by the Engineer, deliver to the Engineer a return in detail, in such form and at such intervals as the Engineer may prescribe, showing the staff and the numbers of the several classes of labour from time to time employed by the Contractor on the Site and such other information as the Engineer may require.

2. **COMPLIANCE WITH LABOUR REGULATIONS:**

During continuance of the contract, the Contractor and his sub contractors shall abide at all times by all existing labour enactments and rules made thereunder, regulations, notifications and bye laws of the State or Central Government or local authority and any other labour law (including rules), regulations, bye laws that may be passed or notification that may be issued under any labour law in future either by the State or the Central Government or the local authority. Salient features of some of the major labour laws that are applicable to construction industry are given below. The Contractor shall keep the Employer indemnified in case any action is taken against the Employer by the competent authority on account of contravention of any of the provisions of any Act or rules made thereunder, regulations or notifications including amendments. If the Employer is caused to pay or reimburse, such amounts as may be necessary to cause or observe, or for non-observance of the provisions stipulated in the notifications/bye laws/Acts/Rules/regulations including amendments, if any, on the part of the Contractor, the Engineer/Employer shall have the right to deduct any money due to the Contractor including his amount of performance security. The Engineer/Employer shall also have right to recover from the Contractor any sum required or estimated to be required for making good the loss or damage suffered by the Employer.

The employees of the Contractor and the Sub-Contractor in no case shall be treated as the employees of the Employer at any point of time.

**SALIENT FEATURES OF SOME MAJOR LABOUR LAWS APPLICABLE TO ESTABLISHMENTS ENGAGED IN BUILDING AND OTHER CONSTRUCTION WORK.**

a) **Workmen Compensation Act 1923:** The Act provides for compensation in case of injury by accident arising out of and during the course of employment.

b) **Payment of Gratuity Act 1972:** Gratuity is payable to an employee under the Act on satisfaction of certain conditions on separation if an employee has completed 5 years
service or more or on death the rate of 15 days wages for every completed year of service. The Act is applicable to all establishments employing 10 or more employees.

c) Employees P.F. and Miscellaneous provision Act 195: The Act Provides for monthly contributions by the employer plus workers @ 10% or 8.33%. The benefits payable under the Act are:

(i) Pension or family pension on retirement or death as the case may be.

(ii) Deposit linked insurance on the death in harness of the worker.

(iii) Payment of P.F. accumulation on retirement/death etc.

d) Maternity Benefit Act 1951: The Act provides for leave and some other benefits to women employees in case of confinement or miscarriage etc.

e) Contract Labour (Regulation & Abolition) Act 1970: The Act provides for certain welfare measures to be provided by the Contractor to contract labour and in case the Contractor fails to provide, the same are required to be provided, by the Principal Employer by Law. The principal Employer is required to take Certificate of Registration and the Contractor is required to take license from the designated Officer. The Act is applicable to the establishments or Contractor of Principal Employer if they employ 20 or more contract labour.

f) Minimum Wages Act 1948: The Employer is supposed to pay not less than the Minimum Wages fixed by appropriate Government as per provisions of the Act if the employment is a scheduled employment. Construction of Buildings, Roads, Runways are scheduled employment.

g) Payment of Wages Act 1936: It lays down as to by what date the wages are to be paid, when it will be paid and what deductions can be made from the wages of the workers.

h) Equal Remuneration Act 1979: The Act provides for payment of equal wages for work of equal nature to Male and Female workers and for not making discrimination against Female employees in the matters of transfers, training and promotions etc.

i) Payment of Bonus Act 1965: The Act is applicable to all establishments employing 20 or more workmen. The Act provides for payments of annual bonus subject to a minimum of 8.33% of wages and maximum of 20% of wages to employees drawing Rs.3500/- per month or less. The bonus to be paid to employees getting Rs.2500/- per month or above upto Rs.3500/- per month. shall be worked out by taking wages as Rs.2500/- per month only. The Act does not apply to certain establishments. The newly set-up establishments are exempted for five years in certain circumstances. Some of the State Governments have reduced the employment size from 20 to 10 for the purpose of applicability of the Act.

j) Industrial Disputes Act 1947: The Act lays down the machinery and procedure for resolution of Industrial disputes, in what situations a strike or lock-out becomes
illegal and what are the requirements for laying off or retrenching the employees or closing down the establishment.

k) Industrial Employment (Standing Orders) Act 1946: It is applicable to all establishments employing 100 or more workmen (employment size reduced by some of the States and Central Government to 50). The Act provides for laying down rules governing the conditions of employment by the Employer on matters provided in the Act and get the same certified by the designated Authority.

l) Trade Unions Act 1926: The Act lays down the procedure per registration of trade unions of workmen and employers. The Trade Unions registered under the Act have been given certain immunities from civil and criminal liabilities.


n) Inter-State Migrant workmen’s (Regulation of Employment & Conditions of Service) Act 1979 :- The Act is applicable to an establishment which employs 5 or more inter-state migrant workmen through an intermediary (who has recruited workmen in one state for employment in the establishment situated in another state). The Inter-State migrant workmen, in an establishment to which this Act becomes applicable, are required to be provided certain facilities such as Housing, Medical-Aid, Travelling expenses from home upto the establishment and back etc.

o) The Building and Other Construction workers (Regulation of Employment and Conditions of Service) Act 1996 and the Cess Act of 1996: All the establishments who carry on any building or other construction work and employs 10 or more workers are covered under this Act. All such establishments are required to pay cess at the rate not exceeding 2% of the cost of construction as may be modified by the Government. The Employer of the establishment is required to provide safety measures at the Building or construction work and other welfare measures, such as Canteens, First-Aid facilities, Ambulance, Housing accommodations for workers near the work place etc. The Employer to whom the Act applies has to obtain a registration certificate from the Registering Officer appointed by the Government.

p) Factories Act 1948: The Act lays down the procedure for approval at plans before setting up a factory, health and safety provisions, welfare provisions, working hours, annual earned leave and rendering information regarding accidents or dangerous occurrences to designated authorities. It is applicable to premises employing 10 persons or more with aid of power or 20 or more persons without the aid of power engaged in manufacturing process.

3. **SUB-CONTRACTING (GCC Clause 7)**

   Please add the following as Clause 7.2:

   The contractor shall not be required to obtain any consent from the employer for:
a) the sub-contracting of any part of the Works for which the Sub-contractor is named in the contract;  
b) the provision of labour; and  
c) the purchase of materials which are in accordance with the standards specified in the Contract.

Beyond this if the contractor proposes sub-contracting any part of the work during execution of works, because of some unforeseen circumstances to enable him to complete the work as per terms of the contract, the Engineer will consider the following before according approval:

- The contractor shall not sub-contract the whole of the Works.  
- The contractor shall not sub-contract any part of the Work without prior consent of the Engineer. Any such consent shall not relieve the contractor from any liability or obligations under the contract and he shall be responsible for the acts, defaults and neglects of any sub-contractor, his agents or workmen as fully as if they were the acts, defaults or neglects of the contractor, his agents or workmen.  
- The Engineer should satisfy whether (a) the circumstances warrant such sub-contracting; and (b) the sub-contractors so proposed for the Work possess the experience, qualifications and equipment necessary for the job proposed to be entrusted to them in proportion to the quantum of work to be sub-contracted.  
- If payments are proposed to be made directly to that sub-contractor, this should be subject to specific authorization by the prime contractor so that this arrangement does not alter the contractor's liability or obligations under the contract.

4. **ARBITRATION** (GCC Clause 25.3)

   The procedure for arbitration will be as follows:

   25.3 (a) In case of Dispute or difference arising between the Employer and a domestic contractor relating to any matter arising out of or connected with this agreement, such disputes or difference shall be settled in accordance with the Arbitration and Conciliation Act, 1996. The arbitral tribunal shall consist of 3 arbitrators one each to be appointed by the Employer and the Contractor. The third Arbitrator shall be chosen by the two Arbitrators so appointed by the Parties and shall act a presiding arbitrator. In case of failure of the two arbitrators appointed by the parties to reach upon a consensus within a period of 30 days from the appointment of the arbitrator appointed subsequently, the Presiding Arbitrator shall be appointed by the *Indian Council of Arbitration/President of the Institution of Engineers (India)/The International Centre for Alternative Dispute Resolution (India).*

   **(Note: 1. All bidders are expected to indicate clearly in the bid, if they proposed sub-contracting parts of the works amounting to more than 20 percent of the Bid Price. For each such proposal the qualification and the experience of the identified sub-contractor in the relevant field should be furnished alongwith the bid to enable the employer to satisfy himself about their qualifications before agreeing for such sub-contracting and include it in the contract. In view of the above, normally no additional sub-contracting should arise during execution of the contract.)**  
   2. However, [a] sub-contracting for certain specialized elements of the work is not unusual and acceptable for carrying out the works more effectively; but vertical splitting of the works for
subcontracting is not acceptable [b] In any case, proposal for sub-contracting in addition to what was specified in bid and stated in contract agreement will not be acceptable if the value of such additional sub-contracting exceeds 25% of value of work which was to be executed by Contractor without sub-contracting.

3. Assignment of the contract may be acceptable only under exceptional circumstances such as insolvencies/liquidation or merger of companies etc.

(b) In the case of dispute with a Foreign contractor the dispute shall be settled in accordance with provisions of UNCITRAL (United Nations Commission on International Trade Law) Arbitration Rules. The Arbitral Tribunal shall consist of three Arbitrators one each to be appointed by the Employer and the Contractor. The third Arbitrator shall be chosen by the two Arbitrators so appointed by the Parties, and shall act a presiding arbitrator. In case of failure of the two arbitrators appointed by the parties to reach upon a consensus within a period of 30 days from the appointment of the arbitrator appointed subsequently, the Presiding arbitrator shall be appointed by the * Indian Council of Arbitration/President of the Institution of Engineers (India)/The International Centre for Alternative Dispute Resolution (India).

(c) If one of the parties fails to appoint its arbitrator in pursuance of sub-clause (a) and (b) above within 30 days after receipt of the notice of the appointment of its arbitrator by the other party, then the * Indian Council of Arbitration/President of the Institution of Engineers (India)/The International centre for Alternative Dispute Resolution (India), both in cases of the Foreign Contractor as well as Indian Contractor, shall appoint the arbitrator. A certified copy of the order of the *Indian Council of Arbitration/President of the Institution of Engineers (India)/The International Centre for Alternative Disputes Resolution (India), making such an appointment shall be furnished to each of the parties.

(d) Arbitration proceedings shall be held at ____________, India, and the language of the arbitration proceedings and that of all documents and communications between the parties shall be English.

(e) The decision of the majority of arbitrators shall be final and binding upon both parties. The cost and expenses of Arbitration proceedings will be paid as determined by the arbitral tribunal. However, the expenses incurred by each party in connection with the preparation, presentation, etc. of its proceedings as also the fees and expenses paid to the arbitrator appointed by such party or on its behalf shall be borne by each party itself.

(f) In the event value of the contract is upto Rs.50 millions, the disputes or differences arising shall be referred to the Sole Arbitrator. The Sole Arbitrator should be appointed by agreement between the parties, failing such agreement by the appointing authority, i.e. the *Indian Council of Arbitration/President of the Institution of Engineers (India)/The International Centre for Alternative Disputes Resolution (India).

* Choose one alternative. Insert Chairman of the executive Committee of the Indian Roads Congress (for highway project) or any other appropriate institutions (for other types of works).
(g) Performance under the contract shall continue during the arbitration proceedings and payments due to the contractor by the owners shall not be withheld, unless they are the subject matter of the arbitration proceedings.

5. **PROTECTION OF ENVIRONMENT:**

Add the following as GCC Clause 16.2:

The contractor shall take all reasonable steps to protect the environment on and off the Site and to avoid damage or nuisance to persons or to property of the public or others resulting from pollution, noise or other causes arising as a consequence of his methods of operation.

During continuance of the contract, the contractor and his sub-contractors shall abide at all times by all existing enactments on environmental protection and rules made thereunder, regulations, notifications and bye-laws of the State or Central Government, or local authorities and any other law, bye-law, regulations that may be passed or notification that may be issued in this respect in future by the State or Central Government or the local authority.

Salient features of some of the major laws that are applicable are given below:

**The Water (Prevention and Control of Pollution) Act, 1974.** This provides for the prevention and control of water pollution and the maintaining and restoring of wholesomeness of water. 'Pollution' means such contamination of water or such alteration of the physical, chemical or biological properties of water or such discharge of any sewage or trade effluent or of any other liquid, gaseous or solid substance into water (whether directly or indirectly) as may, or is likely to, create a nuisance or render such water harmful or injurious to public health or safety, or to domestic, commercial, industrial, agricultural or other legitimate uses, or to the life and health of animals or plants or of aquatic organisms.

**The Air (Prevention and Control of Pollution) Act, 1981.** This provides for prevention, control and abatement of air pollution. 'Air Pollution' means the presence in the atmosphere of any 'air pollutant', which means any solid, liquid or gaseous substance (including noise) present in the atmosphere in such concentration as may be or tend to be injurious to human beings or other living creatures or plants or property or environment.

**The Environment (Protection) Act, 1986.** This provides for the protection and improvement of environment and for matters connected therewith, and the prevention of hazards to human beings, other living creatures, plants and property. 'Environment' includes water, air and land and the inter-relationship which exists among and between water, air and land, and human beings, other living creatures, plants, micro-organism and property.

**The Public Liability Insurance Act, 1991.** This provides for public liability insurance for the purpose of providing immediate relief to the persons affected by accident...
occurring while handling hazardous substances and for matters connected herewith or incidental thereto. Hazardous substance means any substance or preparation which is defined as hazardous substance under the Environment (Protection) Act 1986, and exceeding such quantity as may be specified by notification by the Central Government.

[Employers should note that the Loan Agreement between IBRD and the borrowing country may establish specific measures to be taken during construction of the Works for the protection of the environment. Sub-clause 16.2 should be modified/expanded to take into account such specific measures or other measures considered appropriate by the Employer]

6. **LIQUIDATED DAMAGES:**

Sub-clause 49.1:

Please substitute the last sentence with the following:

“Time is the essence of the contract and payment or deduction of liquidated damages shall not relieve the contractor from his obligation to complete the work as per agreed construction program and milestones or from any other of the contractor’s obligations and liabilities under the contract.”
SECTION 4: CONTRACT DATA
**Contract Data**

*Items marked "N/A" do not apply in this Contract.*

The following documents are also part of the Contract:  

<table>
<thead>
<tr>
<th>Document</th>
<th>Clause Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Schedule of Operating and Maintenance Manuals</td>
<td>[58]</td>
</tr>
<tr>
<td>The Schedule of Other Contractors</td>
<td>[8]</td>
</tr>
<tr>
<td>The Schedule of Key Personnel</td>
<td>[9]</td>
</tr>
<tr>
<td>The Methodology and Program of Construction</td>
<td>[27]</td>
</tr>
<tr>
<td>The Schedule of Key and Critical equipment to be deployed</td>
<td>[27]</td>
</tr>
<tr>
<td>Site Investigation reports</td>
<td>[14]</td>
</tr>
</tbody>
</table>

The Borrower is Government of India / .............................................. [1.1]  
[name of Borrower and statement of relationship with the Employer, if different from the Borrower].

The World Bank means ____________________________  
[insert "International Bank for Reconstruction and Development (IBRD)" or International Development Association (IDA), "as appropriate], and loan refers to an __________________  
[insert “IBRD Loan” or “IDA Credit”, as appropriate]

The above insertions should correspond to the information provided in the Invitation for Bids.

The Employer is:

Name: ____________________________  (1.1)

Address: ____________________________

Name of authorized Representative: ____________________________

The Engineer is:

Name: ____________________________

Address: ____________________________

Name of Authorized Representative: ____________________________

The name and identification number of the Contract is
[insert name and number as indicated in the Invitation for Bids (or Prequalification, if any).]

1.1

The Works consist of

[brief summary, including relationship to other contracts under the Project].

The start date shall be the date of issue of notice to proceed with the work. (1.1)
The intended completion Date for the whole of the work is ----------------------------------------------- [17,28]

The following documents also form part of the Contract: [2.3]

The Contractor shall submit a revised Program for the Works (in such form and detail as the engineer shall reasonably prescribe) within _______ days of delivery of the Letter of Acceptance. [27]

The Site Possession Date is: [21]

The Site is located at ______________________________________ [1] and is defined in drawings nos. ______________________________

The Defects Liability Period is ________ days from the date of certification of completion of works (where sectional completion certificate is issued this will apply from those dates for those sections). [35]

Insurance requirements are as under: [13]

<table>
<thead>
<tr>
<th>(i)</th>
<th>Minimum Cover for Insurance</th>
<th>Maximum deductible for Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Works and Plant and Materials</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii)</td>
<td>Loss or damage to Equipment</td>
<td></td>
</tr>
<tr>
<td>(iii)</td>
<td>Other Property</td>
<td></td>
</tr>
<tr>
<td>(iv)</td>
<td>Personal injury or death insurance:</td>
<td>In accordance with the statutory requirements applicable to India</td>
</tr>
<tr>
<td>a) for other people;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) for Contractor’s Employees</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The following events shall also be Compensation Events: [44]

1. ____________________________________________________
2. ____________________________________________________
3. ____________________________________________________
4. ____________________________________________________
The period between Program updates shall be ________ days. [27]

The amount to be withheld for late submission of an updated Program shall be __________________________ [27]

The language of the Contract documents is English [3]

The law which applies to the Contract is the laws of Union of India [3]

The currency of the Contract is Indian Rupees. [46]

The proportion of payments retained (retention money) shall be 6% from each bill subject to a maximum of 5% of final contract price [48]

The liquidated damages for the whole of the works are
Rs.______________ (amount) per day (49)

[To be fixed at not less than 0.05% per day of contract value]

The maximum amount of liquidated damages for the whole of the works is ten percent of final contract price. [49]

The Securities shall be for the following minimum amounts equivalent as a percentage of the Contract Price:

Performance Security for 5 per cent of contract price plus Rs. ................. as additional security in terms of ITB Clause 29.5.

The standard form(s) of Performance Security acceptable to the Employer shall be an unconditional Bank Guarantee of the type as presented in Section 8 of the Bidding Documents.

* The date by which operating and maintenance manuals are required is within 28 days of issue
  of certificate of completion of whole or section of the work, as the case may be.

* The date by which “as-built” drawings (in scale …) in 2 sets are required is within 28 days of issue
  of certificate of completion of whole or section of the work, as the case may be.

* Strike out whichever is inapplicable
The amount to be withheld for failing to supply “as built” drawings and/or operating and maintenance manuals* by the date required is Rs.______________________________

The following events shall also be fundamental breach of the contract:

1. The contractor has contravened Sub-clause 7 of GCC read with SCC and Clause 9 of GCC.

2. The contractor does not adhere to the agreed construction program and agreed environmental management plan (Clause 27 of GCC) and also fails to take satisfactory remedial action as per agreements reached in the management meetings (Clause 31) for a period of 60 days.

3. The contractor fails to carry out the instructions of Engineer within a reasonable time determined by the Engineer in accordance with GCC Clause 16.1 and 23.1.

The percentage to apply to the value of the work not completed representing the Employer's additional cost for completing the Works shall be 20 percent.

* Strike out whichever is inapplicable
SECTION 5: SPECIFICATIONS
SECTION 6: DRAWINGS
Drawings
SECTION 7: BILL OF QUANTITIES
# Bill of Quantities

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Description of item (with brief specification and reference to Book of specification)</th>
<th>Quantity</th>
<th>Unit</th>
<th>In figures</th>
<th>In words</th>
<th>Amount</th>
</tr>
</thead>
</table>

**Total Bid Price (in figures)**

**in words**

**Note:**

1. Item for which no rate or price has been entered in will not be paid for by the Employer when executed and shall be deemed covered by the other rates and prices in the Bill of Quantities (refer: ITB Clause 13.2 and GCC Clause 43.3).

2. Unit rates and prices shall be quoted by the bidder in Indian rupee [ITB Clause 14.1].

3. Where there is a discrepancy between the rate in figures and words, the rates in words will govern.
(4) Where there is a discrepancy between the unit rate and the line item total resulting from multiplying the unit rate by quantity, the unit rate quoted shall govern [ITB Clause 27.1 (b)].
SECTION 8: FORMS OF SECURITIES
Forms of Securities

Acceptable forms of securities are annexed. Bidders should not complete the Performance and Advance Payment Security forms at this time. Only the successful Bidder will be required to provide Performance and Advance Payment Securities in accordance with one of the forms, or in a similar form acceptable to the Employer.

Annex A: Bid Security (Bank Guarantee)

Annex B: Performance Bank Guarantee

Annex C: Deleted

Annex D: Bank Guarantee for Advance Payment
BID SECURITY (BANK GUARANTEE)

WHEREAS, ______________________ [name of Bidder] (hereinafter called "the Bidder") has submitted his Bid dated ______________________ [date] for the construction of ______________________ [name of Contract] (hereinafter called "the Bid").

KNOW ALL PEOPLE by these presents that We ______________________________ [name of bank] of____________________________ [name of country] having our registered office at ___________________________________ (hereinafter called "the Bank") are bound unto ______________________________ [name of Employer] (hereinafter called "the Employer") in the sum of ___________________ 1 for which payment well and truly to be made to the said Employer the Bank binds itself, his successors and assigns by these presents.

SEALED with the Common Seal of the said Bank this_________ day of __________ 19____.

THE CONDITIONS of this obligation are:

(1) If after Bid opening the Bidder withdraws his bid during the period of Bid validity specified in the Form of Bid;

or

(2) If the Bidder having been notified of the acceptance of his bid by the Employer during the period of Bid validity,

(a) fails or refuses to execute the Form of Agreement in accordance with the Instructions to Bidders, if required; or

(b) fails or refuses to furnish the Performance Security, in accordance with the Instruction to Bidders; or

(c) does not accept the correction of the Bid Price pursuant to Clause 27,

we undertake to pay to the Employer up to the above amount upon receipt of his first written demand, without the Employer having to substantiate his demand, provided that in his demand the Employer will note that the amount claimed by him is due to him owing to the occurrence of one or any of the three conditions, specifying the occurred condition or conditions.

This Guarantee will remain in force up to and including the date ____________________ 2 days after the deadline for submission of Bids as such deadline is stated in the Instructions to Bidders or as it may be extended by the Employer, notice of which extension(s) to the Bank is hereby waived. Any demand in respect of this guarantee should reach the Bank not later than the above date.

DATE _______________ SIGNATURE OF THE BANK ______________________

WITNESS ___________ SEAL _______________________________________

_________________________________________________________________

[signature, name, and address]
1. The Bidder should insert the amount of the guarantee in words and figures denominated in Indian Rupees. This figure should be the same as shown in Clause 16.1 of the Instructions to Bidders.

2. 45 days after the end of the validity period of the Bid.
PERFORMANCE BANK GUARANTEE

To: ____________________________ [name of Employer]
    ____________________________ [address of Employer]

    WHEREAS _____________________ [name and address of Contractor]
    (hereinafter called "the Contractor") has undertaken, in pursuance of Contract No. _____ dated
    ______________ to execute __________________________ [name of Contract and brief
    description of Works] (hereinafter called "the Contract");

    AND WHEREAS it has been stipulated by you in the said Contract that the Contractor
    shall furnish you with a Bank Guarantee by a recognized bank for the sum specified therein as
    security for compliance with his obligations in accordance with the Contract;

    AND WHEREAS we have agreed to give the Contractor such a Bank Guarantee;

    NOW THEREFORE we hereby affirm that we are the Guarantor and responsible to you,
    on behalf of the Contractor, up to a total of ____________________ [amount of guarantee]
    ________________________ [in words], such sum being payable in the types and
    proportions of currencies in which the Contract Price is payable, and we undertake to pay you,
    upon your first written demand 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 for the sum specified therein.

    We hereby waive the necessity of your demanding the said debt from the Contractor
    before presenting us with the demand.

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

    This guarantee shall be valid until 28 days from the date of expiry of the Defects Liability
    Period.

    Signature and seal of the guarantor ____________________________
    Name of Bank ____________________________
    Address ____________________________
    Date ____________________________

Annex B
An amount shall be inserted by the Guarantor, representing the percentage of the Contract Price specified in the Contract including additional security for unbalanced Bids, if any and denominated in Indian Rupees.
BANK GUARANTEE FOR ADVANCE PAYMENT

To: ______________________________________ [name of Employer]
    ______________________________________ [address of Employer]
    ______________________________________ [name of Contract]

Gentlemen:

In accordance with the provisions of the Conditions of Contract, subclause 51.1 ("Advance Payment") of the above-mentioned Contract, ________________________________ [name and address of Contractor] (hereinafter called "the Contractor") shall deposit with ____________________ [name of Employer] a bank guarantee to guarantee his proper and faithful performance under the said Clause of the Contract in an amount of _____________ [amount of guarantee] 1 [in words].

We, the ____________________ [bank or financial institution], as instructed by the Contractor, agree unconditionally and irrevocably to guarantee as primary obligor and not as Surety merely, the payment to ____________________ [name of Employer] on his first demand without whatsoever right of objection on our part and without his first claim to the Contractor, in the amount not exceeding ____________________ [amount of guarantee] 1 [in words].

We further agree that no change or addition to or other modification of the terms of the Contract or of Works to be performed thereunder or of any of the Contract documents which may be made between ____________________ [name of Employer] and the Contractor, shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition or modification.

This guarantee shall remain valid and in full effect from the date of the advance payment under the Contract until ____________________ [name of Employer] receives full repayment of the same amount from the Contractor.

Yours truly,

Signature and seal: ______________________________________
Name of Bank/Financial Institution: ______________________
Address: ___________________________________________
Date: ______________________
An amount shall be inserted by the bank or financial institution representing the amount of the Advance Payment, and denominated in Indian Rupees.
MOU

PROCUREMENT OF WORKS

THROUGH

BENEFICIARIES
PROCUREMENT OF WORKS OF SMALL VALUE THROUGH BENEFICIARIES ON DIRECT CONTRACTING PROCEDURES

Construction of Civil Works

(a) The works should be of the nature that they are simple, scattered and construction through community participation is essential.

(b) These could be entrusted for construction to the communities, such as:

Vanarakshak Samiti etc

(c) The above agencies could carry out the work either directly by organizing the contribution of labour from the communities

or

The work can be executed under piece rate/unit rate systems with available local skilled workmen (materials being procured locally normally under Shopping procedures (BGL 3.5); but Direct Contracting procedure may also be followed wherever appropriate (BGL 3.6) for specific items.)

(e) As the involvement of communities is of prime importance, the committee which is locally operating in the area has to be identified. In such cases, an MOU should be signed by the State Society/Foundation at the rates agreed with them, keeping in view the following, which should be specifically indicated in the agreement:

— that the community should be involved actively in planning and implementation;

— who will procure the materials or goods used in works?

— that goods/works will have to be executed as per plans and specifications cleared with the Bank;

— the name and designation of the Staff who will do the technical supervision and certification during construction;

— the details of stage payments to be made (preferably in four stages) as suggested below (for buildings):

  ≡ 1st stage up to the plinth level
  ≡ 2nd stage up to the lintel level
  ≡ 3rd stage up to the roof level
  ≡ 4th stage up to the plastering etc., completion of whole works;

(for other types of work (s) suitable stages could be formulated and indicated).

— the format of certificate to be issued at each stage by the supervising Engineer confirming that the works up to the stage indicated have been executed in accordance with the approved plans and technical specifications;

(A sample format used for execution through village committees is attached Annexure A – This should be suitably customized for each Micro plan as required).
Attachment: Annexe A
Draft Agreement Form for Construction of Landscape works through Community Participation

Articles of Agreement

1. This deed of agreement made in the form of agreement on _____________________ between the (Project Authority) ______________________________________________ or his authorized representative (hereinafter referred to as the first party) and the Village Vanrakshak Samiti ________________, Village ______________________________, Block ________________, Block ______________________________, District ________________, (hereinafter referred to as the second party), to execute the work of construction of _________________________ (hereinafter referred to as works) on the following terms and conditions.

2. Cost of Contract
The total cost of the works (hereinafter referred to as the “total cost”) as Rs. __________, as reflected in Annexure 1. **Out of the total cost, a sum of Rs. ______________ would be borne by the second party and/or other beneficiaries. (** delete if not applicable).

3. Disbursement of funds
3.1 The second party shall have a bank account opened in the name of the sub-project (to be operated by two in the committee which should be preagreed) with the branch of a nationalized/ scheduled/ Cooperative Bank as soon as this Agreement has been signed and shall provide its Bank account number to the first party.

3.2 The second party shall notify the first party in writing the names and address of those who will jointly operate the Bank account mentioned in Clause 3.1. Such signatories shall not be changed without the prior consent of the first party.

3.3 Payment to the second party for the construction work will be released by the first party in the following manner:

- Advance (Mobilization advance upon start of work) : 25% of the total cost
- On reaching plinth level (first stage) : 25% of the total cost
- On reaching lintel level (second stage) : 25% of the total cost
- On reaching roof level (third stage) : 15% of the total cost
- Plastering and completion of the whole work (fourth stage) : 10% of the total cost
3.4 Payment at each stage will be made by the first party on certification by the junior engineer of the site as in the format in Annexure 2 and upon proper and justified utilization of at least 50% of the previous installment and 100% of any prior installment.

4. **Maintenance of Accounts**

The second party shall maintain separate accounts for all the expenditures incurred out of the payments made by the first party from time to time for execution of the work. Such accounts shall be available for inspection by the first party or any other visiting team deputed for the purpose.

4.1 In the event of any misuse of funds, the first party shall have the right to freeze the Bank account of the sub-project after such inquiry as may be deemed necessary.

5. **Completion time**

The works should be completed in ________ (month/weeks/days) from the date of this Agreement. In exceptional circumstances, the time period stated in this clause may be extended in writing by mutual consent of both the parties.

6. **Duties and responsibilities of the first party**

6.1 The first party shall be responsible for providing regular and frequent supervision and guidance to the second party for carrying out the works as per specifications. This will include written guidelines and regular site visit of the authorized personnel of the first party, for checking quality of material and construction to ensure that it is as per the norms.

6.2 The first party shall supply 3 sets of drawing, specifications and guidelines to the second party for the proposed works.

6.3 The Member Secretary or such other person as may be authorized by the Project Authorities shall hold meeting once in a week *(period to be modified as agreed for each project)* at Block level where the representatives of the committees, designated staff in charge of the site will submit the latest information including progress report duly counter-signed by the Member Secretary of the respective Committee and difficulties if any, in the execution of the work. The whole team may jointly inspect any site on a particular day to take stock of activities.

6.4 The first party shall have the right to instruct to stop or suspend the construction at any stage if there is any deviation from the specification or violation of any of the terms of this Agreement and demand reimbursement of its payments.
7. **Duties and responsibilities of the second party**

7.1 The second party shall:

   (a) take up the works and arrange for its completion within the time period stipulated in Clause 5;
   (b) employ suitable skilled persons to carry out the works;
   (c) make labour payment as per schedule of labour payment for different items of work;
   (d) ensure that all purchases are made as per abstract of materials (preferably with ISI certification mark where feasible and available);
   (e) regularly supervise and monitor the progress of work;
   (f) abide by the technical suggestions/direction of supervisory personnel including engineers etc. regarding building construction.
   (g) be responsible for bringing any discrepancy to the notice of the representative of the first party including School Inspector/Block Elementary Education Officer/District Project Engineer and seek necessary clarification;
   (h) ensure that the work is carried out in accordance with specifications, drawings and also within the total sanctioned amount without any cost escalation;
   (i) keep the general village committee informed about the progress of work;
   (j) ensure that there is no mis-utilization of the money/materials during construction;
   (k) maintain necessary insurance against loss of materials/ cash/ workmen’s compensation, etc.; and
   (l) pay all duties, taxes and other levies payable by construction agencies as per law under the contract. (First party will perform deductions in respect of such taxes as may be imposed under the law).

7.2 In special circumstances, the second party may, after prior approval of the first party, entrust execution of the works on a piece work basis or otherwise to any appropriate non-governmental organization or a recognized construction agency with a good track record of undertaking community construction. The non-governmental organization or the construction agency as the case may be, shall however assume full liability towards any insurance for loss of material/ cash or workman disability compensation claims of the personnel deployed on the works as well as third party claims and no part of the liability on this account shall devolve on the first party.

8. **Dispute Settlement**

If over the works, any dispute arises between the two parties, relating to any aspects of this Agreement, the parties shall first attempt to settle the dispute through mutual and amicable consultation. If the dispute is not settled through such consultation, the matter may be referred for
arbitration to the District Collector/ Dy. Commissioner of the District*. (*Modify as appropriate for each project.)

Signed and delivered by Sri. ________________________________ President VSS
________________________________ on behalf of the Committee. In the presence of:

i)

ii)

Signed and delivered by Sri. ________________________________ Member Secretary
________________________________ of ___________________________. In the presence of:

i)

ii)
### Annexure I

#### Detailed Cost of Work

<table>
<thead>
<tr>
<th>Material</th>
<th>Quantity reqd.</th>
<th>Unit costs</th>
<th>Cost</th>
<th>Cost to be provided by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bricks</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wooden planks</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nails</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Sub-total Costs     |                |            |      |                        |

<table>
<thead>
<tr>
<th>Labour</th>
<th>No. of Man days</th>
<th>Cost per man day</th>
<th>Sub-total Cost</th>
<th>Costs provided by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unskilled Labour</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Grand Total         |                 |                  |                |                  |
Annexure II

Format of Certificate

Certified that the works upto ____________________ level in respect of construction of
____________________ at _______________ have been executed in accordance with the approved plans
and technical specifications.

Signature
Place : ____________________
Date: _______________
Name & Designation
(Official address)
Office seal
## Procurement Matrix for Consultancy Services

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Procurement Details</th>
<th>Selection Based on Consultant</th>
<th>Single Source (SS)</th>
<th>Least Cost Selection (LCS)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Yes/No</td>
<td>days</td>
<td>Yes/No</td>
</tr>
<tr>
<td>1</td>
<td>Prepare TOR (assumed already prepared)</td>
<td>Yes</td>
<td>0</td>
<td>Yes</td>
</tr>
<tr>
<td>2</td>
<td>Preparation of cost estimate &amp; budget (assumed already prepared)</td>
<td>Yes</td>
<td>0</td>
<td>Yes</td>
</tr>
<tr>
<td>3</td>
<td>Advertising:</td>
<td>Yes</td>
<td>15</td>
<td>NA</td>
</tr>
<tr>
<td>4</td>
<td>Request EOI in National Newspaper</td>
<td>Yes</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td>5</td>
<td>Preparation of short list of consultants (First Six or one as the case may be)</td>
<td>Yes</td>
<td>14</td>
<td>NA</td>
</tr>
<tr>
<td>6</td>
<td>Select Single Source</td>
<td>NA</td>
<td>0</td>
<td>Yes</td>
</tr>
<tr>
<td>7</td>
<td>Preparation (During shortlisting period) &amp; issuance of RFP:</td>
<td>Yes</td>
<td>2</td>
<td>Yes</td>
</tr>
<tr>
<td>8</td>
<td>Receipt of proposals (including 2 days for receiving the proposals)</td>
<td>Yes</td>
<td>30</td>
<td>Yes</td>
</tr>
<tr>
<td>9</td>
<td>Evaluation of technical proposals</td>
<td>Yes</td>
<td>2</td>
<td>Yes</td>
</tr>
<tr>
<td>10</td>
<td>Notice of Public opening of financial proposals</td>
<td>NA</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td>11</td>
<td>Firm with the best Technical Score among firms whose financial bids are within the budget</td>
<td>NA</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td>12</td>
<td>Financial negotiations with the selected firm</td>
<td>Yes</td>
<td>10</td>
<td>Yes</td>
</tr>
<tr>
<td>13</td>
<td>Evaluation of financial proposals</td>
<td>NA</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td>14</td>
<td>Final evaluation of quality &amp; cost</td>
<td>NA</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td>15</td>
<td>Negotiations with the selected firm</td>
<td>NA</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td>Award of the contract to the selected firm</td>
<td>Yes</td>
<td>0</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td><strong>Total Days</strong></td>
<td>73</td>
<td>59</td>
<td>131</td>
</tr>
</tbody>
</table>

### Standard Form of the World Bank that can be used for Firms & Organisation/ Individuals consultants:

- In case of Time based Contracts: C-n-2
- In case of Time based Contracts < US $ 50000/-: C-9/C-10
- In case of Lumpsum Contracts: C-18/C-21
- In case of Lumpsum Contracts < US $ 50000/-: C-9/C-8
## Consultant Matrix

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Procurement Details</th>
<th>QCBS</th>
<th>QBS</th>
<th>Fixed Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Yes/No</td>
<td>days</td>
<td>Yes/No</td>
</tr>
<tr>
<td>1</td>
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<td>0</td>
<td>Yes</td>
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<td>Yes</td>
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<tr>
<td>3</td>
<td>Advertising:</td>
<td>Yes</td>
<td>15</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Request EOI in National Newspaper</td>
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<td>0</td>
<td>Yes</td>
</tr>
<tr>
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<td>Preparation of short list of consultants (First Six or one as the case may be)</td>
<td>Yes</td>
<td>14</td>
<td>Yes</td>
</tr>
<tr>
<td>5</td>
<td>Select Single Source</td>
<td>NA</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td>6</td>
<td>Preparation (During shortlisting period) &amp; issuance of RFP</td>
<td>Yes</td>
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<td>Yes</td>
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<td>15</td>
<td>Award of the contract to the selected firm</td>
<td>Yes</td>
<td>0</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Total Days</strong></td>
<td></td>
<td>126</td>
<td>86</td>
<td>76</td>
</tr>
</tbody>
</table>

**Standard Form that can be used for Firms & Organisation/ Individuals consultants: (World Bank Standard Formats will be used)**

- In case of Time based Contracts
- In case of Time based Contracts < US $ 50000/-: C-23, C-13 N, C-n-1/C-22
- In case of Lumpsum Contracts
- In case of Lumpsum Contracts < US $ 50000/-: PF/C-13, C-13, C-17, C-20, C-20
FORMAT FOR EXPRESSION OF INTEREST
FOR SELECTION OF CONSULTANT

1. This Request for Expressions of Interest follows the general procurement
notice for this project that appeared in *Development Business*, issue no. [insert number] of [insert date].

2. The [insert name of borrower] [has received/has applied for/intends to
apply for] a [loan/credit/grant] from the [International Bank for
Reconstruction and Development/International Development Association] and intends to apply part of the proceeds of this [loan/credit/grant] to
payments under the contract for [insert project/the services].

3. The Services include [brief description., organization, implementation
period.....].

4. The [insert name of implementing agency/client] now invites eligible
consultants to indicate their interest in providing the Services. Interested
consultants must provide information indicating that they are qualified to
perform the Services (brochures, description of similar assignments,
experience in similar conditions, availability of appropriate skills among
staff, etc.). Consultants may associate to enhance their qualifications. [The
“Association” may take the form of a joint venture (with joint and several
liability) or of a sub-consultancy].

5. A consultant will be selected in accordance with the procedures set out in
the World Bank’s Guidelines: *Selection and Employment of Consultants by
2002.

6. Interested Consultants may obtain further information at the address given
below [state address at the end of document] from [insert office hours].

7. Expression of interest must be delivered to the address below by no later
than [insert date].
Footnotes
2. If appropriate. In some cases there may be no project properly said by only a specific consulting assignment.
3. Insert title of Services.
4. Day, month, year. For example 31 January 1996; delete if not appropriate.
5. In case of a grant.
6. The intent is to enable potentially interested consultants to decide whether or not to prepare an expression of interest.
7. See Guidelines for eligibility requirements.
8. For example, 0900 to 1200 hours.
9. Where the shortlist may comprise only entirely national consultants, add this para

“In accordance with paragraph 2.7 of the Guidelines for the Selection and Employment of Consultants by World Bank Borrowers, the short list for this assignment may comprise entirely of national consultants, although foreign consultants may express interest for consideration.

For that effect, all interested firms are informed that all documents, including the Request for Proposals, the Proposal and consultant’s contract for the proposed assignment will be issued in English, and contract price and corresponding payments will be in Indian Rupees.
Form for Seeking Clearance of World Bank for Single Source Consultancy [Firms/Individuals]
[To be used by Borrower]

Date:_________________

1. NATURE OF PROPOSED ASSIGNMENT

Ln./Cr. No. or other Source of Funds:___________
Project Name:____________________________________________
Implementing Agency:_______________________________________
Name of the Recommended Consulting Firm/Individual:_____________________
Nationality:__________________________________________
Estimated Staff Months:____________________
Estimated Cost:_________________
Description of Proposed Assignment:_____________________________________
_____________________________________________________________________ __________
________________________________________________________________________

2. Is this Single Source Selection according to agreed procurement plan? _______________________
Is Single Source Selection provided for in Legal Agreement? ________________
If so, what are the ceiling limits for each contract and aggregate?
Each Contract:_________________ Aggregate:____________________
What is the extent of utilization so far?____________________________

3. JUSTIFICATION FOR PROPOSED ASSIGNMENT (Use Extra Sheet if necessary – Please see Para 3.9 of Consultancy Guidelines reproduced below)
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________

Is this a follow-up assignment on same or previous project? Yes _______ No _______
If yes:  
a) give previous method of selection: Sole Source/QCBS/FBS _______
b) indicate whether proposed assignment is continuation from:
   feasibility study to project preparation: Yes _______ No _______
   project preparation to execution/supervision:
   Yes _______ No _______
c) was a possible extension mentioned in the original LOI
   RFP or TOR or Contract? Yes _______ No _______
Original Contract Value: US$_________ Actual Staff Months_________
Description of previous assignment:
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
Start Date:_________________ Finish Date:____________________
Consultant’s performance on Previous Assignment:
Excellent:_________ Average:_________ Poor:_________
[If there has been more than one follow-up assignment, give same information as requested in for the original and any other assignments not described]

Signature [Designation]

Para 3.9 of Consultancy Guidelines:

3.9 Single-source selection may be appropriate only if it presents a clear advantage over competition: [a] for tasks that represent a natural continuation of previous work carried out by the firm, [b] where a rapid selection is essential (for e.g., in an emergency operation), [c] for very small assignments, or [d] when only one firm is qualified or has experience of exceptional worth for the assignment.
GOVERNMENT OF ...........................................
............................................. PROJECT
INVITATIONS FOR BIDS (IFB) - CIVIL WORKS

NATIONAL COMPETITIVE BIDDING

Date :
Bid No. :

1. The Government of India has received a credit from the International Development Association towards the cost of .......................................... Project and intends a part of the funds to cover eligible payments under the contracts for construction of works as detailed below. Bidders registered with the Government of............................. and Bidders registered with other State Governments, Government of India, State and Central Government Undertakings, are eligible to bid for the works. Bidding is also open to all bidders from eligible source countries as defined in the IBRD Guidelines for Procurement. **Bidders are advised to note the minimum qualification criteria specified in Clause 4 of the Instructions to Bidders to qualify for the award of the contract.**

2. The ............................................. invites bids for the construction of works detailed in the table. The bidders may submit bids for any or all of the following works, for the package or for any of the slices.

3. Bidding documents (and additional copies) may be purchased from the office of ............................................. from ........ to ............., for a non-refundable fee (three sets) as indicated, in the shape of cash or Demand Draft on any Scheduled bank payable at ............... in favour of ..................... Interested bidders may obtain further information at the same address. Bidding documents requested by mail will be despatched by registered/speed post on payment of an extra amount of Rs. ............... The ..................... will not be held responsible for the postal delay, if any, in the delivery of the documents or non-receipt if the same.

4. Bids must be accompanied by security of the amount specified for the work in the table below, payable at ............... and drawn in favour of ............... Bid security will have to be in any one of the forms as specified in the bidding document and shall have to be valid for 45 days beyond the validity of the bid.

5. Bids must be delivered to ............................................. on or before ......................... hours on ..........(date) and will be opened on the same day at .......... hours, in front of the bidders who wish to attend. If the office happens to be closed on the date of receipt of the bids as specified, the bids will be received and opened on the next working day at the same time and venue.

6. A prebid meeting will be held on ............................ at ............................hrs. at the office of ............................ to clarify the issues and to answer questions on any matter that may be raised at that stage as stated in Clause 9.2 of ‘Instructions to Bidders’ of the bidding document.

7. Other details can be seen in the bidding documents.
<table>
<thead>
<tr>
<th>Package No.</th>
<th>Name of work</th>
<th>Approximate value of work (Rs.)</th>
<th>Bid security (Rs.)</th>
<th>Cost of document (Rs.)</th>
<th>Period of completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

Seal of office
PROCUREMENT OF GOODS
UNDER NATIONAL COMPETITIVE BIDDING

(FOR CONTRACT VALUE BEYOND US$ 30000)

BID REFERENCE

DATE OF COMMENCEMENT OF
SALE OF BIDDING DOCUMENT

LAST DATE FOR SALE OF
BIDDING DOCUMENT

* LAST DATE AND TIME FOR
RECEIPT OF BIDS

TIME AND DATE OF OPENING
OF BIDS

PLACE OF OPENING OF BIDS

ADDRESS FOR COMMUNICATION

* Should be the same as for the deadline for receipt of bids or promptly thereafter
SECTION I: INVITATION FOR BIDS (IFB)

NATIONAL COMPETITIVE BIDDING FOR
THE SUPPLY OF GOODS/EQUIPMENT

SECTION I. INVITATION FOR BIDS (IFB)

Date :

Credit No. :

Loan No. :

IFB No. :

1. The Government of India has received/applied for a Credit (Credit — IN) from the International Development Association and a Loan (Loan — IN) from the International Bank for Reconstruction and Development in various currencies towards the cost of project and it is intended that part of the proceeds of this credit/loan will be applied to eligible payments under the contracts for which this Invitation for Bids is issued.

2. The (Purchaser) now invites sealed bids from eligible bidders for supply of listed below:

3. Interested eligible Bidders may obtain further information from and inspect the bidding documents at the office of , India.

4. A complete set of bidding documents may be purchased by any interested eligible bidder on the submission of a written application to the above office and upon payment of a non-refundable fee as indicated below in the form of a Demand Draft/Cashier's cheque/Certified cheque in favour of , payable at .


6. The bidding document may be obtained from the office of during office hours namely, from hrs to hrs, on all working days either in person or by post.

(a) Price of bidding document (non-refundable) :

(b) Postal charges, inland :

(c) Postal charges, overseas :

(d) Date of commencement of sale of bidding document : 

7. All bids must be accompanied by a bid security as specified in the bid document and must be delivered to the above office at the date and time indicated above.

8. Bids will be opened in the presence of Bidders' representatives who choose to attend on the specified date and time.

9. In the event of the date specified for bid receipt and opening being declared as a closed holiday for purchaser's office, the due date for submission of bids and opening of bids will be the following working day at the appointed times.

SECTION II: INSTRUCTIONS TO BIDDER
SECTION II: INSTRUCTIONS TO BIDDERS

TABLE OF CLAUSES

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Council taken under Chapter VII of the Charter of the United Nations. No party other than the Borrower shall derive any rights from the Credit/Loan Agreement or have any claim to the Credit/Loan proceeds.

2. **Eligible Bidders**

2.1 This Invitation for Bids is open to all suppliers from eligible source countries as defined in Guidelines: Procurement under IBRD Loans and IDA Credits, May 2004, hereinafter referred as the IBRD Guidelines for Procurement, except as provided hereinafter.

2.2 Bidders should not be associated, or have been associated in the past, directly or indirectly, with a firm or any of its affiliates which have been engaged by the Purchaser to provide consulting services for the preparation of the design, specifications, and other documents to be used for the procurement of the goods to be purchased under this Invitation of Bids.

2.3 Government-owned enterprises in the Purchaser’s country may participate only if they are legally and financially autonomous, if they operate under commercial law, and if they are not a dependent agency of the Purchaser.

2.4 Bidders shall not be under a declaration of ineligibility for corrupt and fraudulent practices issued by the Bank in accordance with ITB Clause 36.1.

3. **Eligible Goods and Services**

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

3.2 For purposes of this clause, "origin" means the place where the goods are mined, grown, or produced or from which 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.

4. **Cost of Bidding**

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

B. **The Bidding Documents**

5. **Content of Bidding Documents**

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

(a) Instruction to Bidders (ITB) ;
(b) General Conditions of Contract (GCC) ;
(c) Special Conditions of Contract (SCC) ;
(d) Schedule of Requirements;
(e) Technical Specifications;
(f) Bid Form and Price Schedules;
(g) Bid Security Form;
(h) Contract Form;
(i) Performance Security Form;
(j) Performance Statement Form;
(k) Manufacturer’s Authorization Form;
(l) Bank Guarantee for Advance Payment Form; and
(m) Equipment and Quality Control Form.
5.2 The Bidder is expected to examine all instructions, forms, terms, and specifications in the bidding documents. Failure to furnish all information required by the bidding documents or submission of a bid not substantially responsive to the bidding documents in every respect will be at the Bidder’s risk and may result in rejection of its bid.

6. Clarification of Bidding Documents

6.1 A prospective Bidder requiring any clarification of the bidding documents may notify the Purchaser in writing or by telex or cable or fax at the Purchaser's mailing address indicated in the Invitation for Bids. The Purchaser will respond in writing to any request for clarification of the bidding documents which it receives no later than 15 days prior to the deadline for submission of bids prescribed by the Purchaser. Written copies of the Purchaser's response (including an explanation of the query but without identifying the source of inquiry) will be sent to all prospective bidders which have received the bidding documents.

7. Amendment of Bidding Documents

7.1 At any time prior to the deadline for submission of bids, the Purchaser may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective bidder, modify the bidding documents by amendment.

7.2 All prospective bidders who have received the bidding documents will be notified of the amendment in writing or by cable or by fax, and will be binding on them.

7.3 In order to allow prospective bidders reasonable time in which to take the amendment into account in preparing their bids, the Purchaser, at its discretion, may extend the deadline for the submission of bids.

C. Preparation of Bids

8. Language of Bid

8.1 The bid prepared by the Bidder, as well as all correspondence and documents relating to the bid exchanged by the Bidder and the Purchaser, shall be written in English language. Supporting documents and printed literature furnished by the Bidder may be in another language provided they are accompanied by an accurate translation of the relevant passages in the English language in which case, for purposes of interpretation of the Bid, the translation shall govern.

9. Documents Constituting the Bid

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

(a) a Bid Form and a Price Schedule completed in accordance with ITB Clauses 10, 11 and 12;

(b) documentary evidence established in accordance with ITB Clause 13 that the Bidder is eligible to bid and is qualified to perform the contract if its bid is accepted;

(c) documentary evidence established in accordance with ITB Clause 14 that the goods and ancillary services to be supplied by the Bidder are eligible goods and services and conform to the bidding documents; and

(d) bid security furnished in accordance with ITB Clause 15.

10. Bid Form

10.1 The Bidder shall complete the Bid Form and the appropriate Price Schedule furnished in the bidding documents, indicating the goods to be supplied, a brief description of the goods, their country of origin, quantity and prices.
11. **Bid Prices**

11.1 The Bidder shall indicate on the Price Schedule the unit prices and total bid prices of the goods it proposes to supply under the Contract. To this end, the Bidders are allowed the option to submit the bids for any one or more schedules specified in the ‘Schedule of Requirements’ and to offer discounts for combined schedules. However, Bidders shall quote for the complete requirement of goods and services specified under each schedule on a single responsibility basis, failing which such bids will not be taken into account for evaluation and will not be considered for award.

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

(i) the price of the goods, quoted (ex-works, ex-factory, ex-showroom, ex-warehouse, or off-the-shelf, as applicable), including all duties and sales and other taxes already paid or payable:

   a. on components and raw material used in the manufacture or assembly of goods quoted ex-works or ex-factory; or

   b. on the previously imported goods of foreign origin quoted ex-showroom, ex-warehouse or off-the-shelf.

(ii) any Indian duties, sales and other taxes which will be payable on the goods if this Contract is awarded;

(iii) the price for inland transportation, insurance and other local costs incidental to delivery of the goods to their final destination; and

(iv) the price of other incidental services listed in Clause 8 of the Special Conditions of Contract.

11.3 The Bidder's separation of the price components in accordance with ITB Clause 11.2 above will be solely for the purpose of facilitating the comparison of bids by the Purchaser and will not in any way limit the Purchaser's right to contract on any of the terms offered.

11.4 Fixed Price. Prices quoted by the Bidder shall be fixed during the Bidder's performance of the Contract and not subject to variation on any account. A bid submitted with an adjustable price quotation will be treated as non-responsive and rejected, pursuant to ITB Clause 24.

OR

11.4 Price Adjustment. Prices quoted by the Bidder shall be subject to adjustment during the performance of the Contract to reflect changes in the cost of labor and material components in accordance with the procedures specified in the Special Conditions of Contract. A bid submitted with a fixed price quotation will not be rejected, but the price adjustment would be treated as zero. Pursuant to ITB Clause 26.2(c), the price adjustment provision will not be taken into consideration in bid evaluation.

12. **Bid Currencies**

12.1 Prices shall be quoted in Indian Rupees:

13. **Documents Establishing Bidder's Eligibility and Qualifications**

13.1 Pursuant to ITB Clause 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 Purchaser's satisfaction that the Bidder, at the time of submission of its bid, is from an eligible country as defined under ITB Clause 2.

13.3 The documentary evidence of the Bidder's qualifications to perform the Contract if its bid is accepted, shall establish to the Purchaser'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 (as per authorization form in Section XII) by the goods' Manufacturer or producer to supply the goods in India.
[Note: Supplies for any particular item in each schedule of the bid should be from one manufacturer only. Bids from agents offering supplies from different manufacturer's for the same item of the schedule in the bid will be treated as non-responsive.]

(b) that the Bidder has the financial, technical, and production capability necessary to perform the Contract and meets the criteria outlined in the Qualification requirements specified in Section VI-A. To this end, all bids submitted shall include the following information:

(i) The legal status, place of registration and principal place of business of the company or firm or partnership, etc.;

(ii) Details of experience and past performance of the bidder on equipment offered and on those of similar nature within the past three/five years and details of current contracts in hand and other commitments (suggested proforma given in Section XI);

14. Documents Establishing Goods’ Eligibility and Conformity to Bidding Documents

14.1 Pursuant to ITB Clause 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 supply under the contract.

14.2 The documentary evidence of the goods and services eligibility shall consist of a statement in the Price Schedule on the country of origin of the goods and services offered which shall be confirmed by a certificate of origin at the time of shipment.

14.3 The documentary evidence of conformity of the goods and services to the bidding documents may be in the form of literature, drawings and data, and shall consist of:

(a) a detailed description of the essential technical and performance characteristics of the goods;

(b) a list giving full particulars, including available sources and current prices, of spare parts, special tools, etc., necessary for the proper and continuing functioning of the goods for a period of two years, following commencement of the use of the goods by the Purchaser; and

(c) an item-by-item commentary on the Purchaser's Technical Specifications demonstrating substantial responsiveness of the goods and services to those specifications or a statement of deviations and exceptions to the provisions of the Technical Specifications.

14.4 For purposes of the commentary to be furnished pursuant to ITB 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 Purchaser in its Technical Specifications 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 Purchaser's satisfaction that the substitutions ensure substantial equivalence to those designated in the Technical Specifications.

15. Bid Security

15.1 Pursuant to ITB Clause 9, the Bidder shall furnish, as part of its bid, a bid security in the amount as specified in Section-V - Schedule of Requirements.

15.2 The bid security is required to protect the Purchaser against the risk of Bidder's conduct which would warrant the security's forfeiture, pursuant to ITB Clause 15.7.

15.3 The bid security shall be denominated in Indian Rupees and shall:

(a) at the bidder’s option, be in the form of either a certified check, letter of credit, a demand draft, or a bank guarantee from a nationalized/Scheduled Bank located in India or by a reputable banking institution selected by the bidder and located abroad in any eligible country;

(b) be substantially in accordance with one of the form of bid security included in Section VIII or other form approved by the Purchaser prior to bid submission;
c) be payable promptly upon written demand by the Purchaser in case any of the conditions listed in ITB Clause 15.7 are invoked;

d) be submitted in its original form; copies will not be accepted; and

e) remain valid for a period of 45 days beyond the original validity period of bids, or beyond any period of extension subsequently requested under ITB Clause 16.2.

15.4 Any bid not secured in accordance with ITB Clauses 15.1 and 15.3 above will be rejected by the Purchaser as non-responsive, pursuant to ITB Clause 24.

15.5 Unsuccessful bidder's bid securities will be discharged/returned as promptly as possible but not later than 30 days after the expiration of the period of bid validity prescribed by the Purchaser, pursuant to ITB Clause 16.

15.6 The successful Bidder's bid security will be discharged upon the Bidder signing the Contract, pursuant to ITB Clause 34, and furnishing the performance security, pursuant to ITB Clause 35.

15.7 The bid security may be forfeited:

a) if a Bidder (i) withdraws its bid during the period of bid validity specified by the Bidder on the Bid Form; or (ii) does not accept the correction of errors pursuant to ITB Clause 24.2; or

b) in case of a successful Bidder, if the Bidder fails:
   (i) to sign the Contract in accordance with ITB Clause 34; or
   (ii) to furnish performance security in accordance with ITB Clause 35.

16. Period of Validity of Bids

16.1 Bids shall remain valid for — days after the deadline for submission of bids prescribed by the Purchaser, pursuant to ITB Clause 19. A bid valid for a shorter period shall be rejected by the Purchaser as non-responsive.

16.2 In exceptional circumstances, the Purchaser may solicit the Bidder's consent to an extension of the period of validity. The request and the responses thereto shall be made in writing (or by cable or telex or fax). The bid security provided under ITB Clause 15 shall also be suitably extended. A Bidder may refuse the request without forfeiting its bid security. A Bidder granting the request will not be required nor permitted to modify its bid, except as provided in ITB Clause 16.3 hereinafter.

16.3 In the case of fixed prices contracts, in the event that the Purchaser requests and the Bidder agrees to an extension of the validity period, the contract price, if the Bidder is selected for award shall be the bid price corrected as follows:

   The price shall be increased by the factor (value of factor B)^1 for each week or part of a week that has elapsed from the expiration of the initial bid validity to the date of notification of award to the successful Bidder.

16.4 Bid evaluation will be based on the bid prices without taking into consideration the above corrections.

17. Format and Signing of Bid

17.1 The Bidder shall prepare two copies of the bid, clearly marking each "Original Bid" and "Copy Bid", as appropriate. In the event of any discrepancy between them, the original shall govern.

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1 The factor is based on the country’s projected inflation for the period in question. The borrower inserts the value in the request for extensions prior to issue.
17.2 The original and all copies of the bid shall be typed or written in indelible ink and shall be signed by the Bidder or a person or persons duly authorized to bind the Bidder to the Contract. The latter authorization shall be indicated by written power-of-attorney accompanying the bid. All pages of the bid, except for unamended printed literature, shall be initialed by the person or persons signing the bid.

17.3 Any interlineations, erasures or overwriting shall be valid only if they are initialed by the persons or persons signing the bid.

17.4 The Bidder shall furnish information as described in the Form of Bid on commissions or gratuities, if any, paid or to be paid to agents relating to this Bid, and to contract execution if the Bidder is awarded the contract.

D. Submission of Bids

18. Sealing and Marking of Bids

18.1 The Bidders shall seal the original and each copy of the bid in separate inner envelopes, duly marking the envelopes as "original" and "copy". He shall then place all the inner envelopes in an outer envelope.

18.2 The inner and outer envelopes shall:

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

(b) bear the Project Name, the Invitation for Bids (IFB) title and number, and a statement "Do not open before —— hours on ——.

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

18.4 If the outer envelope is not sealed and marked as required by ITB Clause 18.2, the Purchaser will assume no responsibility for the bid's misplacement or premature opening.

18.5 Telex, cable or facsimile bids will be rejected.

19. Deadline for Submission of Bids

19.1 Bids must be received by the Purchaser at the address specified under ITB Clause 18.2 (a) no later than the time and date specified in the Invitation for Bids (Section I). In the event of the specified date for the submission of Bids being declared a holiday for the Purchaser, the Bids will be received upto the appointed time on the next working day.

19.2 The Purchaser may, at its discretion, extend this deadline for submission of bids by amending the bid documents in accordance with ITB Clause 7, in which case all rights and obligations of the Purchaser and Bidders previously subject to the deadline will thereafter be subject to the deadline as extended.

20. Late Bids

20.1 Any bid received by the Purchaser after the deadline for submission of bids prescribed by the Purchaser, pursuant to ITB Clause 19, will be rejected and/or returned unopened to the Bidder.

21. Modification and Withdrawal of Bids

21.1 The Bidder may modify or withdraw its bid after the bid's submission, provided that written notice of the modification or withdrawal is received by the Purchaser prior to the deadline prescribed for submission of bids.
21.2 The Bidder's modification or withdrawal notice shall be prepared, sealed, marked and dispatched in accordance with the provisions of ITB Clause 18. A withdrawal notice may also be sent by telex or cable or fax but followed by a signed confirmation copy, post marked not later than the deadline for submission of bids.

21.3 No bid may be modified subsequent to the deadline for submission of bids.

21.4 No bid may be withdrawn in the interval between the deadline for submission of bids and the expiration of the period of bid validity specified by the Bidder on the bid form. Withdrawal of a bid during this interval may result in the Bidder's forfeiture of its bid security, pursuant to ITB Clause 15.7.

E. Bid Opening and Evaluation of Bids

22. Opening of Bids by the Purchaser

22.1 The Purchaser will open all bids, in the presence of Bidders' representatives who choose to attend, at ——— hours on ——— and in the following location:

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

22.2 The bidders' names, bid modifications or withdrawals, bid prices, discounts, and the presence or absence of requisite bid security and such other details as the Purchaser, at its discretion, may consider appropriate, will be announced at the opening. No bid shall be rejected at bid opening, except for late bids, which shall be returned unopened to the Bidder pursuant to ITB Clause 20.

22.3 Bids (and modifications sent pursuant to ITB Clause 21.2) that are not opened and read out at bid opening shall not be considered further for evaluation, irrespective of the circumstances.

22.4 The Purchaser will prepare minutes of the bid opening.

23. Clarification of Bids

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

24. Preliminary Examination

24.1 The Purchaser will examine the bids to determine whether they are complete, whether any computational errors have been made, whether required sureties have been furnished, whether the documents have been properly signed, and whether the bids are generally in order. Bids from Agents, without proper authorization from the manufacturer as per Section XII, shall be treated as non-responsive.

24.1.1 Where the Bidder has quoted for more than one schedule, if the bid security furnished is inadequate for all the schedules, the Purchaser shall take the price bid into account only to the extent the bid is secured. For this purpose, the extent to which the bid is secured shall be determined by evaluating the requirement of bid security to be furnished for the schedule included in the bid (offer) in the serial order of the Schedule of Requirements of the Bidding document.

24.2 Arithmetical errors will be rectified on the following basis. If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected. If there is a discrepancy between words and figures, the amount in words will prevail. If the supplier does not accept the correction of errors, its bid will be rejected and its bid security may be forfeited.
24.3 The Purchaser may waive any minor informality or non-conformity or irregularity in a bid which does not constitute a material deviation, provided such a waiver does not prejudice or affect the relative ranking of any Bidder.

24.4 Prior to the detailed evaluation, pursuant to ITB Clause 26, the Purchaser will determine the substantial responsiveness of each bid to the bidding documents. For purposes of these Clauses, a substantially responsive bid is one which conforms to all the terms and conditions of the bidding documents without material deviations. Deviations from or objections or reservations to critical provisions such as those concerning Performance Security (GCC Clause 7), Warranty (GCC Clause 15), Force Majeure (GCC Clause 25), Limitation of liability (GCC Clause 29), Applicable law (GCC Clause 31), and Taxes & Duties (GCC Clause 33) will be deemed to be a material deviation. The Purchaser's determination of a bid's responsiveness is to be based on the contents of the bid itself without recourse to extrinsic evidence.

24.5 If a bid is not substantially responsive, it will be rejected by the Purchaser and may not subsequently be made responsive by the Bidder by correction of the non-conformity.

25. Deleted

26. Evaluation and Comparison of Bids

26.1 The Purchaser will evaluate and compare the bids which have been determined to be substantially responsive, pursuant to ITB Clause 24 for each schedule separately. No bid will be considered if the complete requirements covered in the schedule is not included in the bid. However, as stated in Para 11, Bidders are allowed the option to bid for any one or more schedules and to offer discounts for combined schedules. These discounts will be taken into account in the evaluation of the bids so as to determine the bid or combination of bids offering the lowest evaluated cost for the Purchaser in deciding award(s) for each schedule.

26.2 The Purchaser's evaluation of a bid will exclude and not take into account:

(a) in the case of goods manufactured in India or goods of foreign origin already located in India, sales and other similar taxes, which will be payable on the goods if a contract is awarded to the Bidder;

(b) any allowance for price adjustment during the period of execution of the Contract, if provided in the bid.

26.3 Deleted.

26.4 The Purchaser's evaluation of a bid will take into account, in addition to the bid price (Ex-factory/ex-warehouse/off-the-shelf price of the goods offered from within India, such price to include all costs as well as duties and taxes paid or payable on components and raw material incorporated or to be incorporated in the goods, and Excise duty on the finished goods, if payable) and price of incidental services, the following factors, in the manner and to the extent indicated in ITB Clause 26.5 and in the Technical Specifications:

(a) cost of inland transportation, insurance and other costs within India incidental to the delivery of the goods to their final destination;

(b) delivery schedule offered in the bid;

(c) deviations in payment schedule from that specified in the Special Conditions of Contract;

(d) the cost of components, mandatory spare parts and service;

(e) the availability in India of spare parts and after-sales services for the goods / equipment offered in the bid;

(f) the projected operating and maintenance costs during the life of the equipment; and

(g) the performance and productivity of the equipment offered.

26.5 Pursuant to ITB Clause 26.4, one or more of the following evaluation methods will be applied:
(a) **Inland Transportation, Insurance and Incidentals:**

(i) Inland transportation, insurance and other incidentals for delivery of goods to the final destination as stated in ITB Clause 11.2 (iii).

The above costs will be added to the bid price.

(b) **Delivery Schedule:**

(i) The Purchaser requires that the goods under the Invitation for Bids shall be delivered at the time specified in the Schedule of Requirements. The estimated time of arrival of the goods at the project site should be calculated for each bid after allowing for reasonable transportation time. Treating the date as per schedule of requirements as the base, a delivery "adjustment" will be calculated for other bids at 2% of the ex-factory price including excise duty for each month of delay beyond the base and this will be added to the bid price for evaluation. No credit will be given to earlier deliveries and bids offering delivery beyond ..... months of stipulated delivery period will be treated as unresponsive.

(c) **Deviation in Payment Schedule:**

The Special Conditions of Contract stipulate the payment schedule offered by the Purchaser. If a bid deviates from the schedule and if such deviation is considered acceptable to the Purchaser, the bid will be evaluated by calculating interest earned for any earlier payments involved in the terms outlined in the bid as compared to those stipulated in this invitation, at a rate of ...... percent per annum.(Commercial Bank rate of interest plus 2%).

(d) **Cost of Spare Parts:**

(i) Appendix ..... to the Technical Specifications lists the items and quantities of major assemblies, components and selected items of spare parts, likely to be required during the initial .... year period of operation of the plant. The total cost of these items and quantities at the unit prices quoted in each bid will be added to the bid price.

OR

(ii) The Purchaser will draw up a list of high usage and high value items of components and spare parts along with estimated quantities of usage in the initial .... year period of operation. The total cost of these items and quantities will be computed from spare parts unit prices submitted by the Bidder and added to the bid price.

OR

(iii) The Purchaser will estimate the cost of spare parts usage in the initial .... year period of operation, based on information furnished by each Bidder as well as on past experience of the Purchaser or other Purchasers in similar situations. Such costs shall be added to the bid price for evaluation.

(e) **Spare Parts and After Sales Service Facilities in India:**

The cost to the Purchaser of establishing the minimum service facilities and parts inventories, as outlined elsewhere in the bidding documents, if quoted separately, shall be added to the bid price.

(f) **Operating and Maintenance Costs:**

Since the operating and maintenance costs of the equipment under procurement form a major part of the life cycle cost of the equipment, these costs will be evaluated as follows:

(i) fuel costs shall be based on ...... kms/hours of operation per year for .... years at a fuel price of Rs........;
(ii) spare parts costs shall be based on ...... kms/hours of operation based on the guaranteed figures provided by the Bidder in response to ...... of the Technical Specifications or based on past actual figures for similar equipment already in use with the Purchaser; and

(iii) all future costs will be discounted to present value at a discount factor of .... percent.

(g) Performance and Productivity of the Equipment:

(i) Bidders shall state the guaranteed performance or efficiency in response to the Technical Specification. For each drop in performance or efficiency below the norm of 100, an adjustment of Rs. ....... will be added to the bid price, representing the capitalized cost of additional operating costs over the life of the plant using the methodology specified in the Technical Specifications; OR

(ii) Goods offered shall have a minimum productivity specified under the relevant provisions in Technical Specifications to be considered responsive. Evaluation shall be based on the cost per unit of the actual productivity of goods offered in the bid and adjustment will be added to the bid price using the methodology specified in the Technical Specifications.

27. Deleted.

28. Contacting the Purchaser

28.1 Subject to ITB Clause 23, no Bidder shall contact the Purchaser on any matter relating to its bid, from the time of the bid opening to the time the Contract is awarded. If the bidder wishes to bring additional information to the notice of the purchaser, it should do so in writing.

28.2 Any effort by a Bidder to influence the Purchaser in its decisions on bid evaluation, bid comparison or contract award may result in rejection of the Bidder's bid.

F. Award of Contract

29. Postqualification

29.1 In the absence of prequalification, the Purchaser will determine to its satisfaction whether the Bidder that is selected as having submitted the lowest evaluated responsive bid meets the criteria specified in ITB Clause 13.3 (b) and is qualified to perform the contract satisfactorily.

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 qualifications submitted by the Bidder, pursuant to ITB Clause 13, as well as such other information as the Purchaser deems necessary and appropriate.

29.3 An affirmative determination will be a prerequisite for award of the Contract to the Bidder. A negative determination will result in rejection of the Bidder's bid, in which event the Purchaser will proceed to the next lowest evaluated bid to make a similar determination of that Bidder's capabilities to perform the contract satisfactorily.

30. Award Criteria

30.1 Subject to ITB Clause 32, the Purchaser will award the Contract to the successful Bidder whose bid has been determined to be substantially responsive and has been determined as the lowest evaluated bid, provided further that the Bidder is determined to be qualified to perform the Contract satisfactorily.

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

31.1 The Purchaser reserves the right at the time of Contract award to increase or decrease by up to 15 percent of the quantity of goods and services originally specified in the Schedule of Requirements without any change in unit price or other terms and conditions.
32. **Purchaser's Right to Accept Any Bid and to Reject Any or All Bids**

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

33. **Notification of Award**

33.1 Prior to the expiration of the period of bid validity, the Purchaser will notify the successful bidder in writing by registered letter or by cable/telex or fax, to be confirmed in writing by registered letter, that its bid has been accepted.

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

33.3 Upon the successful Bidder's furnishing of performance security pursuant to ITB Clause 35, the Purchaser will promptly notify the name of the winning bidder to each unsuccessful Bidder and will discharge its bid security, pursuant to ITB Clause 15.

33.4 If, after notification of award, a Bidder wishes to ascertain the grounds on which its bid was not selected, it should address its request to the Purchaser. The Purchaser will promptly respond in writing to the unsuccessful Bidder.

34. **Signing of Contract**

34.1 At the same time as the Purchaser notifies the successful bidder that its bid has been accepted, the Purchaser will send the bidder the Contract Form provided in the bidding documents, incorporating all agreements between the parties.

34.2 Within 21 days of receipt of the Contract Form, the successful bidder shall sign and date the Contract and return it to the Purchaser.

35. **Performance Security**

35.1 Within 21 days of the receipt of notification of award from the Purchaser, the successful Bidder shall furnish the performance security in accordance with the Conditions of Contract, in the Performance Security Form provided in the bidding documents or in another form acceptable to the Purchaser.

35.2 Failure of the successful bidder to comply with the requirement of ITB Clause 34.2 or ITB Clause 35.1 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 evaluated bidder or call for new bids.

36. **Fraud and Corruption**

36.1 It is the Bank’s policy to require that Borrowers (including beneficiaries of Bank loans), as well as bidders, suppliers, and contractors and their subcontractors under Bank-financed contracts, observe the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy, the Bank:

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

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1 In this context, any action taken by a bidder, supplier, contractor, or a sub-contractor to influence the procurement process or contract execution for undue advantage is improper.
(i) “corrupt practice”\(^2\) is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;

(ii) “fraudulent practice”\(^3\) is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;

(iii) “collusive practice”\(^4\) is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

(iv) “coercive practice”\(^5\) is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;

(v) “obstructive practice” is

(aa) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or

(bb) acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for under sub-clause 36.1(e) below.

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\(^2\) “another party” refers to a public official acting in relation to the procurement process or contract execution]. In this context, “public official” includes World Bank staff and employees of other organizations taking or reviewing procurement decisions.

\(^3\) a “party” refers to a public official; the terms “benefit” and “obligation” relate to the procurement process or contract execution; and the “act or omission” is intended to influence the procurement process or contract execution.

\(^4\) “parties” refers to participants in the procurement process (including public officials) attempting to establish bid prices at artificial, non competitive levels.

\(^5\) a “party” refers to a participant in the procurement process or contract execution.
• (b) will reject a proposal for award if it determines that the Bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for the contract in question;

• (c) will cancel the portion of the loan allocated to a contract if it determines at any time that representatives of the Borrower or of a beneficiary of the loan engaged in corrupt, fraudulent, collusive, or coercive practices during the procurement or the execution of that contract, without the Borrower having taken timely and appropriate action satisfactory to the Bank to remedy the situation;

• (d) will sanction a firm or individual, including declaring them ineligible, either indefinitely or for a stated period of time, to be awarded a Bank-financed contract if it at any time determines that they have, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a Bank-financed contract; and

• (e) will have the right to require that a provision be included in bidding documents and in contracts financed by a Bank Loan, requiring bidders, suppliers, contractors and consultants to permit the Bank to inspect their accounts and records and other documents relating to the Bid submission and contract performance and to have them audited by auditors appointed by the Bank.

• 36.2 Furthermore, bidders shall be aware of the provision stated in Sub-Clause 24.1 (c) of the General Conditions of Contract.”
SECTION III: GENERAL CONDITIONS OF CONTRACT
# SECTION III: GENERAL CONDITIONS OF CONTRACT

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**General Conditions of Contract**

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

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

(b) "The Contract Price" means the price payable to the Supplier under the Contract for the full and proper performance of its contractual obligations;

(c) "The Goods" means all the equipment, machinery, and/or other materials which the Supplier is required to supply to the Purchaser under the Contract;

(d) "Services" means services ancillary to the supply of the Goods, such as transportation and insurance, and any other incidental services, such as installation, commissioning, provision of technical assistance, training and other obligations of the Supplier covered under the Contract;

(e) “GCC” means the General Conditions of Contract contained in this section.

(f) “SCC” means the Special Conditions of Contract.

(g) “The Purchaser” means the organization purchasing the Goods, as named in SCC.

(h) “The Purchaser’s country” is the country named in SCC.

(i) “The Supplier” means the individual or firm supplying the Goods and Services under this Contract.

(j) “The World Bank” means the International Bank for Reconstruction and Development (IBRD) or the International Development Association (IDA).

(k) “The Project Site”, where applicable, means the place or places named in SCC.

(l) “Day” means calendar day.

2. Application

2.1 These General Conditions shall apply to the extent that they are not superseded by provisions in other parts of the Contract.

3. Country of Origin

3.1 All Goods and Services supplied under the Contract shall have their origin in the member countries and territories eligible under the rules of the World Bank as further elaborated in SCC.

3.2 For purposes of this Clause "origin" means the place where the Goods are mined, grown or produced, or from which the Services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembling of components, a commercially recognized new 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 Supplier.

4. Standards

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

5. Use of Contract Documents and Information
5.1 The Supplier shall not, without the Purchaser's prior written consent, disclose the Contract, or any provision thereof, or any specification, plan, drawing, pattern, sample or information furnished by or on behalf of the Purchaser in connection therewith, to any person other than a person employed by the Supplier in performance of the Contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

5.2 The Supplier shall not, without the Purchaser's prior written consent, make use of any document or information enumerated in GCC Clause 5.1 except for purposes of performing the Contract.

5.3 Any document, other than the Contract itself, enumerated in GCC Clause 5.1 shall remain the property of the Purchaser and shall be returned (in all copies) to the Purchaser on completion of the Supplier's performance under the Contract if so required by the Purchaser.

6. Patent Rights

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

7. Performance Security

7.1 Within 21 days of receipt of the notification of contract award, the Supplier shall furnish performance security in the amount specified in SCC.

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

7.3 The Performance Security shall be denominated in Indian Rupees and shall be in one of the following forms:

(a) A Bank guarantee or irrevocable Letter of Credit, issued by a nationalized/scheduled bank located in India or a bank located abroad acceptable to the Purchaser, in the form provided in the bidding documents or another form acceptable to the Purchaser; or

(b) A cashier's check, certified check, or demand draft.

7.4 The performance security will be discharged by the Purchaser and returned to the Supplier not later than 30 days following the date of completion of the Supplier's performance obligations, including any warranty obligations, unless specified otherwise in SCC.

8. Inspections and Tests

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

8.2 The inspections and tests may be conducted on the premises of the Supplier or its subcontractor(s), at point of delivery and/or at the Goods final destination. If conducted on the premises of the Supplier 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 Purchaser.

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

8.4 The Purchaser's right to inspect, test and, where necessary, reject the Goods after the Goods' arrival at Project Site shall in no way be limited or waived by reason of the Goods having previously been inspected, tested and passed by the Purchaser or its representative prior to the Goods shipment.
8.5 Nothing in GCC Clause 8 shall in any way release the Supplier from any warranty or other obligations under this Contract.

9. Packing

9.1 The Supplier shall provide such packing of the Goods as is required to prevent their damage or deterioration during transit to their final destination as indicated in the Contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit and open storage. Packing case size and weights shall take into consideration, where appropriate, the remoteness of the Goods' final destination and the absence of heavy handling facilities at all points in transit.

9.2 The packing, marking and documentation within and outside the packages shall comply strictly with such special requirements as shall be provided for in the Contract including additional requirements, if any, specified in SCC and in any subsequent instructions ordered by the Purchaser.

10. Delivery and Documents

10.1 Delivery of the Goods shall be made by the Supplier in accordance with the terms specified by the Purchaser in the Notification of Award. The details of shipping and/or other documents to be furnished by the supplier are specified in SCC.

11. Insurance

11.1 The Goods supplied under the Contract shall be fully insured in Indian Rupees against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in SCC.

12. Transportation

12.1 Deleted.

12.2 Deleted.

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

12.4 Deleted

13. Incidental Services

13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:

(a) performance or supervision of the on-site assembly and/or start-up of the supplied Goods;

(b) furnishing of tools required for assembly and/or maintenance of the supplied Goods;

(c) furnishing of detailed operations and maintenance manual for each appropriate unit of supplied Goods;

(d) performance or supervision or maintenance and/or repair of the supplied Goods, for a period of time agreed by the parties, provided that this service shall not relieve the Supplier of any warranty obligations under this Contract; and

(e) training of the Purchaser's personnel, at the Supplier's plant and/or on-site, in assembly, start-up, operation, maintenance and/or repair of the supplied Goods.
13.2 Prices charged by the Supplier for incidental services, if not included in the Contract Price for the Goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the Supplier for similar services.

14. **Spare Parts**

14.1 As specified in the SCC, the Supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the Supplier:

(a) such spare parts as the Purchaser may elect to purchase from the Supplier, providing that this election shall not relieve the Supplier of any warranty obligations under the Contract; and

(b) In the event of termination of production of the spare parts:

(i) advance notification to the Purchaser of the pending termination, in sufficient time to permit the Purchaser to procure needed requirements; and

(ii) following such termination, furnishing at no cost to the Purchaser, the blueprints, drawings and specifications of the spare parts, if requested.

15. **Warranty**

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

15.2 This warranty shall remain valid for 12 months after the Goods or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the Contract, or for 18 months after the date of shipment from the place of loading whichever period concludes earlier, unless specified otherwise in the SCC.

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

15.4 Upon receipt of such notice, the Supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective Goods or parts thereof, without cost to the Purchaser other than, where applicable, the cost of inland delivery of the repaired or replaced Goods or parts from ex-works or ex-factory or ex-showroom to the final destination.

15.5 If the Supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the Purchaser may proceed to take such remedial action as may be necessary, at the Supplier's risk and expense and without prejudice to any other rights which the Purchaser may have against the Supplier under the Contract.

16. **Payment**

16.1 The method and conditions of payment to be made to the Supplier under this Contract shall be specified in the SCC.

16.2 The Supplier's request(s) for payment shall be made to the Purchaser in writing, accompanied by an invoice describing, as appropriate, the Goods delivered and the Services performed, and by documents, submitted pursuant to GCC Clause 10, and upon fulfillment of other obligations stipulated in the contract.

16.3 Payments shall be made promptly by the Purchaser but in no case later than sixty (60) days after submission of the invoice or claim by the Supplier.

16.4 Payment shall be made in Indian Rupees.

17. **Prices**
17.1 Prices charged by the Supplier for Goods delivered and Services performed under the Contract shall not vary from the prices quoted by the Supplier in its bid, with the exception of any price adjustments authorized in SCC or in the Purchaser’s request for bid validity extension, as the case may be.

18. Change Orders

18.1 The Purchaser may at any time, by written order given to the Supplier pursuant to GCC Clause 31, make changes within the general scope of the Contract in any one or more of the following:

(a) drawings, designs, or specifications, where Goods to be furnished under the Contract are to be specifically manufactured for the Purchaser;

(b) the method of shipping or packing;

(c) the place of delivery; and/or

(d) the Services to be provided by the Supplier.

18.2 If any such change causes an increase or decrease in the cost of, or the time required for, the Supplier's performance of any provisions under the Contract, an equitable adjustment shall be made in the Contract Price or delivery schedule, or both, and the Contract shall accordingly be amended. Any claims by the Supplier for adjustment under this clause must be asserted within thirty (30) days from the date of the Supplier's receipt of the Purchaser's change order.

19. Contract Amendments

19.1 Subject to GCC Clause 18, no variation in or modification of the terms of the Contract shall be made except by written amendment signed by the parties.

20. Assignment

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

21. Subcontracts

21.1 The Supplier shall notify the Purchaser in writing of all subcontracts awarded under this Contract if not already specified in the bid. Such notification, in his original bid or later, shall not relieve the Supplier from any liability or obligation under the Contract.

21.2 Subcontracts must comply with the provisions of GCC Clause 3.

22. Delays in the Supplier's Performance

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

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

22.3 Except as provided under GCC Clause 25, a delay by the Supplier in the performance of its delivery obligations shall render the Supplier liable to the imposition of liquidated damages pursuant to GCC Clause 23, unless an extension of time is agreed upon pursuant to GCC Clause 22.2 without the application of liquidated damages.
23. **Liquidated Damages**

23.1 Subject to GCC Clause 25, if the Supplier fails to deliver any or all of the Goods or to perform the Services within the period(s) specified in the Contract, the Purchaser shall, without prejudice to its other remedies under the Contract, deduct from the Contract Price, as liquidated damages, a sum equivalent to the percentage specified in SCC of the delivered price of the delayed Goods or unperformed Services for each week or part thereof of delay until actual delivery or performance, up to a maximum deduction of the Percentage specified in SCC. Once the maximum is reached, the Purchaser may consider termination of the Contract pursuant to GCC Clause 24.

24. **Termination for Default**

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

(a) if the Supplier fails to deliver any or all of the Goods within the period(s) specified in the Contract, or within any extension thereof granted by the Purchaser pursuant to GCC Clause 22; or

(b) if the Supplier fails to perform any other obligation(s) under the Contract.

(c) if the Supplier, in the judgment of the Purchaser has engaged in fraud and corruption, as defined in GCC Clause 34, in competing for or in executing the Contract.

24.2 In the event the Purchaser terminates the Contract in whole or in part, pursuant to GCC Clause 24.1, the Purchaser may procure, upon such terms and in such manner as it deems appropriate, Goods or Services similar to those undelivered, and the Supplier shall be liable to the Purchaser for any excess costs for such similar Goods or Services. However, the Supplier shall continue the performance of the Contract to the extent not terminated.

25. **Force Majeure**

25.1 Notwithstanding the provisions of GCC Clauses 22, 23, 24, the Supplier shall not be liable for forfeiture of its performance security, liquidated damages or termination for default, if and to the extent that, its delay in performance or other failure to perform its obligations under the Contract is the result of an event of Force Majeure.

25.2 For purposes of this Clause, "Force Majeure" means an event beyond the control of the Supplier and not involving the Supplier's fault or negligence and not foreseeable. Such events may include, but are not limited to, acts of the Purchaser either in its sovereign or contractual capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

25.3 If a Force Majeure situation arises, the Supplier shall promptly notify the Purchaser in writing of such conditions and the cause thereof. Unless otherwise directed by the Purchaser in writing, the Supplier shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event.

26. **Termination for Insolvency**

26.1 The Purchaser may at any time terminate the Contract by giving written notice to the Supplier, if the Supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the Supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the Purchaser.
27. **Termination for Convenience**

27.1 The Purchaser, by written notice sent to the Supplier, may terminate the Contract, in whole or in part, at any time for its convenience. The notice of termination shall specify that termination is for the Purchaser's convenience, the extent to which performance of the Supplier under the Contract is terminated, and the date upon which such termination becomes effective.

27.2 The Goods that are complete and ready for shipment within 30 days after the Supplier's receipt of notice of termination shall be accepted by the Purchaser at the Contract terms and prices. For the remaining Goods, the Purchaser may elect:

(a) to have any portion completed and delivered at the Contract terms and prices; and/or

(b) to cancel the remainder and pay to the Supplier an agreed amount for partially completed Goods and for materials and parts previously procured by the Supplier.

28. **Settlement of Disputes**

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

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

28.2.1 Any dispute or difference in respect of which 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.

28.2.2 Arbitration proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

28.3 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.

29. **Limitation of Liability**

29.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6,

(a) the Supplier shall not be liable to the Purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the Supplier to pay liquidated damages to the Purchaser; and

(b) the aggregate liability of the Supplier to the Purchaser, whether under the Contract, in tort or otherwise, shall not exceed the total Contract Price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

30. **Governing Language**

30.1 The contract shall be written in English language. Subject to GCC Clause 30, English language version of the Contract shall govern its interpretation. All correspondence and other documents pertaining to the Contract which are exchanged by the parties shall be written in the same language.
31. **Applicable Law**

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

32. **Notices**

32.1 Any notice given by one party to the other pursuant to this Contract shall be sent to other party in writing or by cable, telex or facsimile and confirmed in writing to the other Party’s address specified in SCC.

32.2 A notice shall be effective when delivered or on the notice’s effective date, whichever is later.

33. **Taxes and Duties**

33.1 Deleted.

33.2 Suppliers shall be entirely responsible for all taxes, duties, license fees, octroi, road permits, etc., incurred until delivery of the contracted Goods to the Purchaser.

34. **Fraud and Corruption:**

34.1 If the Purchaser determines that the Supplier has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices, in competing for or in executing the Contract, then the Purchaser may, after giving 14 days notice to the Supplier, terminate the Supplier's employment under the Contract and cancel the contract, and the provisions of Clause 24 shall apply as if such termination had been made under Sub-Clause 24.1.

(a) For the purposes of this Sub-Clause:

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

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

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6 "another party" refers to a public official acting in relation to the procurement process or contract execution]. In this context, “public official” includes World Bank staff and employees of other organizations taking or reviewing procurement decisions.

7 a “party” refers to a public official; the terms “benefit” and “obligation” relate to the procurement process or contract execution; and the “act or omission” is intended to influence the procurement process or contract execution.
(iii) “collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

(iv) “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;

(v) “obstructive practice” is

(aa) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or

(bb) acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for under Clause 35 [Inspections and Audits by the Bank].

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

Clause 35:

Clause 35 as under should be added as a new Clause in the General Conditions of Contract:

“35. Inspections and Audits by the Bank

The Contractor shall permit the Bank and/or persons appointed by the Bank to inspect the Site and/or the accounts and records of the Contractor and its subcontractors relating to the performance of the Contract, and to have such accounts and records audited by auditors appointed by the Bank if required by the Bank. The Contractor’s attention is

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8 “parties” refers to participants in the procurement process (including public officials) attempting to establish bid prices at artificial, non-competitive levels.

9 a “party” refers to a participant in the procurement process or contract execution.
drawn to Clause 34 [Fraud and Corruption] which provides, inter alia, that acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for under Clause 35 constitute a prohibited practice subject to contract termination (as well as to a determination of ineligibility under the Procurement Guidelines).”
SECTION IV: SPECIAL CONDITIONS OF CONTRACT
## SECTION IV: SPECIAL CONDITIONS OF CONTRACT

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<td>Incidental Services (GCC Clause 13)</td>
<td>32</td>
</tr>
<tr>
<td>9.</td>
<td>Spare Parts (GCC Clause 14)</td>
<td>32</td>
</tr>
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<td>10.</td>
<td>Warranty (GCC Clause 15)</td>
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<td>Notices (GCC Clause 32)</td>
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<td>17.</td>
<td>Progress of Supply</td>
<td>36</td>
</tr>
</tbody>
</table>

### Special Conditions of Contract

The following Special Conditions of Contract shall supplement the General Conditions of Contract. Whenever there is a conflict, the provisions herein shall prevail over those in the General Conditions of Contract. The corresponding clause number of the General Conditions is indicated in parentheses.

1. **Definitions (GCC Clause 1)**

   (a) The Purchaser is ...............................................

   (b) The Supplier is ..................................................
2. **Country of Origin (GCC Clause 3)**

All countries and territories as indicated in Section XIV of the bidding documents, “Eligibility for the Provisions of Goods, Works, and Services in Bank-Financed Procurement”.

3. **Performance Security (GCC Clause 7)**

3.1 Within 21 days after the Supplier’s receipt of Notification of Award, the Supplier shall furnish Performance Security to the Purchaser for an amount of 5% of the contract value, valid up to 60 days after the date of completion of performance obligations including warranty obligations.

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

3.2 Substitute Clause 7.3 (b) of the GCC by the following:

A cashier’s cheque or banker’s certified cheque or crossed demand draft or pay order drawn in favour of ………………/[Purchaser].

3.3 Substitute Clause 7.4 of the GCC by the following:

The Performance Security will be discharged by the Purchaser and returned to the Supplier not later than 60 days following the date of completion of the Supplier’s performance obligations, including the warranty obligation, under the contract.

3.4 Add as Clause 7.5 to the GCC the following:

In the event of any contract amendment, the Supplier shall, within 21 days of receipt of such amendment, furnish the amendment to the Performance Security, rendering the same valid for the duration of the Contract, as amended for 60 days after the completion of performance obligations including warranty obligations.

4. **Inspection and Tests (GCC Clause 8)**

The following inspection procedures and tests are required by the Purchaser:

_________________________________________________________
_________________________________________________________
_________________________________________________________

5. **Packing (GCC Clause 9)**

Add as Clause 9.3 of the GCC the following:

**Packing Instructions**: The Supplier will be required to make separate packages for each Consignee. Each package will be marked on three sides with proper paint/indelible ink, the following:


6. **Delivery and Documents (GCC Clause 10)**

Upon delivery of the Goods, the supplier shall notify the purchaser and the insurance company by cable/telex/fax the full details of the shipment including contract number, railway receipt number and date, description of goods, quantity, name of the consignee etc. The supplier shall mail the following documents to the purchaser with a copy to the insurance company:

(i) .......... Copies of the Supplier invoice showing contract number, goods' description, quantity, unit price, total amount;
(ii) Railway receipt/acknowledgment of receipt of goods from the consignee(s);

(iii) .......... Copies of packing list identifying the contents of each package;

(iv) Insurance Certificate;

(v) Manufacturer's/Supplier's warranty certificate;

(vi) Inspection Certificate issued by the nominated inspection agency, and the Supplier's factory inspection report; and

(vii) Certificate of Origin.

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

7. **Insurance (GCC Clause 11)**

For delivery of goods at site, the insurance shall be obtained by the Supplier in an amount equal to 110% of the value of the goods from "warehouse to warehouse" (final destinations) on "All Risks" basis including War Risks and Strikes.

8. **Incidental Services (GCC Clause 13)**

The following services covered under Clause 13 shall be furnished and the cost shall be included in the contract price:

________________________________________________________
________________________________________________________
________________________________________________________

9. **Spare Parts (GCC Clause 14)**

Add as Clause 14.2 to the GCC the following:

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

10. **Warranty (GCC Clause 15)**

(i) G.C.C. Clause 15.2:

In partial modification of the provisions, the warranty period shall be .......hours of operation or ....months from date of acceptance of Goods or .... months from the dates of Shipment, whichever occurs earlier. The Supplier shall, in addition, comply with the performance and/or consumption guarantees specified under the contract. If for reasons attributable to the Supplier, these guarantees are not attained in whole or in part, the Supplier shall at its discretion either:

(a) make such changes, modifications, and/or additions to the Goods or any part thereof as may be necessary in order to attain the contractual guarantees specified in the Contract at its own cost and expense and to carry out further performance tests in accordance with SCC 4;

OR

(b) pay liquidated damages to the Purchaser with respect to the failure to meet the contractual guarantees. The rate of these liquidated damages shall be (________) as specified in Technical Specifications.

[The rate should be higher than the adjustment rate used in the bid evaluation under ITB 26.5(f) or (g)]

(ii) Substitute Clause 15.4 of the GCC by the following:
“Upon receipt of such notice, the Supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, free of cost at the ultimate destination. The Supplier shall take over the replaced parts/goods at the time of their replacement. No claim whatsoever, shall lie on the Purchaser for the replaced parts/goods thereafter.

In the event of any correction of defects or replacement of defective material during the warranty period, the warranty for the corrected/replaced material shall be extended to a further period of 12 months.”

(iii) GCC Clauses 15.4 and 15.5:
The period for correction of defects in the warranty period is _____ days. (specify as required)

11. Payment (GCC Clause 16)

Payment for Goods and Services shall be made in Indian Rupees as follows:

(i) **Advance Payment**: Ten percent of the Contract Price shall be paid within 30 days of signing of Contract against a simple receipt and a bank guarantee for the equivalent amount valid until the Goods are delivered and in the form provided in the bidding document.

(ii) **On Delivery**: Eighty percent of the contract price shall be paid on receipt of Goods and upon submission of the documents specified in SCC Clause 6 above; and

(iii) **On Final Acceptance**: the remaining ten percent of the Contract Price shall be paid to the supplier within 30 days after the date of the acceptance certificate issued by the Purchaser’s representative for the respective delivery.

*Note:*

(i) Where payments are to be effected through Letter of Credit (LC), the same shall be subject to the latest Uniform Customs and Practice for Documentary Credit, of the International Chamber of Commerce;

(ii) The LC will be confirmed at Supplier’s cost if requested specifically by the Supplier;

(iii) If LC is required to be extended/reinstated for reasons not attributable to the Purchaser, the charges thereof shall be to the Supplier’s account.

12. Prices (GCC Clause 17)

**Alternative I**

Substitute Clause 17.1 of the GCC with the following as Clauses 17.1 and 17.2:

17.1 Prices payable to the Supplier as stated in the Contract shall be subject to adjustment during performance of the Contract to reflect changes in the cost of labor and material components in accordance with the formula:

\[ P_1 = P_0 \times \{a + b(L_1/L_0) + c(M_1/M_0)\} - P_0 \]

in which:

- \( P_1 \) = adjustment amount payable to the Supplier
- \( P_0 \) = Contract Price (base price)
- \( a \) = fixed element representing profits and overheads included in the Contract Price and generally in the range of 5% to 15%.
- \( b \) = estimated percentage of labor component in the Contract Price.
- \( c \) = estimated percentage of material component in the Contract Price.

(The coefficients \( a, b \) and \( c \) shall be specified by the Purchaser in the bidding documents. The sum of the three coefficients should be one (1) in every application of the formula).
\[ L_0, L_1 = \] labor indices applicable to the appropriate industry in the country of origin on the base date and date for adjustment, respectively.
\[ M_0, M_1 = \] material indices for the major raw material on the base date and date for adjustment, respectively, in the country of origin.

The Bidder shall indicate the source of the indices and the base date indices in his bid.
Base Date = 30 days prior to the deadline for submission of the bids.
Date of Adjustment = ...... months prior to date of shipment (representing the mid-point of the period of manufacture).

17.2 The above price adjustment formula shall be invoked by either party subject to the following further conditions:

(a) Price adjustment will be applied only if the resulting increase or decrease is more than 2% of the Contract Price;

(b) No price increase shall be allowed beyond the original delivery dates unless specifically stated in the extension letter. As a rule no price adjustment shall be allowed for periods of delay for which the Supplier is entirely responsible. The purchaser will however be entitled to any decrease in the price of Goods and Services subject to adjustment;

(c) The total adjustment under this clause shall be subject to a ceiling of plus or minus 10% of the Contract Price;

(d) No price adjustment shall be payable on the portion of the Contract Price paid to the Supplier as advance payment.

Alternative II

Where there is no price adjustment specify as under:

17.1 Prices payable to the supplier as stated in the contract shall be firm during the performance of the contract.

(Choose one alternative and delete whichever is not applicable)

13. Sub-contracts (GCC Clause 21)

Add at the end of GCC sub-clause 21.1 the following:

Sub-contract shall be only for bought-out items and sub-assemblies.

14. Liquidated Damages (GCC Clause 23)

14.1 For delays:

GCC Clause 23.1 -- The applicable rate is 0.5% per week and the maximum deduction is 10% of the contract price.

15. Settlement of Disputes (Clause 28)

The dispute settlement mechanism to be applied pursuant to GCC Clause 28.2.2 shall be as follows:

(a) In case of Dispute or difference arising between the Purchaser and a domestic supplier relating to any matter arising out of or connected with this agreement, such disputes or difference shall be settled in accordance with the Arbitration and Conciliation Act, 1996. The arbitral tribunal shall consist of 3 arbitrators one each to be appointed by the Purchaser and the Supplier. The third Arbitrator shall be chosen by the two Arbitrators so appointed by the Parties and shall act as Presiding arbitrator. In case of
failure of the two arbitrators appointed by the parties to reach upon a consensus within a period of 30
days from the appointment of the arbitrator appointed subsequently, the Presiding Arbitrator shall be
appointed by the *Indian Council of Arbitration/President of the Institution of Engineers (India)/The
International Centre for Alternative Dispute Resolution (India).

(b) In the case of a dispute with a Foreign Supplier, the dispute shall be settled in accordance with
The Arbitral Tribunal shall consist of three Arbitrators one each to be appointed by the Purchaser and
the Supplier. The third Arbitrator shall be chosen by the two Arbitrators so appointed by the Parties, and
shall act as presiding arbitrator. In case of failure of the two arbitrators appointed by the parties to reach
upon a consensus within a period of 30 days from the appointment of the arbitrator appointed
subsequently, the Presiding Arbitrator shall be appointed by the *Indian Council of Arbitration/President
of the Institution of Engineers (India)/The International Centre for Alternative Dispute Resolution
(India).

(c) If one of the parties fails to appoint its arbitrator in pursuance of sub-clause (a) and (b) above, within 30
days after receipt of the notice of the appointment of its arbitrator by the other party, then the *Indian
Council of Arbitration/President of the Institution of Engineers (India)/The International Centre for
Alternative Dispute Resolution (India), both in cases of the Foreign supplier as well as Indian supplier,
shall appoint the arbitrator. A certified copy of the order of the *Indian Council of Arbitration/President
of the Institution of Engineers (India)/The International Centre for Alternative Disputes Resolution
(India), making such an appointment shall be furnished to each of the parties.

(d) Arbitration proceedings shall be held at ____________ India, and the language of the arbitration
proceedings and that of all documents and communications between the parties shall be English.

(e) The decision of the majority of arbitrators shall be final and binding upon both parties. The cost and
expenses of Arbitration proceedings will be paid as determined by the arbitral tribunal. However, the
expenses incurred by each party in connection with the preparation, presentation etc. of its proceedings
as also the fees and expenses paid to the arbitrator appointed by such party or on its behalf shall be borne
by each party itself.

(f) Where the value of the contract is Rs. 10 million and below, the disputes or differences arising shall be
referred to the Sole Arbitrator. The Sole Arbitrator should be appointed by agreement between the
parties; failing such agreement, by the appointing authority namely the *Indian Council of
Arbitration/President of the Institution of Engineers (India)/The International Centre for Alternative
Dispute Resolution (India).

(* Delete whichever is not applicable.)

16. Notices (Clause 32)

For the purpose of all notices, the following shall be the address of the Purchaser and Supplier.

Purchaser: ..............................
..............................
..............................
..............................

Supplier: (To be filled in at the time of Contract signature)
..............................
..............................
..............................

17. Supplier shall regularly intimate progress of supply, in writing, to the Purchaser as under*:

- Quantity offered for inspection and date;
- Quantity accepted/rejected by inspecting agency and date;
- Quantity despatched/delivered to consignees and date;
- Quantity where incidental services have been satisfactorily completed with date;
- Quantity where rectification/repair/replacement effected/completed on receipt of any communication from consignee/Purchaser with date;
- Date of completion of entire Contract including incidental services, if any; and
- Date of receipt of entire payments under the Contract
  (in case of stage-wise inspection, details required may also be specified).

* Delete whichever inapplicable
SECTION V: SCHEDULE OF REQUIREMENTS

SCHEDULE OF REQUIREMENTS

(To be inserted in the Bidding Documents by the Purchaser, as applicable. The Schedule should cover, at a minimum, the required items, quantities, services, delivery period(s) and bid security.)

Part - I

<table>
<thead>
<tr>
<th>Serial Number</th>
<th>Brief Description</th>
<th>Unit</th>
<th>Quantity</th>
<th>Delivery Schedule</th>
<th>Bid Security in Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule I</td>
<td></td>
<td></td>
<td></td>
<td>Delivery in ______ weeks/ months from ______ * at destination (project site)</td>
<td></td>
</tr>
</tbody>
</table>

Schedule II

Part - II
The Purchaser must specify here the date from which the date of delivery schedule will start. That date should be either the date of contract award, or the date of contract signature, or the date of opening of letter of credit, or the date of confirmation of the Letter of Credit, as appropriate. The Bid Form should include only a cross reference to this Schedule.

SECTION VI: TECHNICAL SPECIFICATIONS

Notes for Preparing the Technical Specifications

A set of precise and clear specifications is a pre-requisite for bidders to respond realistically and competitively to the requirements of the Purchaser without qualifying their bids. In the context of National Competitive Bidding (NCB), the specifications must be drafted to permit the widest possible competition and, at the same time, present a clear statement of the required standards of workmanship, materials, and performance of the goods and services to be procured. Only if this is done will the objectives of economy, efficiency, and fairness in procurement be realized, responsiveness of bids be ensured, and the subsequent task of bid evaluation facilitated. Their specifications should require that all goods and materials to be incorporated in the goods be new, unused, and of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided for otherwise in the contract.

Samples of specifications from previous similar procurements are useful in this respect. The use of metric units is encouraged by the Bank. Depending on the complexity of the goods and the repetitiveness of the type of procurement, it may be advantageous to standardize the General Technical Specifications and incorporate them in a
SECTION VI - TECHNICAL SPECIFICATIONS

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

SECTION VI-A : QUALIFICATION CRITERIA
(Referred to in Clause 13.3(b) of ITB)
TO: (Name and address of purchaser)

Gentlemen and/or Ladies:

Having examined the Bidding Documents including Addenda Nos............ [insert numbers], the receipt of which is hereby duly acknowledged, we, the undersigned, offer to supply and deliver...................................................

(Description of Goods and Services) in conformity with the said bidding documents for the sum of ....................

(Total bid 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 bid.

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

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

We agree to abide by this bid for the Bid validity period specified in Clause 16.1 of the Bid Data Sheet and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

Commissions or gratuities, if any, paid or to be paid by us to agents relating to this Bid, and to contract execution if we are awarded the contract, are listed below:

<table>
<thead>
<tr>
<th>Amount</th>
<th>Rupees</th>
<th>Purpose of Commission or gratuity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name and address of agent</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(if none, state “none”).
Until a formal contract is prepared and executed, this bid, together with your written acceptance thereof and your notification of award, shall constitute a binding Contract between us.

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

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

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

We clarify/confirm that we comply with the eligibility requirements as per ITB Clause 2 of the bidding documents.

Dated this ........ day of ................. 19 ....

________________________________________________________________________  (in the capacity of)

______________________________  ________________________________  (signature)

Duly authorized to sign Bid for and on behalf of ______________________________
Whereas ..................................................... (hereinafter called “the Bidder”) has submitted its bid dated ...................... (date of submission of bid) for the supply of ............................................. (name and/or description of the goods) (hereinafter called “the Bid”).

KNOW ALL PEOPLE by these presents that WE .................. (name of bank) of .................. (name of country), having our registered office at .................. (address of bank) (hereinafter called “the Bank”), are bound unto .................. (name of Purchaser) (hereinafter called “the Purchaser”) in the sum of ______________________ 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
   (a) withdraws its Bid during the period of bid validity specified by the Bidder on the Bid Form; or
   (b) does not accept the correction of errors in accordance with the ITB; or

2. If the Bidder, having been notified of the acceptance of its bid 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 the Purchaser up to the above amount upon receipt of its first written demand, without the Purchaser 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 and including forty five (45) days after the period of the bid validity, and any demand in respect thereof should reach the Bank not later than the above date.

................................................
(Signature of the Bank)

1 Name of Bidder

SECTION IX: CONTRACT FORM

THIS AGREEMENT made the ......day of.................................., 20... Between .................................... (Name of purchaser) of .............. (Country 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 is desirous that certain Goods and ancillary services viz., ...........................................(Brief Description of Goods and Services) and has accepted a bid by the Supplier for the supply of those goods and services in the sum of ............................. (Contract Price in Words and Figures) (hereinafter called "the Contract Price").

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.

2. The following documents shall be deemed to form and be read and construed as part of this Agreement, viz.:
   (a) the Bid Form and the Price Schedule submitted by the Bidder;
   (b) the Schedule of Requirements;
   (c) the Technical Specifications;
   (d) the General Conditions of Contract;
   (e) the Special Conditions of Contract; and
   (f) the Purchaser's Notification of Award.

3. In consideration of the payments to be made by the Purchaser to the Supplier as hereinafter mentioned, the Supplier hereby covenants with the Purchaser to provide the goods and services and to remedy defects therein in conformity in all respects with the provisions of the Contract.

4. The Purchaser hereby covenants to pay the Supplier in consideration of the provision of the goods and services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.

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

<table>
<thead>
<tr>
<th>SL. NO.</th>
<th>BRIEF DESCRIPTION OF GOODS &amp; SERVICES</th>
<th>QUANTITY TO BE SUPPLIED</th>
<th>UNIT PRICE</th>
<th>Total Price</th>
<th>DELIVERY TERMS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TOTAL VALUE:

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

Signed, Sealed and Delivered by the

said .............................................. (For the Purchaser)

in the presence of:..............................

Signed, Sealed and Delivered by the

said .............................................. (For the Supplier)

in the presence of:..............................

SECTION X: PERFORMANCE SECURITY FORM

To: ____________________________ (Name of Purchaser)

WHEREAS ____________________________ (Name of Supplier)

hereinafter called "the Supplier" has undertaken, in pursuance of Contract (Notification of Award) No.____________ dated.........., 20___ to supply__________________________ (Description of Goods and Services)

hereinafter called "the Contract".

AND WHEREAS it has been stipulated by you in the said Contract that the Supplier shall furnish you with a Bank Guarantee by a recognized 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 limit 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 Guarantors
................................
................................
................................
Date:......................20....
Address:......................
................................
................................
SECTION XI: PERFORMANCE STATEMENT

SECTION XII

(Please see Clause 13.3(a) of Instructions to Bidders)

MANUFACTURERS’ AUTHORIZATION FORM*

No. _________ dated

To

Dear Sir:

IFB No.

We _________________ who are established and reputable manufacturers of (name and description of goods offered) having factories at __________ (address of factory) do hereby authorize M/s _________________ (Name and address of Agent) to submit a bid, and sign the contract with you for the goods manufactured by us against the above IFB.

No company or firm or individual other than M/s _________________ are authorized to bid, and conclude the contract for the above goods manufactured by us, against this specific IFB. (This para should be deleted in simple items where manufacturers sell the product through different stockists.)

We hereby extend our full guarantee and warranty as per Clause 15 of the General Conditions of Contract and Clause 10 of the Special Conditions of Contract for the goods and services offered for supply by the above firm against this IFB.

Yours faithfully,

(Name)
Note: This letter of authority should be on the letterhead of the manufacturer and should be signed by a person competent and having the power of attorney to legally bind the manufacturer. It should be included by the Bidder in its bid.

* Modify this format suitably in case where manufacturer’s warranty and guarantee are not applicable for the items for which bids are invited.

SECTION XIII

SAMPLE FORM

BANK GUARANTEE FOR ADVANCE PAYMENT

To: ______________________ (name of Purchaser)
    ______________________ (address of Purchaser)
    ______________________ (name of Contract)

Gentlemen:

In accordance with the provisions of the Special Conditions of Contract which amends Clause 16 of the General Conditions of Contract ______________________ (name and address of Supplier) (hereinafter called "the supplier") shall deposit with ______________________ (name of Purchaser) a bank guarantee to guarantee his proper and faithful performance under the said Clause of the Contract in an amount of ______________________ (amount of guarantee)* ______________________ (in 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 ______________________ (name of Purchaser) on his first demand without whatsoever right of objection on our part and without his first claim to the Supplier, in the amount not exceeding ______________________ (amount of guarantee)* ______________________ (in words).

We further agree that no change or addition to or other modification of the terms of the Contract to be performed thereunder or of any of the Contract documents which may be made between ______________________ (name of 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.

This guarantee shall remain valid and in full effect from the date of the advance payment received by the Supplier under the contract until _______________.

Yours truly,
Signature and seal : ______________________
Name of bank/financial institution : ______________________
Address : ______________________
Date : ______________________

____________________

* An amount is to be inserted by the bank representing the amount of the Advance Payment.
SECTION XIV

Eligibility for the Provision of Goods, Works and Services in Bank-Financed Procurement.

As of March 2000

For the information of Borrowers and Bidders, and with reference to paragraph 1.6, footnote 9, of the Guidelines: Procurement under IBRD Loans and IDA Credits, dated January 1995 (revised January and August 1996 and September 1997, and January 1999), set forth below is a list of countries from which Bidders, Goods and Services are not eligible to participate in procurement financed by the World Bank or IDA.

- Andorra
- Cuba
- Democratic People’s Republic of Korea (North Korea)
- Liechtenstein
- Monaco
- Nauru
- Tuvalu

In addition, Bidders, Goods and Services from other countries or territories may be declared ineligible by a provision in the Bidding. Documents if the borrower’s country has excluded them by a law, an official regulation, or an act of compliance meeting the requirements of paragraph 1.8 (a) of the Guidelines: Procurement under IBRD Loans and IDA Credits.

The Loan/Credit Agreement also prohibits a withdrawal from the Loan / Credit Account for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the knowledge of the Bank, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations. At the present time, this prohibition applies to no country.

Notes:


2. Any questions regarding this list should be addressed to the Senior Manager, Procurement Policy and Services Group, Operational Core Services Network, The World Bank
ANNEXURE XV
PROFORMA FOR EQUIPMENT AND QUALITY CONTROL EMPLOYED BY THE MANUFACTURER

BID NO. ............................... DATE OF OPENING : .................................

NAME OF THE BIDDER : ...........................................................................

(Note : All details should relate to the manufacturer for the items offered for supply)

1. Name & full address of the Manufacturer

2. (a) Telephone & Fax No Office/Factory/Works
(b) Telex No. Office/Factory/Works
(c) Telegraphic address :

3. Location of the manufacturing factory.

4. Details of Industrial License, wherever required as per statutory regulations.

5. Details of important Plant & Machinery functioning in each dept. (Monographs & description pamphlets be supplied if available).

6. Details of the process of manufacture in the factory.

7. Details & stocks of raw materials held.

8. Production capacity of item(s) quoted for, with the existing Plant & Machinery
   8.1 Normal
   8.2 Maximum

9. Details of arrangement for quality control of products such as laboratory, testing equipment etc.

10. Details of staff:
    10.1 Details of technical supervisory staff in charge of production & quality control.
    10.2 Skilled labour employed.
    10.3 Unskilled labour employed.
    10.4 Maximum No. of workers (skilled & unskilled) employed on any day during the 18 months preceding the date of Tender.

11. Whether Goods are tested to any standard specification? If so, copies of original test certificates should be submitted in triplicate.

12. Are you registered with the Directorate General of Supplies and Disposals, New Delhi 110 001, India? If so, furnish full particulars of registration, period of currency etc. with a copy of the certificate of registration.

...............................................................
Signature and seal of the Manufacturer
GOVERNMENT OF

________________________________________ PROJECT

AGREEMENT NO.

NATIONAL COMPETITIVE BIDDING

(CIVIL WORKS)

NAME OF WORK : 

PERIOD OF SALE OF : FROM

BIDDING DOCUMENT TO

TIME AND DATE OF HOURS PRE-BID CONFERENCE : DATE _______ TIME _______

LAST DATE AND TIME FOR HOURS RECEIPT OF BIDS : DATE _______ TIME _______

* TIME AND DATE OF OPENING HOURS OF BIDS : DATE _______ TIME _______

PLACE OF OPENING OF BIDS :


OFFICER INVITING BIDS :


* Should be the same as for the deadline for receipt of bids or promptly thereafter.
INVITATION FOR BID

(IFB)
GOVERNMENT OF ....................
............................................PROJECT

INVITATIONS FOR BIDS (IFB)

NATIONAL COMPETITIVE BIDDING

Date:
Bid No.:

1. The Government of India has received a credit from the International Development Association / loan from the International Bank for Reconstruction & Development towards the cost of ..................................Project and intends to apply a part of the funds to cover eligible payments under the contracts for construction of works as detailed below. Bidding is open to all bidders from eligible source countries as defined in the IBRD Guidelines for Procurement. Bidders from India should, however, be registered with the Government of ........ or other State Governments/Government of India, or State/Central Government Undertakings. Bidders are advised to note the minimum qualification criteria specified in Clause 4 of the Instructions to Bidders to qualify for the award of the contract.

2. The .................................. invites bids for the construction of works detailed in the table. The bidders may submit bids for any or all of the following works.

3. Bidding documents (and additional copies) may be purchased from the office of .....................from ..........to ........., for a non-refundable fee (three sets) as indicated, in the form of cash or Demand Draft on any Scheduled bank payable at ............. in favour of .......... ..................... Interested bidders may obtain further information at the same address. Bidding documents requested by mail will be despatched by registered/speed post on payment of an extra amount of Rs............. The ..................... will not be held responsible for the postal delay if any, in the delivery of the documents or non-receipt of the same.

4. Bids must be accompanied by security of the amount specified for the work in the table below, drawn in favour of ............ Bid security will have to be in any one of the forms as specified in the bidding document and shall have to be valid for 45 days beyond the validity of the bid.

5. Bids must be delivered to ......................... on or before .............hours on ............. (date) and will be opened on the same day at ..........hours, in the presence of the bidders who wish to attend. If the office happens to be closed on the date of receipt of the bids as specified, the bids will be received and opened on the next working day at the same time and venue.

6. A prebid meeting will be held on ..................................at .....................hrs. at the office of ..................................to clarify the issues and to answer questions on any matter that may be raised at that stage as stated in Clause 9.2 of ‘Instructions to Bidders’ of the bidding document.

7. Other details can be seen in the bidding documents.
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Seal of office
SECTION 1: INSTRUCTIONS TO BIDDERS (ITB)
## Section 1: Instructions to Bidders

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A. General

1. Scope of Bid

1.1 The ........................................... (referred to as Employer in these documents) invites bids for the construction of works (as defined in these documents and referred to as "the works") detailed in the table given in IFB. The bidders may submit bids for any or all of the works detailed in the table given in IFB.

1.2 The successful bidder will be expected to complete the works by the intended completion date specified in the Contract data.

2. Source of Funds

2.1 The Government of India has received a loan/credit from the International Bank for Reconstruction and Development/the International Development Association (hereinafter interchangeably called “the Bank”) towards the cost of............... .............................. ..Project and intends to apply a part of the funds to cover eligible payments under the contract for the Works. Payments by the Bank will be made only at the request of the borrower and upon approval of the Bank in accordance with the Loan/Credit Agreement, and will be subject in all respects to the terms and conditions of that Agreement. Except as the Bank may specifically otherwise agree, no party other than the borrower shall derive any rights from the Loan/Credit Agreement or have any rights to the loan/credit proceeds.

2.2 The loan agreement prohibits a withdrawal from the loan account for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the knowledge of the Bank, is prohibited by a decision of the United Nations Security Council, taken under Chapter VII of the Charter of the United Nations.

3. Eligible Bidders

3.1 This Invitation for Bids is open to all bidders from the eligible countries as defined under the IBRD Guidelines for Procurement. Any materials, equipment, and services to be used in the performance of the Contract shall have their origin in the eligible source countries.

3.2 All bidders shall provide in Section 2, Forms of Bid and Qualification Information, a statement that the Bidder is not associated, nor has been associated in the past, directly or indirectly, with the Consultant or any other entity that has prepared the design, specifications, and other documents for the Project or being proposed as Project Manager for the Contract. A firm that has been engaged by the Borrower to provide consulting services for the preparation or supervision of the works, and any of its affiliates, shall not be eligible to bid.

3.3 Government-owned enterprises in the Employer’s country may only participate if they are legally and financially autonomous, operate under commercial law and are not a dependent agency of the Borrower or Sub-borrower.

3.4 Bidders shall not be under a declaration of ineligibility for corrupt and fraudulent practices issued by the Bank in accordance with sub-clause 37.1.

4. Qualification of the Bidder
4.1 All bidders shall provide in Section 2, Forms of Bid and Qualification Information, a preliminary description of the proposed work method and schedule, including drawings and charts, as necessary.

4.2 In the event that Pre-qualification of potential bidders has been undertaken, only bids from prequalified bidders will be considered for award for Contract. These qualified bidders should submit with their bids any information updating their original prequalification applications or, alternatively, confirm in their bids that the originally submitted prequalification information remains essentially correct as of date of bid submission. The update or confirmation should be provided in Section 2.

4.3 If the Employer has not undertaken prequalification of potential bidders, all bidders shall include the following information and documents with their bids in Section 2:

(a) copies of original documents defining the constitution or legal status, place of registration, and principal place of business; written power of attorney of the signatory of the Bid to commit the Bidder;

(b) total monetary value of construction work performed for each of the last five years;

(c) experience in works of a similar nature and size for each of the last five years, and details of works under way or contractually committed; and clients who may be contacted for further information on those contracts;

(d) major items of construction equipment proposed to carry out the Contract;

(e) qualifications and experience of key site management and technical personnel proposed for the Contract;

(f) reports on the financial standing of the Bidder, such as profit and loss statements and auditor's reports for the past five years;

(g) evidence of adequacy of working capital for this contract (access to line (s) of credit and availability of other financial resources);

(h) authority to seek references from the Bidder's bankers;

(i) information regarding any litigation or arbitration resulting from contracts executed by the Bidder in the last five years or currently under execution. The information shall include the names of the parties concerned, the disputed amount, cause of litigation, and matter in dispute;

(j) proposals for subcontracting components of the Works which in aggregate add to more than 20 percent of the Bid Price (for each, the qualifications and experience of the identified sub-contractor in the relevant field should be annexed; no vertical splitting of work for subcontracting is acceptable); and
(k) the proposed methodology and program of construction including Environmental Management Plan, backed with equipment, materials and manpower planning and deployment, duly supported with broad calculations and quality control procedures proposed to be adopted, justifying their capability of execution and completion of the work as per technical specifications within the stipulated period of completion as per milestones (for all contracts over Rs. 10 M).

4.4 Where it is proposed to accept Joint Ventures, incorporate all changes as indicated in the Attachment at the end of this document, otherwise state as ‘Bids from Joint ventures are not acceptable’.

4.5 A. To qualify for award of the contract, each bidder in its name should have in the last five years i.e..................................:* 

(a) achieved, in at least two financial years, a minimum annual financial turnover (in all classes of civil engineering construction works only) of Rs.......@ (usually not less than two times the estimated annual payments under the contract);

b) satisfactorily completed (not less than 90% of contract value), as a prime contractor, (or as subcontractor duly certified by the employer/main contractor) at least one similar work of value not less than Rs.......@ (usually not less than 80% of estimated value of contract);

c) executed in any one year, the following minimum quantities of work:

- cement concrete (including RCC and PSC) ...........cum
- earthwork in both excavation and embankment (combined quantities) ...........cum
- ........................................... ...........cum
- ........................................... ...........cum
(usually 80% of the expected peak rate of construction)

(d) The contractor or his identified sub-contractor should possess required valid electrical license for executing the building electrification works and should have executed similar electrical works totalling Rupees ............@ ** in any one year.

(e) The contractor or his identified sub-contractor should possess required valid license for executing the water supply/sanitary engineering works and should have executed similar water supply/sanitary engineering works totalling Rupees .............** in any one year.
(@) at ______* price level. Financial turnover and cost of completed works of previous years shall be given weightage of 5% per year based on rupee value to bring them to ______ price level*.

* the financial year in which bids are received.
** at least 50% of the estimated value of electrical/water supply works.

4.5 B. Each bidder should further demonstrate:

(a) availability (either owned or leased or by procurement against mobilization advances) of the following key and critical equipment for this work:

- ........................................................
- ........................................................
- ........................................................
- ........................................................

NOTE: (To be included for bids valued over Rs. 10 million only)
Based on the studies, carried out by the Engineer the minimum suggested major equipment to attain the completion of works in accordance with the prescribed construction schedule are shown in the above list. The bidders should, however, undertake their own studies and furnish with their bid, a detailed construction planning and methodology supported with layout and necessary drawings and calculations (detailed) as stated in clause 4.3 (k) above to allow the employer to review their proposals. The numbers, types and capacities of each plant/equipment shall be shown in the proposals along with the cycle time for each operation for the given production capacity to match the requirements.

(b) availability for this work of a Project Manager with no less than five years' experience in construction of similar civil engineering works and other key personnel with adequate experience as required; and

(c) liquid assets and/or availability of credit facilities of no less than Rs.......... million in the format given in Section 2.

(Credit lines/letter of credit/certificates from Banks for meeting the funds requirement etc.) - (usually the equivalent of the estimated cash flow for 3 months in peak construction period.)

4.5 C. To qualify for a package of contracts made up of this and other contracts for which bids are invited in the IFB, the bidder must demonstrate having experience and resources sufficient to meet the aggregate of the qualifying criteria for the individual contracts.

4.6 Sub-contractors' experience and resources shall not be taken into account in determining the bidder's compliance with the qualifying criteria except to the extent stated in 4.5 (A) (b, d and e) above.

4.7 Bidders who meet the minimum qualification criteria will be qualified only if their available bid capacity is more than the total bid value. The available bid capacity will be calculated as under:
Assessed Available Bid capacity = \(( A*N*1.5 - B )\)

where

\( A \) = Maximum value of civil engineering works executed in any one year during the last five years (updated to \( \ldots \) price level) taking into account the completed as well as works in progress.

\( N \) = Number of years prescribed for completion of the works for which bids are invited.

\( B \) = Value, at \( \ldots \) price level, of existing commitments and on-going works to be completed during the next\( \ldots \)years (period of completion of the works for which bids are invited)

**Note:** The statements showing the value of existing commitments and on-going works as well as the stipulated period of completion remaining for each of the works listed should be countersigned by the Engineer in charge, not below the rank of an Executive Engineer or equivalent.

4.8 Even though the bidders meet the above qualifying criteria, they are subject to be disqualified if they have:

- made misleading or false representations in the forms, statements and attachments submitted in proof of the qualification requirements; and/or

- record of poor performance such as abandoning the works, not properly completing the contract, inordinate delays in completion, litigation history, or financial failures etc.; and/or

- participated in the previous bidding for the same work and had quoted unreasonably high bid prices and could not furnish rational justification to the employer.

5. **One Bid per Bidder**

5.1 Each bidder shall submit only one bid for one contract. A bidder who submits or participates in more than one Bid (other than as a subcontractor or in cases of alternatives that have been permitted or requested) will cause all the proposals with the Bidder’s participation to be disqualified.

6. **Cost of Bidding**

6.1 The bidder shall bear all costs associated with the preparation and submission of his Bid, and the Employer will in no case be responsible and liable for those costs.

7. **Site visit**

7.1 The Bidder, at the Bidder’s own responsibility and risk is encouraged to visit and examine the Site of Works and its surroundings and obtain all information that may be necessary for preparing the Bid and entering into a contract for construction of the Works. The costs of visiting the Site shall be at the Bidder’s own expense.

* the financial year in which bids are received
B. Bidding Documents

8. Content of Bidding Documents

8.1 The set of bidding documents comprises the documents listed in the table below and addenda issued in accordance with Clause 10:

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<td>Bills of Quantities</td>
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8.2 Of the three sets of the bidding documents supplied, two sets should be completed and returned with the bid.

9. Clarification of Bidding Documents

9.1 A prospective bidder requiring any clarification of the bidding documents may notify the Employer in writing or by cable (hereinafter "cable" includes telex and facsimile) at the Employer's address indicated in the invitation to bid. The Employer will respond to any request for clarification which he received earlier than 15 days prior to the deadline for submission of bids. Copies of the Employer's response will be forwarded to all purchasers of the bidding documents, including a description of the enquiry but without identifying its source.

9.2 Pre-bid meeting

9.2.1 The bidder or his official representative is invited to attend a pre-bid meeting which will take place at ———————— (address of venue) on ———————— (time and date).

9.2.2 The purpose of the meeting will be to clarify issues and to answer questions on any matter that may be raised at that stage.

9.2.3 The bidder is requested to submit any questions in writing or by cable to reach the Employer not later than one week before the meeting.

9.2.4 Minutes of the meeting, including the text of the questions raised (without identifying the source of enquiry) and the responses given will be transmitted without delay to all purchasers of the bidding documents. Any modification of the bidding documents listed in Sub-Clause 8.1 which may become necessary as a result of the pre-bid meeting shall be made by the Employer exclusively through the issue of an Addendum pursuant to Clause 10 and not through the minutes of the pre-bid meeting.

9.2.5 Non-attendance at the pre-bid meeting will not be a cause for disqualification of a bidder.

10. Amendment of Bidding Documents
Before the deadline for submission of bids, the Employer may modify the bidding documents by issuing addenda.

Any addendum thus issued shall be part of the bidding documents and shall be communicated in writing to all the purchasers of the bidding documents. Prospective bidders shall acknowledge receipt of each addendum in writing to the Employer.

To give prospective bidders reasonable time in which to take an addendum into account in preparing their bids, the Employer shall extend as necessary the deadline for submission of bids, in accordance with Sub-Clause 20.2 below.

C. Preparation of Bids

11. Language of the Bid

11.1 All documents relating to the bid shall be in the English language.

12. Documents comprising the Bid

12.1 The bid submitted by the bidder shall comprise the following:

(a) The Bid (in the format indicated in Section 2).
(b) Bid Security;
(c) Priced Bill of Quantities;
(d) Qualification Information Form and Documents;

and any other materials required to be completed and submitted by bidders in accordance with these instructions. The documents listed under Sections 2, 4 and 7 of Sub-Clause 8.1 shall be filled in without exception.

12.2 Bidders bidding for this contract together with other contracts stated in the IFB to form a package will so indicate in the bid together with any discounts offered for the award of more than one contract.

13. Bid Prices

13.1 The contract shall be for the whole works as described in Sub-Clause 1.1, based on the priced Bill Quantities submitted by the Bidder.

13.2 The bidder shall fill in rates and prices and line item total (both in figures and words) for all items of the Works described in the Bill of Quantities along with total bid price (both in figures and words). *Items for 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 other rates and prices in the Bill of Quantities.* Corrections, if any, shall be made by crossing out, initialing, dating and rewriting.

13.3 All duties, taxes, and other levies payable by the contractor under the contract, or for any other cause shall be included in the rates, prices and total Bid Price submitted by the Bidder.

Note: “Bidders may like to ascertain availability of excise/custom duty exemption benefits available in India to the contracts financed under World Bank loan/credits. They are solely responsible for obtaining such benefits which they have considered in their bid and in case of failure to
receive such benefits for reasons whatsoever, the employer will not compensate the bidder (contractor). Where the bidder has quoted taking into account such benefits, he must give all information required for issue of certificates in terms of such notifications as per form attached to the Qualification Information in the bid. To the extent the employer determines the quantity indicated therein are reasonable keeping in view the bill of quantities, construction programme and methodology, the certificates will be issued within 60 [sixty] days of signing of contract and no subsequent changes will be permitted. No certificate will be issued for items where no quantity/capacity of equipment is indicated in the statement. The bids which do not conform to the above provisions will be treated as non responsive and rejected. Any delay in procurement of the construction equipment/machinery/goods as a result of the above shall not be a cause for granting any extension of time."

13.4* The rates and prices quoted by the bidder shall be fixed for the duration of the Contract and shall not be subject to adjustment on any account.

OR

13.4* The rates and prices quoted by the bidder are subject to adjustment during the performance of the Contract in accordance with the provisions of Clause 47 of the Conditions of Contract.

14. Currencies of Bid and Payment
14.1 The unit rates and the prices shall be quoted by the bidder entirely in Indian Rupees.

15. Bid Validity
15.1 Bids shall remain valid for a period not less than ninety days after the deadline date for bid submission specified in Clause 20. A bid valid for a shorter period shall be rejected by the Employer as non-responsive.

* Choose one and delete the other.

15.2 In exceptional circumstances, prior to expiry of the original time limit, the Employer may request that the bidders may extend the period of validity for a specified additional period. The request and the bidders' responses shall be made in writing or by cable. A bidder may refuse the request without forfeiting his bid security. A bidder agreeing to the request will not be required or permitted to modify his bid except as provided in 15.3 hereinafter, but will be required to extend the validity of his bid security for a period of the extension, and in compliance with Clause 16 in all respects.

15.3 In the case of contracts in which the Contract Price is fixed (not subject to price adjustment), in the event that the purchaser requests and the Bidder agrees to an extension of the validity period, the contract price, if the Bidder is selected for award shall be the bid price corrected as follows:

The price shall be increased by the factor \((value \ of \ factor \ B)\) for each week or part of a week that has elapsed from the expiration of the initial bid validity to the date of issue of letter of acceptance to the successful Bidder.

15.4 Bid evaluation will be based on the bid prices without taking into consideration the above correction.

16. Bid Security
16.1 The Bidder shall furnish, as part of his Bid, a Bid security in the amount as shown in column 4 of the table of IFB for this particular work. This bid security shall be in favour of ........................................ and may be in one of the following forms:

- a bank guarantee issued by a nationalized / scheduled bank located in India or a reputable bank located abroad in the form given in Section 8; or

- Certified cheque, Bank draft or Letter of Credit in favour of ............. payable at ............
- ................................................................................................
- ................................................................................................
- ................................................................................................

16.2 Bank guarantees issued as surety for the bid shall be valid for 45 days beyond the validity of the bid.

16.3 Any bid not accompanied by an acceptable Bid Security and not secured as indicated in Sub-Clausess 16.1 and 16.2 above shall be rejected by the Employer as non-responsive.

16.4 The Bid Security of unsuccessful bidders will be returned within 28 days of the end of the bid validity period specified in Sub-Clause 15.1.

16.5 The Bid Security of the successful bidder will be discharged when the bidder has signed the Agreement and furnished the required Performance Security.

16.6 The Bid Security may be forfeited

(a) if the Bidder withdraws the Bid after Bid opening during the period of Bid validity;
(b) if the Bidder does not accept the correction of the Bid Price, pursuant to Clause 27; or
(c) in the case of a successful Bidder, if the Bidder fails within the specified time limit to

   (i) sign the Agreement; or
   (ii) furnish the required Performance Security.

1. The value of B is based on the country’s inflation for the period in question. The borrower inserts the value in the bid document prior to issue.
17. Alternative Proposals by Bidders

17.1 Bidders shall submit offers that comply with the requirements of the bidding documents, including the basic technical design as indicated in the drawing and specifications. Alternatives will not be considered.

18. Format and Signing of Bid

18.1 The Bidder shall prepare one original and one copy of the documents comprising the bid as described in Clause 12 of these Instructions to Bidders, bound with the volume containing the Form of Bid, and clearly marked "ORIGINAL" and "COPY" as appropriate. In the event of discrepancy between them, the original shall prevail.

18.2 The original and copy of the Bid shall be typed or written in indelible ink and shall be signed by a person or persons duly authorized to sign on behalf of the Bidder, pursuant to Sub-Clauses 4.3. All pages of the bid where entries or amendments have been made shall be initialled by the person or persons signing the bid.

18.3 The Bid shall contain no alterations or additions, except those to comply with instructions issued by the Employer, or as necessary to correct errors made by the bidder, in which case such corrections shall be initialled by the person or persons signing the bid.

18.4 The Bidder shall furnish information as described in the Form of Bid on commissions or gratuities, if any, paid or to be paid to agents relating to this Bid, and to contract execution if the Bidder is awarded the contract.

D. Submission of Bids

19. Sealing and Marking of Bids

19.1 The Bidder shall seal the original and copy of the Bid in separate envelopes, duly marking the envelopes as "ORIGINAL" and "COPY". These envelopes (called as inner envelopes) shall then be put inside one outer envelope.

19.2 The inner and outer envelopes shall

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

   ........................................................................................................
   ........................................................................................................
   (insert address of office for bid submission), and

   (b)   bear the following identification:

   - Bid for .................................................................[name of contract]
   - Bid Reference No.........................................................[insert number]
   - DO NOT OPEN BEFORE............................[time and date for bid opening, per Clause 23]
19.3 In addition to the identification required in Sub-Clause 19.2, the inner envelopes 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 21.

19.4 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.

20. Deadline for Submission of the Bids

20.1 Bids must be received by the Employer at the address specified above no later than.................................*. In the event of the specified date for the submission of bids declared a holiday for the Employer, the Bids will be received upto the appointed time on the next working day.

20.2 The Employer may extend the deadline for submission of bids by issuing an amendment in accordance with Clause 10, in which case all rights and obligations of the Employer and the bidders previously subject to the original deadline will then be subject to the new deadline.

21. Late Bids

21.1 Any Bid received by the Employer after the deadline prescribed in Clause 20 will be returned unopened to the bidder.

22. Modification and Withdrawal of Bids

22.1 Bidders may modify or withdraw their bids by giving notice in writing before the deadline prescribed in Clause 20.

22.2 Each Bidder's modification or withdrawal notice shall be prepared, sealed, marked, and delivered in accordance with Clause 18 & 19, with the outer and inner envelopes additionally marked "MODIFICATION" or "WITHDRAWAL", as appropriate.

22.3 No bid may be modified after the deadline for submission of Bids.

22.4 Withdrawal or modification of a Bid between the deadline for submission of bids and the expiration of the original period of bid validity specified in Clause 15.1 above or as extended pursuant to Clause 15.2 may result in the forfeiture of the Bid security pursuant to Clause 16.

22.5 Bidders may offer discounts to, or modify the prices of their Bids only by submitting Bid modifications in accordance with this clause, or included in the original Bid submission.

E. Bid Opening and Evaluation

23. Bid Opening

23.1 The Employer will open all the Bids received (except those received late), including modifications made pursuant to Clause 22, in the presence of the Bidders or their representatives who choose to attend at ........ hours on the date and the place specified in Clause 20. In the
event of the specified date of Bid opening being declared a holiday for the Employer, the Bids will be opened at the appointed time and location on the next working day.

23.2 Envelopes marked "WITHDRAWAL" shall be opened and read out first. Bids for which an acceptable notice of withdrawal has been submitted pursuant to Clause 22 shall not be opened. Subsequently all envelopes marked “Modification” shall be opened and the submissions therein read out in appropriate detail.

23.3 The Bidders’ names, the Bid prices, the total amount of each Bid and of any alternative Bid (if alternatives have been requested or permitted), any discounts, Bid modifications and withdrawals, the presence or absence of Bid security, and such other details as the Employer may consider appropriate, will be announced by the Employer at the opening. No bid shall be rejected at bid opening except for the late bids pursuant to Clause 21. Bids [and modifications] sent pursuant to Clause 22 that are not opened and read out at bid opening will not be considered for further evaluation regardless of the circumstances. Late and withdrawn bids will be returned un-opened to bidders.

23.4 The Employer shall prepare minutes of the Bid opening, including the information disclosed to those present in accordance with Sub-Clause 23.3.

*Insert time and date; this should be the same as those given in the Invitation for Bids.

24. Process to Be Confidential

24.1 Information relating to the examination, clarification, 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 effort by a Bidder to influence the Employer's processing of Bids or award decisions may result in the rejection of his Bid.

25. Clarification of Bids

25.1 To assist in the examination, evaluation, and comparison of Bids, the Employer may, at his discretion, ask any Bidder for clarification of his Bid, including breakdowns of the unit rates. The request for clarification and the response shall be in writing or by cable, but no change in the price or substance of the Bid shall be sought, offered, or permitted except as required to confirm the correction of arithmetic errors discovered by the Employer in the evaluation of the Bids in accordance with Clause 27.

25.2 Subject to sub-clause 25.1, no Bidder shall contact the Employer on any matter relating to its bid from the time of the bid opening to the time the contract is awarded. If the Bidder wishes to bring additional information to the notice of the Employer, it should do so in writing.

25.3 Any effort by the Bidder to influence the Employer in the Employer's bid evaluation, bid comparison or contract award decisions may result in the rejection of the Bidders’ bid.
26. Examination of Bids and Determination of Responsiveness

26.1 Prior to the detailed evaluation of Bids, the Employer will determine whether each Bid (a) meets the eligibility criteria defined in Clause 3; (b) has been properly signed; (c) is accompanied by the required securities and; (d) is substantially responsive to the requirements of the Bidding documents.

26.2 A substantially responsive Bid is one which conforms to all the terms, conditions, and specifications of the Bidding documents, without material deviation or reservation. A material deviation or reservation is one (a) which affects in any substantial way the scope, quality, or performance of the Works; (b) which limits in any substantial way, inconsistent with the Bidding documents, the Employer's rights or the Bidder's obligations under the Contract; or (c) whose rectification would affect unfairly the competitive position of other Bidders presenting substantially responsive Bids.

26.3 If a Bid is not substantially responsive, it will be rejected by the Employer, and may not subsequently be made responsive by correction or withdrawal of the non-conforming deviation or reservation.

27. Correction of Errors

27.1 Bids determined to be substantially responsive will be checked by the Employer for any arithmetic errors. Errors will be corrected by the Employer as follows:

(a) where there is a discrepancy between the rates in figures and in words, the rate in words will govern; and

(b) where there is a discrepancy between the unit and the line item total resulting from multiplying the unit rate by the quantity, the unit rate as quoted will govern.

27.2 The amount stated in the Bid will be adjusted by the Employer in accordance with the above procedure for the correction of errors and, with the concurrence of the Bidder, shall be considered as binding upon the Bidder. If the Bidder does not accept the corrected amount the Bid will be rejected, and the Bid security may be forfeited in accordance with Sub-Clause 16.6 (b).

28. Deleted

29. Evaluation and Comparison of Bids

29.1 The Employer will evaluate and compare only the Bids determined to be substantially responsive in accordance with Clause 26.

29.2 In evaluating the Bids, the Employer will determine for each Bid the evaluated Bid Price by adjusting the Bid Price as follows:

(a) making any correction for errors pursuant to Clause 27; or

(b) making an appropriate adjustments for any other acceptable variations, deviations; and
making appropriate adjustments to reflect discounts or other price modifications offered
in accordance with Sub Clause 22.5.

29.3 The Employer reserves the right to accept or reject any variation, deviation, or alternative offer. Variations, deviations, and alternative offers and other factors which are in excess of the requirements of the Bidding documents or otherwise result in unsolicited benefits for the Employer shall not be taken into account in Bid evaluation.

29.4 The estimated effect of the price adjustment conditions under Clause 47 of the Conditions of Contract, during the period of implementation of the Contract, will not be taken into account in Bid evaluation.

29.5 If the Bid of the successful Bidder is seriously unbalanced in relation to the Engineer'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 Bill of Quantities, 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 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.

30. Deleted

F. Award of Contract

31. Award Criteria

31.1 Subject to Clause 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 (a) eligible in accordance with the provisions of Clause 3, and (b) qualified in accordance with the provisions of Clause 4.

31.2 If, pursuant to Clause 12.2 this contract is being let along with other contracts, the lowest evaluated Bid Price will be determined when evaluating this contract in conjunction with other contracts to be awarded concurrently, taking into account any discounts offered by the bidders for the award of more than one contract.

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

32.1 Notwithstanding Clause 31, the Employer reserves the right to accept or reject any Bid, and to cancel the Bidding process and reject all Bids, at any time prior to the award of Contract, without thereby incurring any liability to the affected Bidder or Bidders or any obligation to inform the affected Bidder or Bidders of the grounds for the Employer's action.
33. **Notification of Award and Signing of Agreement**

33.1 The Bidder whose Bid has been accepted will be notified of the award by the Employer prior to expiration of the Bid validity period by cable, telex or facsimile confirmed by registered letter. This letter (hereinafter and in the Conditions of Contract called the "Letter of Acceptance") will state the sum that the Employer will pay the Contractor in consideration of the execution, completion, and maintenance of the Works by the Contractor as prescribed by the Contract (hereinafter and in the Contract called the "Contract Price").

33.2 The notification of award will constitute the formation of the Contract, subject only to the furnishing of a performance security in accordance with the provisions of Clause 34.

33.3 The Agreement will incorporate all agreements between the Employer and the successful Bidder. It will be signed by the Employer and sent to the successful Bidder, or kept ready for signature of the successful bidder in the office of employer (choose one alternative) within 28 days following the notification of award along with the Letter of Acceptance. Within 21 days of receipt, the successful Bidder will sign the Agreement and deliver it to the Employer.

33.4 Upon the furnishing by the successful Bidder of the Performance Security, the Employer will promptly notify the other Bidders that their Bids have been unsuccessful.

34. **Performance Security**

34.1 Within 21 days of receipt of the Letter of Acceptance, the successful Bidder shall deliver to the Employer a Performance Security in any of the forms given below for an amount equivalent to 5% of the Contract price plus additional security for unbalanced Bids in accordance with Clause 29.5 of ITB and Clause 52 of Conditions of Contract:

- a bank guarantee in the form given in Section 8; or

- Certified cheque/Bank draft, in favour of ................. payable at .................

- ___________________

34.2 If the performance security is provided by the successful Bidder in the form of a Bank Guarantee, it shall be issued either (a) at the Bidder's option, by a Nationalized/Scheduled Indian bank or (b) by a foreign bank located in India and acceptable to the Employer or (c) by a foreign bank through a correspondent Bank in India [scheduled or nationalized].

34.3 Failure of the successful bidder to comply with the requirements of sub-clause 34.1 shall constitute a breach of contract, cause for annulment of the award, forfeiture of the bid security, and any such other remedy the Employer may take under the contract, and the Employer may resort to awarding the contract to the next ranked bidder.

35 **Advance Payment and Security**

35.1 The Employer will provide an Advance Payment on the Contract Price as stipulated in the Conditions of Contract, subject to maximum amount, as stated in the Contract Data.
36. **Adjudicator**

36.1 The Employer proposes that ....................... [name of proposed Adjudicator] be appointed as Adjudicator under the Contract, at a daily fee of Rs...........plus reimbursable expenses. If the Bidder disagrees with this proposal, the Bidder should so state in the Bid. If in the Letter of Acceptance, the Employer has not agreed on the appointment of the Adjudicator, the Adjudicator shall be appointed by ....................... [name of Appointing Authority] at the request of either party.

37. **Corrupt or Fraudulent Practices**

37.1 It is the Bank’s policy to require that Borrowers (including beneficiaries of Bank loans), as well as bidders, suppliers, and contractors and their subcontractors under Bank-financed contracts, observe the highest standard of ethics during the procurement and execution of such contracts. ¹ In pursuance of this policy, the Bank:

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

(i) “corrupt practice”² is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;

(ii) “fraudulent practice”³ is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;

(iii) “collusive practice”⁴ is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

(iv) “coercive practice”⁵ is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;

(v) “obstructive practice” is

(aa) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive or

---

¹ In this context, any action taken by a bidder, supplier, contractor, or a sub-contractor to influence the procurement process or contract execution for undue advantage is improper.

² “another party” refers to a public official acting in relation to the procurement process or contract execution]. In this context, “public official” includes World Bank staff and employees of other organizations taking or reviewing procurement decisions.

³ a “party” refers to a public official; the terms “benefit” and “obligation” relate to the procurement process or contract execution; and the “act or omission” is intended to influence the procurement process or contract execution.

⁴ “parties” refers to participants in the procurement process (including public officials) attempting to establish bid prices at artificial, non competitive levels.

⁵ a “party” refers to a participant in the procurement process or contract execution.
collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or

(bb) acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for under sub-clause 37.1(e) below.

(b) will reject a proposal for award if it determines that the Bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for the contract in question;

(c) will cancel the portion of the loan allocated to a contract if it determines at any time that representatives of the Borrower or of a beneficiary of the loan engaged in corrupt, fraudulent, collusive, or coercive practices during the procurement or the execution of that contract, without the Borrower having taken timely and appropriate action satisfactory to the Bank to remedy the situation;

(d) will sanction a firm or individual, including declaring them ineligible, either indefinitely or for a stated period of time, to be awarded a Bank-financed contract if it at any time determines that they have, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a Bank-financed contract; and

(e) will have the right to require that a provision be included in bidding documents and in contracts financed by a Bank Loan, requiring bidders, suppliers, contractors and consultants to permit the Bank to inspect their accounts and records and other documents relating to the Bid submission and contract performance and to have them audited by auditors appointed by the Bank.

37.2 Furthermore, bidders shall be aware of the provision stated in Sub-Clause 23.2 and Clause 64 of the Conditions of Contract.”
SECTION 2: FORMS OF BID, QUALIFICATION INFORMATION AND LETTER OF ACCEPTANCE

Table of Forms:

- CONTRACTOR’S BID
- QUALIFICATION INFORMATION
- LETTER OF ACCEPTANCE
- NOTICE TO PROCEED WITH THE WORK
- AGREEMENT FORM
**Contractor's Bid**

**Description of the Works:**

__________________________________________________________________________________________

__________________________________________________________________________________________

__________________________________________________________________________________________

__________________________________________________________________________________________

6

**BID**

To : ________________________________________________ [the Employer]

Address : ________________________________________________

__________________________________________________________________________________________

7

GENTLEMEN,

Having examined the bidding documents including addendum, we offer to execute the Works described above in accordance with the Conditions of Contract, Specifications, Drawings and Bill of Quantities accompanying this Bid for the Contract Price of _________ [in figures] (___________________________________) [in letters].

8

The advance Payment required is: Rupees ________________.

We accept the appointment of ______________________ as the Adjudicator.

(OR)

We do not accept the appointment of ______________________ as the Adjudicator and propose instead that ______________________ be appointed as Adjudicator whose daily fees and biographical data are attached.

This Bid and your written acceptance of it shall constitute a binding contract between us. We understand that you are not bound to accept the lowest or any Bid you receive.

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


1 To be filled in by the Employer before issue of the Bidding Documents.

2 To be filled in by the Employer before issue of the Bidding Documents.

3 To be filled in by the Bidder, together with his particulars and date of submission at the bottom of the Form of Bid.
We also undertake that, in competing for (and, if the award is made to us, in executing) the above contract, we will strictly observe the laws against fraud and corruption in force in India namely “Prevention of Corruption Act 1988”.

Commissions or gratuities, if any, paid or to be paid by us to agents relating to this Bid, and to contract execution if we are awarded the contract, are listed below:

<table>
<thead>
<tr>
<th>Name and address of agent</th>
<th>Amount</th>
<th>Purpose of Commission or gratuity</th>
</tr>
</thead>
<tbody>
<tr>
<td>________________________</td>
<td>______</td>
<td>______________________________</td>
</tr>
<tr>
<td>________________________</td>
<td>______</td>
<td>______________________________</td>
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<tr>
<td>________________________</td>
<td>______</td>
<td>______________________________</td>
</tr>
</tbody>
</table>

(if none, state “none”)
We hereby confirm that this Bid complies with the Eligibility, Bid Validity and Bid Security required by the Bidding documents.

Yours faithfully,

Authorized Signature:

Name & Title of Signatory:

Name of Bidder:

Address
Qualification Information

The information to be filled in by the Bidder in the following pages will be used for purposes of postqualification as provided for in Clause 4 of the Instructions to Bidders. This information will not be incorporated in the Contract.

1. For Individual Bidders

1.1 Constitution or legal status of Bidder

[Attach copy]

Place of registration: ______________________

Principal place of business: ______________________

Power of attorney of signatory of Bid

[Attach]

1.2 Total value of Civil Engineering construction work executed and payments received in the last five years**

19____________________

(in Rs. Million)

2000-2001____________________

2001-2002____________________

2002-2003____________________

2004-2005____________________

1.3.1 Work performed as prime contractor (in the same name) on works of a similar nature over the last five years. **

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Name of the Employer *</th>
<th>Description of work</th>
<th>Contract No.</th>
<th>Value of contract (Rs. Million)</th>
<th>Date of issue of work order</th>
<th>Stipulated period of completion</th>
<th>Actual date of completion *</th>
<th>Remarks explaining reasons for delay and work completed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

1.3.2 Quantities of work executed as prime contractor (in the same name and style) in the last five years: **
<table>
<thead>
<tr>
<th>Year of the Work</th>
<th>Name of the Employer*</th>
<th>Quantity of work performed (cum) @</th>
<th>Remarks *</th>
</tr>
</thead>
<tbody>
<tr>
<td>19------19------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19------19------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000-2001</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001-2002</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2002-2003</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2004-2005</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Attach certificate(s) from the Engineer(s)-in-Charge

@The item of work for which data is requested should tally with that specified in ITB clause 4.5A(c).

**immediately preceding the financial year in which bids are received.

βAttach certificate from Chartered Accountant.
1.4 Information on Bid Capacity (works for which bids have been submitted and works which are yet to be completed) as on the date of this bid.

(A) Existing commitments and on-going works:

<table>
<thead>
<tr>
<th>Description</th>
<th>Place &amp; Date</th>
<th>Contract No.</th>
<th>Name and Address of Employer</th>
<th>Stipulated Value of works*</th>
<th>Value of works*</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
</tr>
</tbody>
</table>

(B) Works for which bids already submitted:

<table>
<thead>
<tr>
<th>Description of Work</th>
<th>Place &amp; State</th>
<th>Name and Address of Employer</th>
<th>Estimated value of works (Rs. million)</th>
<th>Stipulated period of completion</th>
<th>Date when decision is expected</th>
<th>Remarks if any</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
<td>(7)</td>
</tr>
</tbody>
</table>

* Attach certificate(s) from the Engineer(s)-in-Charge.
1.5 The following items of Contractor's Equipment are essential for carrying out the Works. The Bidder should list all the information requested below. Refer also to Sub Clause 4.3 (d) of the Instructions to Bidders.

<table>
<thead>
<tr>
<th>Item of equipment</th>
<th>Requirement No.</th>
<th>Capacity</th>
<th>Availability proposals</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Owned/leased/ Nos/ to be procured</td>
<td>Age/ condition</td>
</tr>
</tbody>
</table>

* * * * * * * *

* * * * * * * *
1.6 Qualifications and experience of key personnel proposed for administration and execution of the Contract. Attach biographical data. Refer also to Sub Clause 4.3 (e) and 4.5 (B) (b) of instructions to Bidders and Sub Clause 9.1 of the Conditions of Contract.

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
<th>Qualifications</th>
<th>Years of experience (general)</th>
<th>Years of experience in the proposed position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Manager</td>
<td>*</td>
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<td>etc.</td>
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</table>

1.7 Proposed subcontracts and firms involved. [Refer ITB Clause 4.3 (j)]

<table>
<thead>
<tr>
<th>Sections of the works</th>
<th>Value of Sub-contract</th>
<th>Sub-contractor (name and address)</th>
<th>Experience in similar work</th>
</tr>
</thead>
<tbody>
<tr>
<td>*</td>
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1.8 Financial reports for the last five years: balance sheets, profit and loss statements, auditors' reports (in case of companies/corporation), etc. List them below and attach copies.

1.9 Evidence of access to financial resources to meet the qualification requirements: cash in hand, lines of credit, etc. List them below and attach copies of support documents [sample format attached].

1.10 Name, address, and telephone, telex, and fax numbers of the Bidders' bankers who may provide references if contacted by the Employer.

1.11 Information on litigation history in which the Bidder is involved.
<table>
<thead>
<tr>
<th>Other party(ies)</th>
<th>Employer</th>
<th>Cause of dispute</th>
<th>Amount involved</th>
<th>Remarks showing present status</th>
</tr>
</thead>
<tbody>
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</table>

1.12 Statement of compliance under the requirements of Sub Clause 3.2 of the instructions to Bidders.

1.13 Proposed work method and schedule. The Bidder should attach descriptions, drawings and charts as necessary to comply with the requirements of the Bidding documents. [Refer ITB Clause 4.1 and 4.3 (k)].

2. Joint Ventures - Deleted

3. Additional Requirements

3.1 Bidders should provide any additional information required to fulfill the requirements of Clause 4 of the Instructions to the Bidders, if applicable.
SAMPLE FORMAT FOR EVIDENCE OF ACCESS TO OR AVAILABILITY OF CREDIT FACILITIES –* CLAUSE 4.5 [B] [c] OF ITB

BANK CERTIFICATE

This is to certify that M/s. …………………………… is a reputed company with a good financial standing.

If the contract for the work, namely ……………………………………………………………………… [funded by the World Bank] is awarded to the above firm, we shall be able to provide overdraft/credit facilities to the extent of Rs. ………….. to meet their working capital requirements for executing the above contract.

__ Sd. __
Name of Bank
Senior Bank Manager
Address of the Bank

* Change the text as follows for Joint venture:

This is to certify that M/s. …………………………… who has formed a JV with M/s. …………………………… and M/s. …………………………… for participating in this bid, is a reputed company with a good financial standing.

If the contract for the work, namely ……………………………………………………………………… [funded by the World Bank] is awarded to the above Joint Venture, we shall be able to provide overdraft/credit facilities to the extent of Rs. ………….. to M/s. …………………… to meet the working capital requirements for executing the above contract.

[This should be given by the JV members in proportion to their financial participation.]
Dear Sir:

Re: [Name of Work] ………………………... -
Certificate for Import/Procurement of Goods/Construction Equipment

1. We confirm that we are solely responsible for obtaining customs/excise duty waivers which we have considered in our bid and in case of failure to receive such waivers for reasons whatsoever, the Employer will not compensate us.

2. We are furnishing below the information required by the Employer for issue of the necessary certificates in terms of the Government of India Central Excise Notification No. 108/95 and Customs Notification No. 85/99.

3. The goods/construction equipment for which certificates are required are as under:

<table>
<thead>
<tr>
<th>Items</th>
<th>Make/ Brand Name</th>
<th>Capacity</th>
<th>Quantity</th>
<th>Value</th>
<th>State whether it will be procured locally or imported [if so from which country]</th>
<th>Remarks regarding justification for the quantity and their usage in works</th>
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<tbody>
<tr>
<td>Goods</td>
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<tr>
<td>[a] Bitumen</td>
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<td>[b] Others</td>
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<td>Construction Equipment</td>
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<td>[b]</td>
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<td>[d]</td>
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</table>

4. We agree that no modification to the above list is permitted after bids are opened.
5. We agree that the certificate will be issued only to the extent considered reasonable by the Employer for the work, based on the Bill of Quantities and the construction programme and methodology as furnished by us along with the bid.

6. We confirm that the above goods will be exclusively used for the construction of the above work and construction equipment will not be sold or otherwise disposed of in any manner for a period of five years from the date of acquisition.

Date: ___________________ (Signature) ____________________
Place: ________________ (Printed Name) ________________
(Designation) ________________
(Common Seal) ________________

This certificate will be issued within 60 days of signing of contract and no subsequent changes will be permitted.
Letter of Acceptance
(letterhead paper of the Employer)

________________________[date]

To: ____________________________________________________________________________ [name and address of the Contractor]

Dear Sirs,

This is to notify you that your Bid dated ___________ for execution of the __________________________ [name of the contract and identification number, as given in the Instructions to Bidders] for the Contract Price of Rupees ———— ———— ———— (___________) [amount in words and figures], as corrected and modified in accordance with the Instructions to Bidders¹ is hereby accepted by our Agency.

We accept/do not accept that __________________________ be appointed as the Adjudicator².

We note that as per bid, you do not intend to subcontract any component of work.

[OR]

We note that as per bid, you propose to employ M/s. .......................................... as sub-contractor for executing ..............................................

[Delete whichever is not applicable]

You are hereby requested to furnish Performance Security, plus additional security for unbalanced bids in terms of ITB clause 29.5, in the form detailed in Para 34.1 of ITB for an amount of Rs.———— within 21 days of the receipt of this letter of acceptance valid upto 28 days from the date of expiry of Defects Liability Period i.e. upto ........... and sign the contract, failing which action as stated in Para 34.3 of ITB will be taken.

We have reviewed the construction methodology submitted by you alongwith the bid in response to ITB Clause 4.3[k] and our comments are given in the attachment. You are requested to submit a revised Program including environmental management plan as per Clause 27 of General Conditions of Contract within 14 days of receipt of this letter.

Yours faithfully,

Authorized Signature
Name and Title of Signatory

Name of Agency
Delete "corrected and" or "and modified" if only one of these actions applies. Delete "as corrected and modified in accordance with the Instructions to Bidders" if corrections or modifications have not been effected.

To be used only if the Contractor disagrees in his Bid with the Adjudicator proposed by the Employer in the "Instructions to Bidders."
Issue of Notice to proceed with the work
(letterhead of the Employer)

(date)

To

(name and address of the Contractor)

Dear Sirs:

Pursuant to your furnishing the requisite security as stipulated in ITB clause 34.1 and signing of the contract agreement for the construction of @ a Bid Price of Rs., you are hereby instructed to proceed with the execution of the said works in accordance with the contract documents.

Yours faithfully,

(Signature, name and title of signatory authorized to sign on behalf of Employer)
Agreement Form

Agreement

This agreement, made the ________________ day of ___________19_______, between________________________________________________________
______________________________________________[name and address of Employer]
(hereinafter called “the Employer”) of the one part and
______________________________________________
______________________________________________________________[name and address of contractor] (hereinafter called “the Contractor” ) of the other part.

Whereas the Employer is desirous that the Contractor execute _____________________________
__________________________________________________________________________________
__________________________________________________________________________________
____________[ name and identification number of Contract] (hereinafter called “the Works”) and the
Employer has accepted the Bid by the Contractor for the execution and completion of such Works and
the remedying of any defects therein, at a contract price of Rs..............................................................

NOW THIS AGREEMENT WITNESSETH as follows:

1. In this Agreement, words and expression shall have the same meanings as are respectively assigned
to them in the Conditions of Contract hereinafter referred to, and they shall be deemed to form and
be read and construed as part of this Agreement.

2. 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 any defects therein in conformity in all aspects with the provisions of the Contract.

3. The Employer hereby covenants to pay the Contractor in consideration of the execution and
completion of the Works and the remedying the defects wherein 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.

4. The following documents shall be deemed to form and be read and construed as part of this
Agreement, viz.:
i) Letter of Acceptance;
ii) Notice to proceed with the works;
iii) Contractor’s Bid;
iv) Contract Data;
v) Conditions of contract (including Special Conditions of Contract);
vi) Specifications;
vii) Drawings;
viii) Bill of Quantities; and
ix) Any other document listed in the Contract Data as forming part of the contract.

In witness whereof the parties thereto have caused this Agreement to be executed the day and year first before written.

The Common Seal of

was hereunto affixed in the presence of:

Signed, Sealed and Delivered by the said

in the presence of:

Binding Signature of Employer

Binding Signature of Contractor
SECTION 3: CONDITIONS OF CONTRACT
## Conditions of Contract

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Conditions of Contract

A. General

1. Definitions

1.1 Terms which are defined in the Contract Data are not also defined in the Conditions of Contract but keep their defined meanings. Capital initials are used to identify defined terms.

The Adjudicator is the person appointed jointly by the Employer and the Contractor to resolve disputes in the first instance, as provided for in Clauses 24 and 25. The name of the Adjudicator is defined in the Contract Data.

Bill of Quantities means the priced and completed Bill of Quantities forming part of the Bid.

Compensation Events are those defined in Clause 44 hereunder.

The Completion Date is the date of completion of the Works as certified by the Engineer in accordance with Sub Clause 55.1.

The Contract is the contract between the Employer and the Contractor to execute, complete and maintain the Works. It consists of the documents listed in Clause 2.3 below.

The Contract Data defines the documents and other information which comprise the Contract.

The Contractor is a person or corporate body whose Bid to carry out the Works has been accepted by the Employer.

The Contractor's Bid is the completed Bidding document submitted by the Contractor to the Employer.

The Contract Price is the price stated in the Letter of Acceptance and thereafter as adjusted in accordance with the provisions of the Contract.

Days are calendar days; months are calendar months.

A Defect is any part of the Works not completed in accordance with the Contract.

The Defects Liability Period is the period named in the Contract Data and calculated from the Completion Date.

The Employer is the party who will employ the Contractor to carry out the Works.

The Engineer is the person named in the Contract Data (or any other competent person appointed and notified to the contractor to act in replacement of the Engineer) who is responsible for supervising the execution of the works and administering the Contract.
**Equipment** is the Contractor's machinery and vehicles brought temporarily to the Site to construct the Works.

The **Initial Contract Price** is the Contract Price listed in the Employer's Letter of Acceptance.

The **Intended Completion Date** is the date on which it is intended that the Contractor shall complete the Works. The Intended Completion Date is specified in the Contract Data. The Intended Completion Date may be revised only by the Engineer by issuing an extension of time.

**Materials** are all supplies, including consumables, used by the contractor for incorporation in the Works.

**Plant** is any integral part of the Works which is to have a mechanical, electrical, electronic or chemical or biological function.

The **Site** is the area defined as such in the Contract Data.

**Site Investigation Reports** are those which were included in the Bidding documents and are factual interpretative reports about the surface and sub-surface conditions at the site.

**Specification** means the Specification of the Works included in the Contract and any modification or addition made or approved by the Engineer.

The **Start Date** is given in the Contract Data. It is the date when the Contractor shall commence execution of the works. It does not necessarily coincide with any of the Site Possession Dates.

A **Subcontractor** is a person or corporate body who has a Contract with the Contractor to carry out a part of the work in the Contract which includes work on the Site.

**Temporary Works** are works designed, constructed, installed, and removed by the Contractor which are needed for construction or installation of the Works.

A **Variation** is an instruction given by the Engineer which varies the Works.

The **Works** are what the Contract requires the Contractor to construct, install, and turn over to the Employer, as defined in the Contract Data.

**2. Interpretation**

2.1 In interpreting these Conditions of Contract, singular also means plural, male also means female or neuter, and the other way around. Headings have no significance. Words have their normal meaning under the language of the Contract unless specifically defined. The Engineer will provide instructions clarifying queries about the Conditions of Contract.

2.2 If sectional completion is specified in the Contract Data, references in the Conditions of Contract to the Works, the Completion Date, and the Intended Completion Date apply to
any Section of the Works (other than references to the Completion Date and Intended Completion date for the whole of the Works).

2.3 The documents forming the Contract shall be interpreted in the following order of priority:

(1) Agreement
(2) Letter of Acceptance, notice to proceed with the works
(3) Contractor’s Bid
(4) Contract Data
(5) Conditions of Contract including Special Conditions of Contract
(6) Specifications
(7) Drawings
(8) Bill of Quantities and
(9) any other document listed in the Contract Data as forming part of the Contract.

3. Language and Law

3.1 The language of the Contract and the law governing the Contract are stated in the Contract Data.

4. Engineer's Decisions

4.1 Except where otherwise specifically stated, the Engineer will decide contractual matters between the Employer and the Contractor in the role representing the Employer.

5. Delegation

5.1 The Engineer may delegate any of his duties and responsibilities to other people except to the Adjudicator after notifying the Contractor and may cancel any delegation after notifying the Contractor.

6. Communications

6.1 Communications between parties which are referred to in the conditions are effective only when in writing. A notice shall be effective only when it is delivered (in terms of Indian Contract Act).

7. Subcontracting
7.1 The Contractor may subcontract with the approval of the Engineer but may not assign the Contract without the approval of the Employer in writing. Subcontracting does not alter the Contractor's obligations.

8. Other Contractors

8.1 The Contractor shall cooperate and share the Site with other contractors, public authorities, utilities, and the Employer between the dates given in the Schedule of Other Contractors. The Contractor shall as referred to in the Contract Data, also provide facilities and services for them as described in the Schedule. The employer may modify the schedule of other contractors and shall notify the contractor of any such modification.

9. Personnel

9.1 The Contractor shall employ the key personnel named in the Schedule of Key Personnel as referred to in the Contract Data to carry out the functions stated in the Schedule or other personnel approved by the Engineer. The Engineer will approve any proposed replacement of key personnel only if their qualifications, abilities, and relevant experience are substantially equal to or better than those of the personnel listed in the Schedule.

9.2 If the Engineer asks the Contractor to remove a person who is a member of the Contractor’s staff or his work force stating the reasons the Contractor shall ensure that the person leaves the Site within seven days and has no further connection with the work in the Contract.

10. Employer’s and Contractor’s Risks

10.1 The Employer carries the risks which this Contract states are Employer’s risks, and the Contractor carries the risks which this Contract states are Contractor’s risks.

11. Employer's Risks

11.1 The Employer is responsible for the excepted risks which are (a) in so far as they directly affect the execution of the Works in the Employer’s country, the risks of war, hostilities, invasion, act of foreign enemies, rebellion, revolution, insurrection or military or usurped power, civil war, riot commotion or disorder (unless restricted to the Contractor’s employees), and contamination from any nuclear fuel or nuclear waste or radioactive toxic explosive, or (b) a cause due solely to the design of the Works, other than the Contractor’s design.

12. Contractor’s Risks

12.1 All risks of loss of or damage to physical property and of personal injury and death which arise during and in consequence of the performance of the Contract other than the excepted risks are the responsibility of the Contractor.

13. Insurance

13.1 The Contractor shall provide, in the joint names of the Employer and the Contractor, insurance cover from the Start Date to the end of the Defects Liability Period, in the
amounts and deductibles stated in the Contract Data for the following events which are due
to the Contractor’s risks:

(a) loss of or damage to the Works, Plant and Materials;

(b) loss of or damage to Equipment;

(c) loss of or damage of property (except the Works, Plant, Materials and Equipment) in
connection with the Contract; and

(d) personal injury or death.

13.2 Policies and certificates for insurance shall be delivered by the Contractor to the Engineer
for the Engineer’s approval before the Start Date. All such insurance shall provide for
compensation to be payable in the types and proportions of currencies required to rectify
the loss or damage incurred.

13.3 If the Contractor does not provide any of the policies and certificates required, the
Employer may effect the insurance which the Contractor should have provided and recover
the premiums the Employer has paid from payments otherwise due to the Contractor or, if
no payment is due, the payment of the premiums shall be a debt due.

13.4 Alterations to the terms of an insurance shall not be made without the approval of the
Engineer.

13.5 Both parties shall comply with any conditions of the insurance policies.

14. Site Investigation Reports

14.1 The Contractor, in preparing the Bid, shall rely on any site Investigation Reports referred to
in the Contract Data, supplemented by any information available to the Bidder.

15. Queries about the Contract Data

15.1 The Engineer will clarify queries on the Contract Data.
16. **Contractor to Construct the Works**

16.1 The Contractor shall construct and install the Works in accordance with the Specification and Drawings, and as per instructions of Engineer.

17. **The Works to Be Completed by the Intended Completion Date**

17.1 The Contractor may commence execution of the Works on the Start Date and shall carry out the Works in accordance with the program submitted by the Contractor, as updated with the approval of the Engineer, and complete them by the Intended Completion Date.

18. **Approval by the Engineer**

18.1 The Contractor shall submit Specifications and Drawings showing the proposed Temporary Works to the Engineer, who is to approve them if they comply with the Specifications and Drawings.

18.2 The Contractor shall be responsible for design of Temporary Works.

18.3 The Engineer’s approval shall not alter the Contractor’s responsibility for design of the Temporary Works.

18.4 The Contractor shall obtain approval of third parties to the design of the Temporary Works where required.

18.5 All Drawings prepared by the Contractor for the execution of the temporary or permanent Works, are subject to prior approval by the Engineer before their use.

19. **Safety**

19.1 The Contractor shall be responsible for the safety of all activities on the Site.

20. **Discoveries**

20.1 Anything of historical or other interest or of significant value unexpectedly discovered on the Site is the property of the Employer. The Contractor is to notify the Engineer of such discoveries and carry out the Engineer’s instructions for dealing with them.

21. **Possession of the Site**

21.1 The Employer shall give possession of all parts of the Site to the Contractor. If possession of a part is not given by the date stated in the Contract Data the Employer is deemed to have delayed the start of the relevant activities and this will be Compensation Event.

22. **Access to the Site**

22.1 The Contractor shall allow the Engineer and any person authorized by the Engineer access to the Site, to any place where work in connection with the Contract is being carried out or
is intended to be carried out and to any place where materials or plant are being manufactured / fabricated / assembled for the works.

23. Instructions

23.1 The Contractor shall carry out all instructions of the Engineer which comply with the applicable laws where the Site is located.

23.2 Inspections and Audits by the Bank

The Contractor shall permit the Bank and/or persons appointed by the Bank to inspect the Site and/or the accounts and records of the Contractor and its subcontractors relating to the performance of the Contract, and to have such accounts and records audited by auditors appointed by the Bank if required by the Bank. The Contractor’s attention is drawn to Clause 64 [Corrupt or Fraudulent Practices] which provides, inter alia, that acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for under Sub-Clause 23.2 constitute a prohibited practice subject to contract termination (as well as to a determination of ineligibility under the Procurement Guidelines).”

24. Disputes

24.1 If the Contractor believes that a decision taken by the Engineer was either outside the authority given to the Engineer by the Contract or that the decision was wrongly taken, the decision shall be referred to the Adjudicator within 14 days of the notification of the Engineer's decision.

25. Procedure for Disputes

25.1 The Adjudicator shall give a decision in writing within 28 days of receipt of a notification of a dispute.

25.2 The Adjudicator shall be paid daily at the rate specified in the Contract Data together with reimbursable expenses of the types specified in the Contract Data and the cost shall be divided equally between the Employer and the Contractor, whatever decision is reached by the Adjudicator. Either party may refer a decision of the Adjudicator to an Arbitrator within 28 days of the Adjudicator's written decision. If neither party refers the dispute to arbitration within the above 28 days, the Adjudicator's decision will be final and binding.

25.3 The arbitration shall be conducted in accordance with the arbitration procedure stated in the Special Conditions of Contract.

26. Replacement of Adjudicator

26.1 Should the Adjudicator resign or die, or should the Employer and the Contractor agree that the Adjudicator is not fulfilling his functions in accordance with the provisions of the Contract, a new Adjudicator will be jointly appointed by the Employer and the Contractor. In case of disagreement between the Employer and the Contractor, within 30 days, the Adjudicator shall be designated by the Appointing Authority designated in the Contract Data at the request of either party, within 14 days of receipt of such request.
B. Time Control

27. Program

27.1 Within the time stated in the Contract Data the Contractor shall submit to the Engineer for approval a Program including Environmental Management Plan showing the general methods, arrangements, order, and timing for all the activities in the Works along with monthly cash flow forecast.

27.2 An update of the Program shall be a program showing the actual progress achieved on each activity and the effect of the progress achieved on the timing of the remaining work including any changes to the sequence of the activities.

27.3 The Contractor shall submit to the Engineer, for approval, an updated Program at intervals no longer than the period stated in the Contract Data. If the Contractor does not submit an updated Program within this period, the Engineer may withhold the amount stated in the Contract Data from the next payment certificate and continue to withhold this amount until the next payment after the date on which the overdue Program has been submitted.

27.4 The Engineer's approval of the Program shall not alter the Contractor's obligations. The Contractor may revise the Program and submit it to the Engineer again at any time. A revised Program is to show the effect of Variations and Compensation Events.

28. Extension of the Intended Completion Date

28.1 The Engineer shall extend the Intended Completion Date if a Compensation Event occurs or a Variation is issued which makes it impossible for Completion to be achieved by the Intended Completion Date without the Contractor taking steps to accelerate the remaining work and which would cause the Contractor to incur additional cost.

28.2 The Engineer shall decide whether and by how much to extend the Intended Completion Date within 21 days of the Contractor asking the Engineer for a decision upon the effect of a Compensation Event or Variation and submitting full supporting information. If the Contractor has failed to give early warning of a delay or has failed to cooperate in dealing with a delay, the delay by this failure shall not be considered in assessing the new Intended Completion Date.

29. Deleted

30. Delays Ordered by the Engineer

30.1 The Engineer may instruct the Contractor to delay the start or progress of any activity within the Works.

31. Management Meetings

31.1 Either the Engineer or the Contractor may require the other to attend a management meeting. The business of a management meeting shall be to review the plans for remaining work and to deal with matters raised in accordance with the early warning procedure.
31.2 The Engineer shall record the business of management meetings and is to provide copies of his record to those attending the meeting and to the Employer. The responsibility of the parties for actions to be taken is to be decided by the Engineer either at the management meeting or after the management meeting and stated in writing to all who attended the meeting.

32. Early Warning

32.1 The Contractor is to warn the Engineer at the earliest opportunity of specific likely future events or circumstances that may adversely affect the quality of the work, increase the Contract Price or delay the execution of works. The Engineer may require the Contractor to provide an estimate of the expected effect of the future event or circumstance on the Contract Price and Completion Date. The estimate is to be provided by the Contractor as soon as reasonably possible.

32.2 The Contractor shall cooperate with the Engineer in making and considering proposals for how the effect of such an event or circumstance can be avoided or reduced by anyone involved in the work and in carrying out any resulting instruction of the Engineer.

C. Quality Control

33. Identifying Defects

33.1 The Engineer shall check the Contractor's work and notify the Contractor of any Defects that are found. Such checking shall not affect the Contractor's responsibilities. The Engineer may instruct the Contractor to search for a Defect and to uncover and test any work that the Engineer considers may have a Defect.

33.2 The contractor shall permit the Employer’s Technical auditor to check the contractor’s work and notify the Engineer and Contractor of any defects that are found. Such a check shall not affect the Contractor’s or the Engineer’s responsibility as defined in the Contract Agreement.

34. Tests

34.1 If the Engineer instructs the Contractor to carry out a test not specified in the Specification to check whether any work has a Defect and the test shows that it does, the Contractor shall pay for the test and any samples. If there is no Defect the test shall be a Compensation Event.

35. Correction of Defects

35.1 The Engineer shall give notice to the Contractor of any Defects before the end of the Defects Liability Period, which begins at Completion and is defined in the Contract Data. The Defects Liability Period shall be extended for as long as Defects remain to be corrected.

35.2 Every time notice of a Defect is given, the Contractor shall correct the notified Defect within the length of time specified by the Engineer’s notice.

36. Uncorrected Defects
36.1 If the Contractor has not corrected a Defect within the time specified in the Engineer’s notice, the Engineer will assess the cost of having the Defect corrected, and the Contractor will pay this amount.

*Note: Where in certain cases, the technical specifications provide for acceptance of works within specified tolerance limits at reduced rates, Engineer will certify payments to Contractor accordingly.*

### D. Cost Control

#### 37. Bill of Quantities

**37.1** The Bill of Quantities shall contain items for the construction, installation, testing, and commissioning work to be done by the contractor.

**37.2** The Bill of Quantities is used to calculate the Contract Price. The Contractor is paid for the quantity of the work done at the rate in the Bill of Quantities for each item.

#### 38. Changes in the Quantities

**38.1** If the final quantity of the work done differs from the quantity in the Bill of Quantities for the particular item by more than 25 percent, provided the change exceeds 1% of Initial Contract Price, the Engineer shall adjust the rate to allow for the change.

**38.2** The Engineer shall not adjust rates from changes in quantities if thereby the Initial Contract Price is exceeded by more than 15 percent, except with the Prior approval of the Employer.

**38.3** If requested by the Engineer, the Contractor shall provide the Engineer with a detailed cost breakdown of any rate in the Bill of Quantities.

#### 39. Variations

**39.1** All Variations shall be included in updated Programs produced by the Contractor.

#### 40. Payments for Variations

**40.1** The Contractor shall provide the Engineer with a quotation (with breakdown of unit rates) for carrying out the Variation when requested to do so by the Engineer. The Engineer shall assess the quotation, which shall be given within seven days of the request or within any longer period stated by the Engineer and before the Variation is ordered.

**40.2** If the work in the Variation corresponds with an item description in the Bill of Quantities and if, in the opinion of the Engineer, the quantity of work above the limit stated in Sub Clause 38.1 or the timing of its execution do not cause the cost per unit of quantity to change, the rate in the bill of Quantities shall be used to calculate the value of the Variation. If the cost per unit of quantity changes, or if the nature or timing of the work in the Variation does not correspond with items in the Bill of Quantities, the quotation by the Contractor shall be in form of new rates for the relevant items of work.

**40.3** If the Contractor's quotation is unreasonable (or if the contractor fails to provide the Engineer with a quotation within a reasonable time specified by the engineer in accordance with Clause 40.1), the Engineer may order the Variation and make a change to the Contract
Price which shall be based on Engineer’s own forecast of the effects of the Variation on the Contractor's costs.

40.4 If the Engineer decides that the urgency of varying the work would prevent a quotation being given and considered without delaying the work, no quotation shall be given and the Variation shall be treated as a Compensation Event.

40.5 The Contractor shall not be entitled to additional payment for costs that could have been avoided by giving early warning.

41. Cash flow forecasts

41.1 When the Program is updated, the contractor is to provide the Engineer with an updated cash flow forecast.

42. Payment Certificates

42.1 The Contractor shall submit to the Engineer monthly statements of the estimated value of the work completed less the cumulative amount certified previously alongwith details of measurement of the quantity of works executed in a tabulated form as approved by the Engineer.

42.2 The Engineer shall check the details given in the Contractor's monthly statement and within 14 days certify the amounts to be paid to the Contractor after taking into account any credit or debit for the month in question in respect of materials for the works in the relevant amounts and under conditions set forth in sub-clause 51(3) of the Contract Data (Secured Advance).

42.3 The value of work executed shall be determined by the Engineer after due check measurement of the quantities claimed as executed by the contractor.

42.4 The value of work executed shall comprise the value of the quantities of the items in the Bill of Quantities completed.

42.5 The value of work executed shall include the valuation of Variations and Compensation Events.

42.6 The Engineer may exclude any item certified in a previous certificate or reduce the proportion of any item previously certified in any certificate in the light of later information.

43. Payments

43.1 Payments shall be adjusted for deductions for advance payments, retention, other recoveries in terms of the contract and taxes, at source, as applicable under the law. The Employer shall pay the Contractor the amounts certified by the Engineer within 28 days of the date of each certificate. If the Employer makes a late payment, the Contractor shall be paid interest on the late payment in the next payment. Interest shall be calculated from the date by which the payment should have been made upto the date when the late payment is made at 8% per annum.
43.2 If an amount certified is increased in a later certificate or as a result of an award by the Adjudicator or an Arbitrator, the Contractor shall be paid interest upon the delayed payment as set out in this clause. Interest shall be calculated from the date upon which the increased amount would have been certified in the absence of dispute.

43.3 Items of the Works for which no rate or price has been entered in will not be paid for by the Employer and shall be deemed covered by other rates and prices in the Contract.

44. Compensation Events

44.1 The following are Compensation Events unless they are caused by the Contractor:

(a) The Employer does not give access to a part of the Site by the Site Possession Date stated in the Contract Data.
(b) The Employer modifies the schedule of other contractors in a way which affects the work of the contractor under the contract.
(c) The Engineer orders a delay or does not issue drawings, specifications or instructions required for execution of works on time.
(d) The Engineer instructs the Contractor to uncover or to carry out additional tests upon work which is then found to have no Defects.
(e) The Engineer unreasonably does not approve for a subcontract to be let.
(f) Ground conditions are substantially more adverse than could reasonably have been assumed before issuance of Letter of Acceptance from the information issued to Bidders (including the Site Investigation Reports), from information available publicly and from a visual inspection of the Site.

(g) The Engineer gives an instruction for dealing with an unforeseen condition, caused by the Employer, or additional work required for safety or other reasons.

(h) Other contractors, public authorities, utilities or the Employer does not work within the dates and other constraints stated in the Contract, and they cause delay or extra cost to the Contractor.

(i) The advance payment is delayed.

(j) The effect on the Contractor of any of the Employer's Risks.

(k) The Engineer unreasonably delays issuing a Certificate of Completion.

(l) Other Compensation Events listed in the Contract Data or mentioned in the Contract.

44.2 If a Compensation Event would cause additional cost or would prevent the work being completed before the Intended Completion Date, the Contract Price shall be increased and/or the Intended Completion Date is extended. The Engineer shall decide whether and by how much the Contract Price shall be increased and whether and by how much the Intended Completion Date shall be extended.

44.3 As soon as information demonstrating the effect of each Compensation Event upon the Contractor's forecast cost has been provided by the Contractor, it is to be assessed by the
Engineer and the Contract Price shall be adjusted accordingly. If the Contractor's forecast is deemed unreasonable, the Engineer shall adjust the Contract Price based on Engineer’s own forecast. The Engineer will assume that the Contractor will react competently and promptly to the event.

44.4 The Contractor shall not be entitled to compensation to the extent that the Employer's interests are adversely affected by the Contractor not having given early warning or not having cooperated with the Engineer.

45. Tax

45.1 The rates quoted by the Contractor shall be deemed to be inclusive of the sales and other taxes that the Contractor will have to pay for the performance of this Contract. The Employer will perform such duties in regard to the deduction of such taxes at source as per applicable law.

46. Currencies

46.1 All payments shall be made in Indian Rupees.

47. Price Adjustment

47.1 Contract price shall be adjusted for increase or decrease in rates and price of labour, materials, fuels and lubricants in accordance with the following principles and procedures and as per formula given in the contract data:

(a) The price adjustment shall apply for the work done from the start date given in the contract data up to end of the initial intended completion date or extensions granted by the Engineer and shall not apply to the work carried out beyond the stipulated time for reasons attributable to the contractor.
(b) The price adjustment shall be determined during each quarter from the formula given in the contract data.

(c) Following expressions and meanings are assigned to the work done during each quarter:

\[ R = \text{Total value of work done during the quarter. It would include the amount of secured advance for materials paid for (if any) during the quarter, less the amount of the secured advance recovered, during the quarter. It will exclude value for works executed under variations for which price adjustment will be worked separately based on the terms mutually agreed.} \]

47.2 To the extent that full compensation for any rise or fall in costs to the contractor is not covered by the provisions of this or other clauses in the contract, the unit rates and prices included in the contract shall be deemed to include amounts to cover the contingency of such other rise or fall in costs.

48. Retention

48.1 The Employer shall retain from each payment due to the Contractor the proportion stated in the Contract Data until Completion of the whole of the Works.

48.2 On Completion of the whole of the Works half the total amount retained is repaid to the Contractor and half when the Defects Liability Period has passed and the Engineer has certified that all Defects notified by the Engineer to the Contractor before the end of this period have been corrected.

48.3 On completion of the whole works, the contractor may substitute retention money \( (balance \text{ half}) \) with an “on demand” Bank guarantee.

49. Liquidated Damages

49.1 The Contractor shall pay liquidated damages to the Employer at the rate per day stated in the Contract Data for each day that the Completion Date is later than the Intended Completion Date (for the whole of the works or the milestone as stated in the contract data). The total amount of liquidated damages shall not exceed the amount defined in the Contract Data. The Employer may deduct liquidated damages from payments due to the Contractor. Payment of liquidated damages does not affect the Contractor's liabilities.

49.2 If the Intended Completion Date is extended after liquidated damages have been paid, the Engineer shall correct any overpayment of liquidated damages by the Contractor by adjusting the next payment certificate. The Contractor shall be paid interest on the overpayment calculated from the date of payment to the date of repayment at the rates specified in Sub Clause 43.1.

50. Deleted
51. Advance Payment

51.1 The Employer shall make advance payment to the Contractor of the amounts stated in the Contract Data by the date stated in the Contract Data, against provision by the Contractor of an Unconditional Bank Guarantee in a form and by a bank acceptable to the Employer in amounts and currencies equal to the advance payment. The guarantee shall remain effective until the advance payment has been repaid, but the amount of the guarantee shall be progressively reduced by the amounts repaid by the Contractor. Interest will not be charged on the advance payment.

51.2 The Contractor is to use the advance payment only to pay for Equipment, Plant and Mobilization expenses required specifically for execution of the Works. The Contractor shall demonstrate that advance payment has been used in this way by supplying copies of invoices or other documents to the Engineer.

51.3 The advance payment shall be repaid by deducting proportionate amounts from payments otherwise due to the Contractor, following the schedule of completed percentages of the Works on a payment basis. No account shall be taken of the advance (mobilization and equipment only) payment or its repayment in assessing valuations of work done, Variations, price adjustments, Compensation Events, or Liquidated Damages.

51.4 Secured Advance:

The Engineer shall make advance payment in respect of materials intended for but not yet incorporated in the Works in accordance with conditions stipulated in the Contract Data.

52. Securities

52.1 The Performance Security shall be provided to the Employer no later than the date specified in the Letter of Acceptance and shall be issued in an amount and form and by a bank or surety acceptable to the Employer, and denominated in Indian Rupees. The Performance Security shall be valid until a date 28 days from the date of expiry of Defects Liability Period and the additional security for unbalanced bids shall be valid until a date 28 days from the date of issue of the certificate of completion.

53. Deleted

54. Cost of Repairs

54.1 Loss or damage to the Works or Materials to be incorporated in the Works between the Start Date and the end of the Defects Correction periods shall be remedied by the Contractor at the Contractor's cost if the loss or damage arises from the Contractor's acts or omissions.
E. Finishing the Contract

55. Completion

55.1 The Contractor shall request the Engineer to issue a Certificate of Completion of the Works and the Engineer will do so upon deciding that the Work is completed.

56. Taking Over

56.1 The Employer shall take over the Site and the Works within seven days of the Engineer issuing a certificate of Completion.

57. Final Account

57.1 The Contractor shall supply to the Engineer a detailed account of the total amount that the Contractor considers payable under the Contract before the end of the Defects Liability Period. The Engineer shall issue a Defect Liability Certificate and certify any final payment that is due to the Contractor within 56 days of receiving the Contractor's account if it is correct and complete. If it is not, the Engineer shall issue within 56 days a schedule that states the scope of the corrections or additions that are necessary. If the Final Account is still unsatisfactory after it has been resubmitted, the Engineer shall decide on the amount payable to the Contractor and issue a payment certificate, within 56 days of receiving the Contractor’s revised account.

58. Operating and Maintenance Manuals

58.1 If “as built” Drawings and/or operating and maintenance manuals are required, the Contractor shall supply them by the dates stated in the Contract Data.

58.2 If the Contractor does not supply the Drawings and/or manuals by the dates stated in the Contract Data, or they do not receive the Engineer’s approval, the Engineer shall withhold the amount stated in the Contract Data from payments due to the Contractor.

59. Termination

59.1 The Employer or the Contractor may terminate the Contract if the other party causes a fundamental breach of the Contract.

59.2 Fundamental breaches of Contract include, but shall not be limited to the following:

(a) the Contractor stops work for 28 days when no stoppage of work is shown on the current program and the stoppage has not been authorized by the Engineer;

(b) the Engineer instructs the Contractor to delay the progress of the Works and the instruction is not withdrawn within 28 days;

(c) the Employer or the Contractor is made bankrupt or goes into liquidation other than for a reconstruction or amalgamation;
(d) a payment certified by the Engineer is not paid by the Employer to the Contractor within 56 days of the date of the Engineer's certificate;

(e) the Engineer gives Notice that failure to correct a particular Defect is a fundamental breach of Contract and the Contractor fails to correct it within a reasonable period of time determined by the Engineer;

(f) the Contractor does not maintain a security which is required;

(g) the Contractor has delayed the completion of works by the number of days for which the maximum amount of liquidated damages can be paid as defined in the Contract data; and

(h) if the Contractor, in the judgment of the Purchaser has engaged in fraud and corruption, as defined in GCC Clause 64, in competing for or in executing the Contract.

59.3 When either party to the Contract gives notice of a breach of contract to the Engineer for a cause other than those listed under Sub Clause 59.2 above, the Engineer shall decide whether the breach is fundamental or not.

59.4 Notwithstanding the above, the Employer may terminate the Contract for convenience.

59.5 If the Contract is terminated the Contractor shall stop work immediately, make the Site safe and secure and leave the Site as soon as reasonably possible.

60. Payment upon Termination

60.1 If the Contract is terminated because of a fundamental breach of Contract by the Contractor, the Engineer shall issue a certificate for the value of the work done less advance payments received up to the date of the issue of the certificate, less other recoveries due in terms of the contract, less taxes due to be deducted at source as per applicable law and less the percentage to apply to the work not completed as indicated in the Contract Data. Additional Liquidated Damages shall not apply. If the total amount due to the Employer exceeds any payment due to the Contractor the difference shall be a debt payable to the Employer.

60.2 If the Contract is terminated at the Employer's convenience or because of a fundamental breach of Contract by the Employer, the Engineer shall issue a certificate for the value of the work done, the reasonable cost of removal of Equipment, repatriation of the Contractor's personnel employed solely on the Works, and the Contractor's costs of protecting and securing the Works and less advance payments received up to the date of the certificate, less other recoveries due in terms of the contract and less taxes due to be deducted at source as per applicable law.

61. Property
61.1 All materials on the Site, Plant, Equipment, Temporary Works and Works are deemed to be the property of the Employer, if the Contract is terminated because of a Contractor’s default.

62. Release from Performance

62.1 If the Contract is frustrated by the outbreak of war or by any other event entirely outside the control of either the Employer or the Contractor the Engineer shall certify that the Contract has been frustrated. The Contractor shall make the Site safe and stop work as quickly as possible after receiving this certificate and shall be paid for all work carried out before receiving it and for any work carried out afterwards to which commitment was made.

63. Suspension of World Bank Loan or Credit

63.1 In the event that the World Bank suspends the Loan or Credit to the Employer, from which part of the payments to the Contractor are being made:

(a) The Employer is obligated to notify the Contractor of such suspension within 7 days of having received the World Bank’s suspension notice.

(b) If the Contractor has not received sums due to it upon the expiration of the 28 days for payment provided for in Sub-Clause 43.1, the Contractor may immediately issue a 14-day termination notice.

64. Corrupt or Fraudulent Practices:

64.1 If the Employer determines that the Contractor has engaged in corrupt, fraudulent, collusive coercive or obstructive practices, in competing for or in executing the Contract, then the Employer may, after giving 14 days notice to the Contractor, terminate the Contractor's employment under the Contract and expel him from the Site, and the provisions of Clause 59 shall apply.

Should any employee of the Contractor be determined to have engaged in corrupt, fraudulent, collusive, coercive, or obstructive practice during the execution of the Works, then that employee shall be removed in accordance with Clause 9 [Personnel].

For the purposes of this Sub-Clause:
(i) “corrupt practice”\(^9\) is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;

(ii) “fraudulent practice”\(^{10}\) is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;

(iii) “collusive practice”\(^{11}\) is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

(iv) “coercive practice”\(^{12}\) is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;

(v) “obstructive practice” is

\(\begin{align*}
\text{(aa)} & \quad \text{deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or} \\
\text{(bb)} & \quad \text{acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for under Sub-Clause 23.2 [Inspections and Audits by the Bank].}
\end{align*}\)

\(^9\) “another party” refers to a public official acting in relation to the procurement process or contract execution. In this context, “public official” includes World Bank staff and employees of other organizations taking or reviewing procurement decisions.

\(^{10}\) a “party” refers to a public official; the terms “benefit” and “obligation” relate to the procurement process or contract execution; and the “act or omission” is intended to influence the procurement process or contract execution.

\(^{11}\) “parties” refers to participants in the procurement process (including public officials) attempting to establish bid prices at artificial, non competitive levels.

\(^{12}\) a “party” refers to a participant in the procurement process or contract execution.
F. Special Conditions of Contract

1. **LABOUR:**

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

   The Contractor shall, if required by the Engineer, deliver to the Engineer a return in detail, in such form and at such intervals as the Engineer may prescribe, showing the staff and the numbers of the several classes of labour from time to time employed by the Contractor on the Site and such other information as the Engineer may require.

2. **COMPLIANCE WITH LABOUR REGULATIONS:**

   During continuance of the contract, the Contractor and his sub contractors shall abide at all times by all existing labour enactments and rules made thereunder, regulations, notifications and bye laws of the State or Central Government or local authority and any other labour law (including rules), regulations, bye laws that may be passed or notification that may be issued under any labour law in future either by the State or the Central Government or the local authority. Salient features of some of the major labour laws that are applicable to construction industry are given below. The Contractor shall keep the Employer indemnified in case any action is taken against the Employer by the competent authority on account of contravention of any of the provisions of any Act or rules made thereunder, regulations or notifications including amendments. If the Employer is caused to pay or reimburse, such amounts as may be necessary to cause or observe, or for non-observance of the provisions stipulated in the notifications/bye laws/Acts/Rules/regulations including amendments, if any, on the part of the Contractor, the Engineer/Employer shall have the right to deduct any money due to the Contractor including his amount of performance security. The Employer/Engineer shall also have right to recover from the Contractor any sum required or estimated to be required for making good the loss or damage suffered by the Employer.

   The employees of the Contractor and the Sub-Contractor in no case shall be treated as the employees of the Employer at any point of time.
SALIENT FEATURES OF SOME MAJOR LABOUR LAWS APPLICABLE TO
ESTABLISHMENTS ENGAGED IN BUILDING AND OTHER CONSTRUCTION WORK
(The law as current on the date of bid opening will apply)

a) Workmen Compensation Act 1923: The Act provides for compensation in case of injury by
accident arising out of and during the course of employment.

b) Payment of Gratuity Act 1972: Gratuity is payable to an employee under the Act on satisfaction of
certain conditions on separation if an employee has completed 5 years service or more or on death
the rate of 15 days wages for every completed year of service. The Act is applicable to all
establishments employing 10 or more employees.

c) Employees P.F. and Miscellaneous Provision Act 1952 (since amended): The Act Provides for
monthly contributions by the employer plus workers @ 10% or 8.33%. The benefits payable
under the Act are:

(i) Pension or family pension on retirement or death, as the case may be.

(ii) Deposit linked insurance on the death in harness of the worker.

(iii) payment of P.F. accumulation on retirement/death etc.

d) Maternity Benefit Act 1951: The Act provides for leave and some other benefits to women
employees in case of confinement or miscarriage etc.

measures to be provided by the Contractor to contract labour and in case the Contractor fails to
provide, the same are required to be provided, by the Principal Employer by Law. The Principal
Employer is required to take Certificate of Registration and the Contractor is required to take
license from the designated Officer. The Act is applicable to the establishments or Contractor of
Principal Employer if they employ 20 or more contract labour.

f) Minimum Wages Act 1948: The Employer is supposed to pay not less than the Minimum Wages
fixed by appropriate Government as per provisions of the Act if the employment is a scheduled
employment. Construction of Buildings, Roads, Runways are scheduled employment.

g) Payment of Wages Act 1936: It lays down as to by what date the wages are to be paid, when it
will be paid and what deductions can be made from the wages of the workers.

h) Equal Remuneration Act 1979: The Act provides for payment of equal wages for work of equal
nature to Male and Female workers and for not making discrimination against Female employees
in the matters of transfers, training and promotions etc.

i) Payment of Bonus Act 1965: The Act is applicable to all establishments employing 20 or more
employees. The Act provides for payments of annual bonus subject to a minimum of 8.33% of
wages and maximum of 20% of wages to employees drawing Rs.3500/-per month or less. The
bonus to be paid to employees getting Rs.2500/- per month or above upto Rs.3500/- per month
shall be worked out by taking wages as Rs.2500/- per month only. The Act does not apply to certain establishments. The newly set-up establishments are exempted for five years in certain circumstances. Some of the State Governments have reduced the employment size from 20 to 10 for the purpose of applicability of this Act.

j) **Industrial Disputes Act 1947:** The Act lays down the machinery and procedure for resolution of Industrial disputes, in what situations a strike or lock-out becomes illegal and what are the requirements for laying off or retrenching the employees or closing down the establishment.

k) **Industrial Employment (Standing Orders) Act 1946:** It is applicable to all establishments employing 100 or more workmen (employment size reduced by some of the States and Central Government to 50). The Act provides for laying down rules governing the conditions of employment by the Employer on matters provided in the Act and get the same certified by the designated Authority.

l) **Trade Unions Act 1926:** The Act lays down the procedure for registration of trade unions of workmen and employers. The Trade Unions registered under the Act have been given certain immunities from civil and criminal liabilities.

m) **Child Labour (Prohibition & Regulation) Act 1986:** The Act prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour is prohibited in Building and Construction Industry.

n) **Inter-State Migrant workmen’s (Regulation of Employment & Conditions of Service) Act 1979:** The Act is applicable to an establishment which employs 5 or more inter-state migrant workmen through an intermediary (who has recruited workmen in one state for employment in the establishment situated in another state). The Inter-State migrant workmen, in an establishment to which this Act becomes applicable, are required to be provided certain facilities such as housing, medical aid, travelling expenses from home up to the establishment and back, etc.

o) **The Building and Other Construction workers (Regulation of Employment and Conditions of Service) Act 1996 and the Cess Act of 1996:** All the establishments who carry on any building or other construction work and employs 10 or more workers are covered under this Act. All such establishments are required to pay cess at the rate not exceeding 2% of the cost of construction as may be modified by the Government. The Employer of the establishment is required to provide safety measures at the Building or construction work and other welfare measures, such as Canteens, First-Aid facilities, Ambulance, Housing accommodations for workers near the work place etc. The Employer to whom the Act applies has to obtain a registration certificate from the Registering Officer appointed by the Government.

p) **Factories Act 1948:** The Act lays down the procedure for approval at plans before setting up a factory, health and safety provisions, welfare provisions, working hours, annual earned leave and rendering information regarding accidents or dangerous occurrences to designated authorities. It is applicable to premises employing 10 persons or more with aid of power or 20 or more persons without the aid of power engaged in manufacturing process.

3. **SUB-CONTRACTING (GCC Clause 7)**
   Please add the following as Clause 7.2:
The contractor shall not be required to obtain any consent from the employer for:

a) the sub-contracting of any part of the Works for which the Sub-contractor is named in the contract;

b) the provision of labour; and

c) the purchase of materials which are in accordance with the standards specified in the Contract.

Beyond this if the contractor proposes sub-contracting any part of the work during execution of works, because of some unforeseen circumstances to enable him to complete the work as per terms of the contract, the Engineer will consider the following before according approval:

- The contractor shall not sub-contract the whole of the Works.

- The contractor shall not sub-contract any part of the Work without prior consent of the Engineer. Any such consent shall not relieve the contractor from any liability or obligations under the contract and he shall be responsible for the acts, defaults and neglects of any sub-contractor, his agents or workmen as fully as if they were the acts, defaults or neglects of the contractor, his agents or workmen.

- The Engineer should satisfy whether (a) the circumstances warrant such sub-contracting; and (b) the sub-contractors so proposed for the Work possess the experience, qualifications and equipment necessary for the job proposed to be entrusted to them in proportion to the quantum of work to be sub-contracted.

- If payments are proposed to be made directly to that sub-contractor, this should be subject to specific authorization by the prime contractor so that this arrangement does not alter the contractor's liability or obligations under the contract.

4. ARBITRATION (GCC Clause 25.3)

The procedure for arbitration will be as follows:

25.3 (a) In case of Dispute or difference arising between the Employer and a domestic contractor relating to any matter arising out of or connected with this agreement, such disputes or difference shall be settled in accordance with the Arbitration and Conciliation Act, 1996.

The arbitral tribunal shall consist of 3 arbitrators one each to be appointed by the Employer and the Contractor. The third Arbitrator shall be chosen by the two Arbitrators so appointed by the Parties and shall act as Presiding arbitrator. In case of failure of the two arbitrators appointed by the parties to reach upon a consensus within a period of 30 days from the appointment of the arbitrator appointed subsequently, the Presiding Arbitrator shall be appointed by the * Indian Council of Arbitration/President of the Institution of Engineers (India)/The International Centre for Alternative Dispute Resolution (India).

(Note: 1. All bidders are expected to indicate clearly in the bid, if they proposed sub-contracting elements of the works amounting to more than 20 percent of the Bid Price. For each such proposal the qualification and the experience of the identified sub-contractor in the relevant field should be furnished along with the bid to enable the employer to satisfy himself about their qualifications before agreeing for such sub-contracting and include it in the contract. In view of the above, normally no additional sub-contracting should arise during execution of the contract.
2. However, [a] sub contracting for certain specialized elements of the work is not unusual and acceptable for carrying out the works more effectively; but vertical splitting of the works for subcontracting is not acceptable. [b] In any case, proposal for sub-contracting in addition to what was specified in bid and stated in contract agreement will not be acceptable if the value of such additional sub-contracting exceeds 25% of value of work which was to be executed by Contractor without sub-contracting.

3. Assignment of the contract may be acceptable only under exceptional circumstances such as insolvencies/liquidation or merger of companies etc.

(b) In the case of dispute with a Foreign contractor the dispute shall be settled in accordance with provisions of UNCITRAL Arbitration Rules. The Arbitral Tribunal shall consist of three Arbitrators one each to be appointed by the Employer and the Contractor. The third Arbitrator shall be chosen by the two Arbitrators so appointed by the Parties, and shall act a presiding arbitrator. In case of failure of the two arbitrators appointed by the parties to reach upon a consensus within a period of 30 days from the appointment of the arbitrator appointed subsequently, the Presiding arbitrator shall be appointed by the * Indian Council of Arbitration/President of the Institution of Engineers (India)/The International Centre for Alternative Dispute Resolution (India).

(c) If one of the parties fails to appoint its arbitrator in pursuance of sub-clause (a) and (b) above within 30 days after receipt of the notice of the appointment of its arbitrator by the other party, then the * Indian Council of Arbitration/President of the Institution of Engineers (India)/The International Centre for Alternative Dispute Resolution (India), both in cases of the Foreign Contractor as well as Indian Contractor, shall appoint the arbitrator. A certified copy of the order of the * Indian Council of Arbitration/President of the Institution of Engineers (India)/The International Centre for Alternative Dispute Resolution (India), making such an appointment shall be furnished to each of the parties.

(d) Arbitration proceedings shall be held at ____________, India, and the language of the arbitration proceedings and that of all documents and communications between the parties shall be English.

(e) The decision of the majority of arbitrators shall be final and binding upon both parties. The cost and expenses of Arbitration proceedings will be paid as determined by the arbitral tribunal. However, the expenses incurred by each party in connection with the preparation, presentation, etc. of its proceedings as also the fees and expenses paid to the arbitrator appointed by such party or on its behalf shall be borne by each party itself.

(f) Where the value of the contract is Rs.50 millions and below, the disputes or differences arising shall be referred to the Sole Arbitrator. The Sole Arbitrator should be appointed by agreement between the parties; failing such agreement, by the appointing authority, namely the * Indian Council of Arbitration/President of the Institution of Engineers (India)/The International Centre for Alternative Dispute Resolution (India).

*Choose one alternative. Insert Chairman of the executive Committee of the Indian Roads Congress (for highway project) or any other appropriate institutions (for other types of works).
(g) Performance under the contract shall continue during the arbitration proceedings and payments due to the contractor by the owners shall not be withheld, unless they are the subject matter of the arbitration proceedings.

5. PROTECTION OF ENVIRONMENT:

Add the following as GCC Clause 16.2:

The contractor shall take all reasonable steps to protect the environment on and off the Site and to avoid damage or nuisance to persons or to property of the public or others resulting from pollution, noise or other causes arising as a consequence of his methods of operation.

During continuance of the contract, the contractor and his sub-contractors shall abide at all times by all existing enactments on environmental protection and rules made thereunder, regulations, notifications and bye-laws of the State or Central Government, or local authorities and any other law, bye-law, regulations that may be passed or notification that may be issued in this respect in future by the State or Central Government or the local authority.

Salient features of some of the major laws that are applicable are given below:

The Water (Prevention and Control of Pollution) Act, 1974, This provides for the prevention and control of water pollution and the maintaining and restoring of wholesomeness of water. 'Pollution' means such contamination of water or such alteration of the physical, chemical or biological properties of water or such discharge of any sewage or trade effluent or of any other liquid, gaseous or solid substance into water (whether directly or indirectly) as may, or is likely to, create a nuisance or render such water harmful or injurious to public health or safety, or to domestic, commercial, industrial, agricultural or other legitimate uses, or to the life and health of animals or plants or of aquatic organisms.

The Air (Prevention and Control of Pollution) Act, 1981, This provides for prevention, control and abatement of air pollution. 'Air Pollution' means the presence in the atmosphere of any 'air pollutant', which means any solid, liquid or gaseous substance (including noise) present in the atmosphere in such concentration as may be or tend to be injurious to human beings or other living creatures or plants or property or environment.

The Environment (Protection) Act, 1986, This provides for the protection and improvement of environment and for matters connected therewith, and the prevention of hazards to human beings, other living creatures, plants and property. 'Environment' includes water, air and land and the inter-relationship which exists among and between water, air and land, and human beings, other living creatures, plants, micro-organism and property.

The Public Liability Insurance Act, 1991, This provides for public liability insurance for the purpose of providing immediate relief to the persons affected by accident occurring while handling hazardous substances and for matters connected herewith or incidental thereto. Hazardous substance means any substance or preparation which is defined as hazardous substance under the Environment (Protection) Act 1986, and exceeding such quantity as may be specified by notification by the Central Government.

[Employers should note that the Loan Agreement between IBRD and the borrowing country may establish specific measures to be taken during construction of the Works for the protection of the environment.]
environment. Sub-clause 16.2 should be modified/expanded to take into account such specific measures or other measures considered appropriate by the Employer.

6. **LIQUIDATED DAMAGES:**

Sub-clause 49.1:

Please substitute the last sentence with the following:

“Time is the essence of the contract and payment or deduction of liquidated damages shall not relieve the contractor from his obligation to complete the work as per agreed construction program and milestones or from any other of the contractor’s obligations and liabilities under the contract.”
SECTION 4: CONTRACT DATA
**Contract Data**

*Items marked "N/A" do not apply in this Contract.*

The following documents are also part of the Contract: **Clause Reference**

- The Schedule of Operating and Maintenance Manuals [58]
- The Schedule of Other Contractors [8]
- The Schedule of Key Personnel [9]
- The Methodology and Program of Construction & Environmental Management Plan [27]
- The Schedule of Key and Critical equipment to be deployed on the work as per agreed program of construction [27]
- Site Investigation reports [14]

The Borrower is Government of India/____________________ [1.1]
[name of Borrower and statement of relationship with the Employer, if different from the Borrower].

The World Bank means __________________________ [1.1]
[insert “International Bank for Reconstruction and Development (IBRD)” or International Development Association (IDA), “as appropriate], and loan refers to an __________________
[insert “IBRD Loan” or “IDA Credit”, as appropriate]

The above insertions should correspond to the information provided in the Invitation of Bids.

The Employer is

Name: ________________________________ (1.1)

Address: ________________________________

Name of authorized Representative: ________________________________

The Engineer is (1.1)

Name: ________________________________

Address: ________________________________

Name of Authorized Representative: ________________________________
The Adjudicator appointed jointly by the Employer and Contractor is:

*Name: ___________________________________________ (1.1)

*Address: __________________________________________

(*to be filled in after the Adjudicator has been appointed)

The name and identification number of the Contract is ____________________________________________

[insert name and number as indicated in the Invitation for Bids (or Prequalification, if any). [1.1]

The Works consist of____________________________________________________________

[brief summary, including relationship to other contracts under the Project].

The Start Date shall be the date of issue of notice to proceed with the work. (1.1)

The Intended Completion Date for the whole of the Works is---------------- with the following milestones: [17, 28]

Milestone dates:

Physical works to be completed Period from the date of issue of notice to proceed with the work

Milestone 1 i.e.______________________________ _____________ months.
Milestone 2 i.e.______________________________ _____________ months.
Milestone 3 i.e.______________________________ _____________ months.

The following documents also form part of the Contract: [2.3]

__________________________________________

The Contractor shall submit a revised Program including Environmental Management Plan for the Works (in such form and detail as the engineer shall reasonably prescribe) within 14 days of delivery of the Letter of Acceptance. [27]

[This program should be in adequate detail and generally conform to the program submitted alongside bid in response to ITB Clause 4.3 (k). Deviations if any from that should be clearly explained and should be satisfactory to the Engineer]

The Site Possession Dates shall be: [21]

Section 1 ________________________________
Section 2 _______________________________  
Section 3 _______________________________

The Site is located at _____________________________________ and is defined in drawings nos. ______________________________  

The Defects Liability Period is ________ days from the date of certification of completion of works.  
(where sectional completion certificate is issued this will apply from those dates for those sections). [35]

Insurance requirements are as under: [13]

<table>
<thead>
<tr>
<th></th>
<th>Minimum Cover for Insurance</th>
<th>Maximum deductible for Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Works and Plant and Materials</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii) Loss or damage to Equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(iii) Other Property</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(iv) Personal injury or death insurance:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) for other people;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) for Contractor’s Employees</td>
<td>In accordance with the statutory requirements applicable to India</td>
<td></td>
</tr>
</tbody>
</table>

The following events shall also be Compensation Events: [44]

1. ____________________________________________________
2. ____________________________________________________
3. ____________________________________________________
4. ____________________________________________________

The period between Program updates shall be ________ days. [27]

The amount to be withheld for late submission of an updated Program shall be ________________________________ [27]

The language of the Contract documents is English [3]

The law which applies to the Contract is the laws of Union of India [3]
The currency of the Contract is Indian Rupees. [46]

Fees and types of reimbursable expenses to be paid to the Adjudicator [25]

_____________________________________________________________________

Appointing Authority for the Adjudicator ___________________________________

_____________________________________________________________________

The formula(e) for adjustment of prices are: [47]

\[ R = \text{Value of work as defined in Clause 47.1 of Conditions of Contract.} \]

Adjustment for labour component

(i) Price adjustment for increase or decrease in the cost due to labour shall be paid in accordance with the following formula:

\[ V_L = 0.85 \times P_l/100 \times R \times (L_i - L_o)/L_o \]

\( V_L = \) increase or decrease in the cost of work during the quarter under consideration due to changes in rates for local labour.

\( L_o = \) the average consumer price index for industrial workers for \( \underline{\text{centre for the quarter preceding the date of opening of Bids as published by Labour Bureau, Ministry of Labour, Government of India.}} \)

\( L_i = \) The average consumer price index for industrial workers for \( \underline{\text{centre for the quarter under consideration as published by Labour Bureau, Ministry of Labour, Government of India.}} \)

\( P_l = \) Percentage of labour component of the work.

Adjustment for cement component

(ii) Price adjustment for increase or decrease in the cost of cement procured by the contractor shall be paid in accordance with the following formula.

\[ V_c = 0.85 \times P_c/100 \times R \times (C_i - C_o)/C_o \]

\( V_c = \) Increase or decrease in the cost of work during the quarter under consideration due to changes in the rates for cement

\( C_o = \) The all India average wholesale price index for cement for the quarter preceding the date of opening of Bids as published by the Ministry of Industrial Development, Government of India, New Delhi.
\[ C_i = \text{The all India average wholesale price index for cement for the quarter under consideration as published by Ministry of Industrial Development, Government of India, New Delhi} \]

\[ P_c = \text{Percentage of cement component of the work} \]

**Adjustment for steel component**

(iii) Price adjustment for increase or decrease in the cost of steel procured by the Contractor shall be paid in accordance with the following formula:

\[ V_s = 0.85 \times P_s/100 \times R \times (S_i - S_o)/S_o \]

\[ V_s = \text{Increase or decrease in the cost of work during the quarter under consideration due to changes in the rates for steel} \]

\[ S_o = \text{The all India average wholesale price index for steel (Bars and Rods) for the quarter preceding the date of opening of Bids as published by the Ministry of Industrial Development, Government of India, New Delhi} \]

\[ S_i = \text{The all India average wholesale price index for steel (Bars and Rods) for the quarter under consideration as published by Ministry of Industrial Development, New Delhi} \]

\[ P_s = \text{Percentage of steel component of the work} \]

Note: For the application of this clause, index of Bars and Rods has been chosen to represent steel group.

**Adjustment of Bitumen component**

(iv) Price adjustment for increase or decrease in the cost of bitumen shall be paid in accordance with the following formula:

\[ V_b = 0.85 \times P_b/100 \times R \times (B_i - B_o)/B_o \]

\[ V_b = \text{Increase or decrease in the cost of work during the quarter under consideration due to changes in the rate for bitumen.} \]

\[ B_o = \text{The average official retail price of bitumen at the IOC depot at ——— on the day 30 days prior to date of opening of Bids.} \]

\[ B_i = \text{The average official retail price of bitumen at IOC depot at ——— for the 15th day of the middle calendar month of the quarter under consideration.} \]

\[ P_b = \text{Percentage of bitumen component of the work.} \]

**Adjustment of POL (fuel and lubricant) component**

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(v) Price adjustment for increase or decrease in cost POL (fuel and lubricant) shall be paid in accordance with the following formula:

$$V_f = 0.85 \times P_f/100 \times R \times (F_i - F_o)/F_o$$

$V_f =$ Increase or decrease in the cost of work during the quarter under consideration due to changes in rates for fuel and lubricants.

$F_o =$ The average official retail price of High Speed Diesel (HSD) at the existing consumer pumps of IOC at ___ on the day thirty days prior to the date of opening of Bids.

$F_i =$ The average official retail price of HSD at the existing consumer pumps of IOC at ___ for the 15th day of the middle calendar month of the quarter under consideration.

$P_f =$ Percentage of fuel and lubricants component of the work.

Note: For the application of this clause, the price of High Speed Diesel oil has been chosen to represent fuel and lubricants group.

Adjustment for Plant and Machinery Spares component

(vi) Price adjustment for increase or decrease in the cost of plant and machinery spares procured by the Contractor shall be paid in accordance with the following formula:

$$V_p = 0.85 \times P_p/100 \times R \times (P_i - P_o)/P_o$$

$V_p =$ Increase or decrease in the cost of work during the quarter under consideration due to changes in the rates for plant and machinery spares.

$P_o =$ The all India average wholesale price index for heavy machinery and parts for the quarter preceding the date of opening of Bids as published by the Ministry of Industrial Development, Government of India, New Delhi.

$P_i =$ The all India average wholesale price index for heavy machinery and parts for the quarter under consideration as published by Ministry of Industrial Development, New Delhi.

$P_p =$ Percentage of plant and machinery spares component of the work.

Note: For the application of this clause, index of Heavy Machinery and Parts has been chosen to represent the Plant and Machinery Spares group.

Adjustment of Local materials

(vii) Price adjustment for increase or decrease in cost of local materials other than cement, steel, bitumen and POL procured by the contractor shall be paid in accordance with the following formula:
\[ V_m = 0.85 \times P_m/100 \times R \times (M_i - M_o)/M_o \]

\[ V_m = \text{Increase or decrease in the cost of work during the quarter under consideration due to changes in rates for local materials other than cement, steel, bitumen and POL.} \]

\[ M_o = \text{The all India average wholesale price index (all commodities) for the quarter preceding the date of opening of Bids, as published by the Ministry of Industrial Development, Government of India, New Delhi.} \]

\[ M_i = \text{The all India average wholesale price index (all commodities) for the quarter under consideration as published by Ministry of Industrial Development, Government of India, New Delhi.} \]

\[ P_m = \text{Percentage of local material component (other than cement, steel, bitumen and POL) of the work.} \]

The following percentages will govern the price adjustment for the entire contract:

1. Labour - \( P_l \) ——— %
2. Cement - \( P_c \) ——— %
3. Steel - \( P_s \) ——— %
4. Bitumen - \( P_b \) ——— %
5. POL - \( P_f \) ——— %
6. Plant & Machinery Spares - \( P_p \) ——— %
7. Other materials - \( P_m \) ——— %

Total 100%

The proportion of payments retained (retention money) shall be 6% from each bill subject to a maximum of 5% of final contract price.

The liquidated damages for the whole of the works are
Rs.——— (amount) per day and that for the milestone are as under:

For milestone 1 Rs._________per day
For milestone 2 Rs _________per day
For milestone 3 Rs _________per day

[To be fixed at not less than 0.05% per day of contract value of each milestone]

The maximum amount of liquidated damages for the whole of the works is ten percent of final contract price.

The amounts of the advance payment are:

<table>
<thead>
<tr>
<th>Nature of Advance</th>
<th>Amount (Rs.)</th>
<th>Conditions to be fulfilled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobilization</td>
<td>5% of the Contract price</td>
<td>On submission of un-conditional Bank Guarantee. (to be drawn before end of 20% of Contract period)</td>
</tr>
</tbody>
</table>
2. Equipment 90% for new and 50% of depreciated value for old equipment. Total amount will be subject to a maximum of 5%/10%/15%* of the Contract price. (* Choose one and delete others)

(This advance is not applicable for equipment already owned or hired/leased by the contractor.)

After equipment is brought to site as per agreed construction program (provided the Engineer is satisfied that the equipment is required for performance of the contract) and on submission of unconditional Bank Guarantee for amount of advance.

3. Secured advance for non-perishable materials brought to site 75% of Invoice value or Market value - lower of the two.

a) The materials are in-accordance with the specification for Works;

b) Such materials have been delivered to site, and are properly stored and protected against damage or deterioration to the satisfaction of the Engineer. The contractor shall store the bulk material in measurable stacks;

c) The Contractor’s records of the requirements, orders, receipt and use of materials are kept in a form approved by the Engineer and such records shall be available for inspection by the Engineer;

d) The contractor has submitted with his monthly statement the estimated value of the materials on site together with such documents as may be required by the Engineer for the purpose of valuation of the materials and providing evidence of ownership and payment thereof;

e) Ownership of such materials shall be vested in the Employer for which the has submitted an Indemnity Bond in an acceptable format; and

f) The quantity of materials are not excessive and shall be used within a reasonable time determined by the Engineer.

(The advance payment will be paid to the Contractor no later than 15 days after fulfillment of the above conditions).
Repayment of advance payment for mobilization and equipment: [51]

The advance shall be repaid with percentage deductions from the interim payments certified by the Engineer under the Contract. Deductions shall commence in the next Interim Payment Certificate following that in which the total of all such payments to the Contractor has reached not less than 15 percent of the Contract Price or —— months from the date of payment of first installment of advance, whichever period concludes earlier, and shall be made at the rate of ___@ percent of the amounts of all Interim Payment Certificates until such time as the advance has been repaid, always provided that the advance shall be completely repaid prior to the expiry of the original time for completion.

Repayment of secured advance:

The advance shall be repaid from each succeeding monthly payments to the extent materials [for which advance was previously paid pursuant to Clause 51.4 of G.C.C. and 51(3) of Contract Data on prepage] have been incorporated into the Works.

The Securities shall be for the following minimum amounts equivalent as a percentage of [52]
the Contract Price:

Performance Security for 5 per cent of contract price plus Rs. ......................... as additional security for unbalanced bids [in terms of ITB Clause 29.5].

The standard form of Performance Security acceptable to the Employer shall be an unconditional Bank Guarantee of the type as presented in Section 8 of the Bidding Documents.

*The date by which operating and maintenance manuals are required is within 28 days of issue of certificate of completion of whole or section of the work, as the case may be. [58]

*The date by which “as-built” drawings (in scale …) in 2 sets are required is within 28 days of issue of certificate of completion of whole or section of the work, as the case may be. [58]

The amount to be withheld for failing to supply “as built” drawings and/or operating and maintenance manuals *by the date required is Rs._______________________________

The following events shall also be fundamental breach of contract: [59.2]

1. The Contractor has contravened Sub-clause 7 of GCC read with SCC and Clause 9.0 of GCC
2. The contractor does not adhere to the agreed construction program and agreed environmental management plan (Clause 27 of GCC) and also fails to take satisfactory remedial action as per agreements reached in the management meetings (Clause 31) for a period of 60 days.
3. The contractor fails to carry out of the instructions of Engineer within a reasonable time determined by the Engineer in accordance with GCC Clause 16.1 and 23.1.

The percentage to apply to the value of the work not completed representing the Employer's additional cost for completing the Works shall be 20 percent.

* Score out whichever is inapplicable
@ Stipulate appropriately, namely 30% for 20% advance, 25% for 15% advance, 15% for 10% advance and 7.5% for 5% advance respectively
SECTION 6: DRAWINGS
Drawings
SECTION 7: BILL OF QUANTITIES
<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Description of item (with brief specification and reference to Book of specification)</th>
<th>Quantity</th>
<th>Unit</th>
<th>In figures</th>
<th>In words</th>
<th>Amount</th>
</tr>
</thead>
</table>

**Total Bid Price (in figures)**

(in words)

**Note:**

1. Item for which no rate or price has been entered in will not be paid for by the Employer when executed and shall be deemed covered by the other rates and prices in the *Bill of Quantities* (refer: ITB Clause 13.2 and GCC Clause 43.3).

2. Unit rates and prices shall be quoted by the bidder in Indian rupee [ITB Clause 14.1].

3. Where there is a discrepancy between the rate in figures and words, the rates in words will govern. [ITB Clause 27.1(a)]

4. Where there is a discrepancy between the unit rate and the line item total resulting from multiplying the unit rate by quantity, the unit rate quoted shall govern [ITB Clause 27.1 (b)].
SECTION 8: FORMS OF SECURITIES
Forms of Securities

Acceptable forms of securities are annexed. Bidders should not complete the Performance and Advance Payment Security forms at this time. Only the successful Bidder will be required to provide Performance and Advance Payment Securities in accordance with one of the forms, or in a similar form acceptable to the Employer.

Annex A: Bid Security (Bank Guarantee)

Annex B: Performance Bank Guarantee

Annex B1: Performance Bank Guarantee for Unbalanced Items

Annex C: Deleted

Annex D: Bank Guarantee for Advance Payment
BID SECURITY (BANK GUARANTEE)

WHEREAS, ________________________ [name of Bidder] (hereinafter called "the Bidder") has submitted his Bid dated ______________________ [date] for the construction of ________________________ [name of Contract] (hereinafter called "the Bid").

KNOW ALL PEOPLE by these presents that We ________________________ [name of bank] of ____________________________ [name of country] having our registered office at ________________________ (hereinafter called "the Bank") are bound unto ______________________ [name of Employer] (hereinafter called "the Employer") in the sum of ___________________ 1 for which payment well and truly to be made to the said Employer the Bank binds itself, his successors and assigns by these presents.

SEALED with the Common Seal of the said Bank this _________ day of __________ 19_____.

THE CONDITIONS of this obligation are:

(1) If after Bid opening the Bidder withdraws his bid during the period of Bid validity specified in the Form of Bid; or

(2) If the Bidder having been notified of the acceptance of his bid by the Employer during the period of Bid validity:

(a) fails or refuses to execute the Form of Agreement in accordance with the Instructions to Bidders, if required; or

(b) fails or refuses to furnish the Performance Security, in accordance with the Instruction to Bidders; or

(c) does not accept the correction of the Bid Price pursuant to Clause 27;

we undertake to pay to the Employer up to the above amount upon receipt of his first written demand, without the Employer having to substantiate his demand, provided that in his demand the Employer will note that the amount claimed by him is due to him owing to the occurrence of one or any of the three conditions, specifying the occurred condition or conditions.

This Guarantee will remain in force up to and including the date ________________________ 2 days after the deadline for submission of Bids as such deadline is stated in the Instructions to Bidders or as it may be extended by the Employer, notice of which extension(s) to the Bank is hereby waived. Any demand in respect of this guarantee should reach the Bank not later than the above date.

DATE _______________ SIGNATURE OF THE BANK ________________________

WITNESS ___________ SEAL ________________________

____________________________ [signature, name, and address]
The Bidder should insert the amount of the guarantee in words and figures denominated in Indian Rupees. This figure should be the same as shown in Clause 16.1 of the Instructions to Bidders.

45 days after the end of the validity period of the Bid.
PERFORMANCE BANK GUARANTEE

To: ___________________________________________ [name of Employer]
__________________________________________ [address of Employer]

WHEREAS ___________________________________ [name and address of Contractor] (hereinafter called "the Contractor") has undertaken, in pursuance of Contract No. _____ dated ______________ to execute _________________ [name of Contract and brief description of Works] (hereinafter called "the Contract");

AND WHEREAS it has been stipulated by you in the said Contract that the Contractor shall furnish you with a Bank Guarantee by a recognized bank for the sum specified therein as security for compliance with his obligations in accordance with the Contract;

AND WHEREAS we have agreed to give the Contractor such a Bank Guarantee;

NOW THEREFORE we hereby affirm that we are the Guarantor and responsible to you, on behalf of the Contractor, up to a total of ____________________ [amount of guarantee] 1 such sum being payable in the types and proportions of currencies in which the Contract Price is payable, and we undertake to pay you, upon your first written demand and without cavil or argument, any sum or sums within the limits of ____________________ [amount of guarantee]1 as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the Contractor before presenting us with the demand.

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

This guarantee shall be valid until ……… (i.e.) 28 days from the date of expiry of the Defects Liability Period.

Signature and seal of the guarantor __________________________________________
Name of Bank __________________________________________
Address __________________________________________
Date __________________________________________

1 An amount shall be inserted by the Guarantor, representing the percentage of the Contract Price specified in the Contract and denominated in Indian Rupees.
PERFORMANCE BANK GUARANTEE (for unbalanced items)

To: __________________________________________ [name of Employer]
    __________________________________________ [address of Employer]

WHEREAS _________________________ [name and address of Contractor]
(hereinafter called "the Contractor") has undertaken, in pursuance of Contract No. _____ dated
________________ to execute __________________________ [name of Contract and brief
description of Works] (hereinafter called "the Contract");

AND WHEREAS it has been stipulated by you in the said Contract that the Contractor
shall furnish you with a Bank Guarantee by a recognized bank for the sum specified therein as
security for compliance with his obligations in accordance with the Contract;

AND WHEREAS we have agreed to give the Contractor such a Bank Guarantee;

NOW THEREFORE we hereby affirm that we are the Guarantor and responsible to you,
on behalf of the Contractor, up to a total of ____________________ [amount of guarantee]
in words, such sum being payable in the types and proportions of currencies in which the Contract Price is payable, and we undertake to pay you,
upon your first written demand and without cavil or argument, any sum or sums within the limits
of ____________________ [amount of guarantee]1 as aforesaid without your needing to prove
or to show grounds or reasons for your demand for the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the Contractor
before presenting us with the demand.

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

This guarantee shall be valid until .......... (i.e.) 28 days from the date of issue of the
certificate of completion of works.

________________________________________
Signature and seal of the guarantor

________________________________________
Name of Bank

________________________________________
Address

________________________________________
Date

1 An amount shall be inserted by the Guarantor, representing additional security for
unbalanced Bids, if any and denominated in Indian Rupees.
BANK GUARANTEE FOR ADVANCE PAYMENT

To: ____________________________________________ [name of Employer]
    ____________________________________________ [address of Employer]
    ____________________________________________ [name of Contract]

Gentlemen:

   In accordance with the provisions of the Conditions of Contract, subclause 51.1
   ("Advance Payment") of the above-mentioned Contract, _______________________
   [name and address of Contractor] (hereinafter called "the Contractor") shall deposit with
   ____________________________________________ [name of Employer] a bank guarantee to guarantee his proper and
   faithful performance under the said Clause of the Contract in an amount of _____________
   [amount of guarantee] \[in words\].

   We, the __________________________ [bank or financial institution], as instructed by the
   Contractor, agree unconditionally and irrevocably to guarantee as primary obligor and not as
   Surety merely, the payment to ____________________________________________ [name of Employer] on his first demand
   without whatsoever right of objection on our part and without his first claim to the Contractor, in
   the amount not exceeding _________________ [amount of guarantee] \[in words\].

   We further agree that no change or addition to or other modification of the terms of the
   Contract or of Works to be performed thereunder or of any of the Contract documents which may
   be made between ____________________________________________ [name of Employer] and the Contractor, shall in any
   way release us from any liability under this guarantee, and we hereby waive notice of any such
   change, addition or modification.

   This guarantee shall remain valid and in full effect from the date of the advance payment
   under the Contract until ____________________________________________ [name of Employer] receives full
   repayment of the same amount from the Contractor.

Yours truly,

   Signature and seal: ____________________________________________
   Name of Bank/Financial Institution: ___________________________
   Address: ___________________________________________________
   Date: ______________________

   \[An amount shall be inserted by the bank representing the amount of the Advance Payment,
   and denominated in Indian Rupees.\]
NCB – Civil Works – Document W-2 [Amendments for Joint Ventures]

In NCB contracts where it is proposed to permit JV [in the case of high value or specialized/complex works], the following corrections are to be incorporated in W-2

1. Instructions to Bidders

A. Insert Clause 4.4 as under :

4.4 Bids submitted by a joint venture of two or more firms as partners shall comply with the following requirements :

[a] the bid shall include all the information listed in Sub-clause 4.3 above;

[b] the bid and, in case of a successful bid, the Agreement, shall be signed so as to be legally binding on all partners;

[c] one of the 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 partners;

[d] the partner in charge shall be authorized to incur liabilities and receive instructions for and on behalf of any and all partners of the joint venture and the entire execution of the contract, including payment, shall be done exclusively with the partner in charge;

[e] all partners of the joint venture shall be liable jointly and severally for the execution of the contract in accordance with the contract terms, and a statement to this effect shall be included in the authorization mentioned under [c] above, as well as in the bid and in the Agreement [in case of a successful bid];

[f] The joint venture agreement should indicate precisely the role of all members of JV in respect of planning, design, construction equipment, key personnel, work execution, and financing of the project. All members of JV should have active participation in execution during the currency of the contract. This should not be varied/modified subsequently without prior approval of the employer;

[g] The joint venture agreement should be registered in ……….* so as to be legally valid and binding on partners; and

[h] a copy of the Joint Venture Agreement entered into by the partners shall be submitted with the bid. Alternatively, a Letter of Intent to execute a joint Venture Agreement in the event of a successful bid shall be signed by all partners and submitted with the bid, together with a copy of the proposed Agreement.

[* Fill in the name of the city where contract agreement is to be signed]
B. **Substitute Clause 4.6 as under:**

4.6 The figures for each of the partners of a joint venture shall be added together to determine the Bidder’s compliance with the minimum qualifying criteria of Sub-clause 4.5. However, for a joint venture to qualify, each of its partners must meet at least 50 percent of the minimum criteria set in Sub-clause 4.5 above and all the partners collectively must meet the criteria specified in Sub-clause 4.5 above in full. Failure to comply with this requirement will result in rejection of the joint venture’s bid.

Sub-contractor’s experience and resources will not be taken into account in determining the Bidder’s compliance with the qualifying criteria, except to the extent stated in Clause 4.5 [A] above.

C. **In Sub-clause 5.1, insert words ‘either individually or as a partner in a Joint Venture’, at the end of the first sentence in Line 1.**

D. **In sub-clause 16.3, add the following at the end:**

‘The bid security of a joint venture must define as ‘bidder’ all joint venture partners and list them in the following manner: a joint venture consisting of ‘……’, ‘………’, and ‘………’.

E. **In sub-clause 34.2, add the following at the end:**

‘The performance security of a Joint Venture shall be in the name of the joint venture.’

2. **Qualification Information**

Insert Clause 2 as under:

‘2. Joint Ventures

2.1 The information listed in 1.1-1.12 above shall be provided for each partner of the joint venture.

2.2 The information in 1.13 above shall be provided for the joint venture.

2.3 Attach the power of attorney of the signatory[ies] of the bid authorizing signature of the bid on behalf of the joint venture.

2.4 Attach the agreement among all partners of the joint venture [and which is legally binding on all partners], which shows the requirements as indicated in sub-clause 4.4 of the Instructions to Bidders’. Alternatively, a Letter of Intent to execute a Joint Venture Agreement in the event of a successful bid shall be signed by all partners and submitted with the bid, together with a copy of the proposed Agreement.

2.5 Furnish details of participation proposed in the joint venture as below:
## DETAILS OF PARTICIPATION IN THE JOINT VENTURE

<table>
<thead>
<tr>
<th>PARTICIPATION DETAILS</th>
<th>FIRM ‘A’ (Lead Partner)</th>
<th>FIRM ‘B’</th>
<th>FIRM ‘C’</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name of the Banker(s)</td>
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<tr>
<td>Planning</td>
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<tr>
<td>Construction Equipment</td>
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<tr>
<td>Key Personnel</td>
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<td></td>
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<tr>
<td>Execution of Work</td>
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<td></td>
</tr>
</tbody>
</table>

(Give details on contribution of each)
3. **General Conditions of Contract**

   - In sub-clause 51.1, add the following at the end:
     
     ‘The bank guarantee of a joint venture shall be in the name of the joint venture’.

   - In sub-clause 52.1, add the following at the end:
     
     ‘The performance security of a joint venture shall be in the name of the joint venture’.

   - In sub-clause 59.2 add the following after sub-clause (h)
     
     (i) “The contractor (in case of joint venture) has modified the composition of the joint venture and/or the responsibility of each member of the joint venture from what is stated in joint venture agreement without prior approval of the Employer”.

4. **Agreement Form**

   In para (4) insert (x) as additional item

   (x) Joint Venture Agreement.
SECTION XI

Proforma for Performance Statement (for a period of last three/five years)

[Please see Clause 13.3 (b) (ii) of Instructions to Bidders]

Bid No. _______________ Date of opening _______________ Time ___________ Hours

Name of the Firm

<table>
<thead>
<tr>
<th>Order placed by (full address of Purchaser)</th>
<th>Order No. and date</th>
<th>Description and quantity of ordered equipment</th>
<th>Value of order</th>
<th>Date of completion of delivery</th>
<th>Remarks indicating reasons for late delivery, if any</th>
<th>Has the equipment been satisfactorily functioning? (Attach a certificate from the Purchaser/Consignee)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>

Signature and seal of the Bidder

__________________________________________________________________________________
## PRICE SCHEDULE

<table>
<thead>
<tr>
<th>Schedule No.</th>
<th>Item Description</th>
<th>Country of Origin</th>
<th>Quantity</th>
<th>Price for each unit</th>
<th>Unit Price</th>
<th>Total Price</th>
<th>Sales &amp; Excise Duties</th>
<th>Packing &amp; Forwarding Charges</th>
<th>Inland Excise Duty</th>
<th>Incidental Services</th>
<th>Other Taxes</th>
<th>Contract is awarded</th>
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</thead>
<tbody>
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### Note:

- Total bid price in Rs.
- In case of discrepancy between unit price and total price, the unit price shall prevail.
- Signature of Bidder

<table>
<thead>
<tr>
<th>(a)</th>
<th>(b)</th>
<th>(c)</th>
<th>(d)</th>
<th>(e)</th>
<th>a+b+c+d+e</th>
<th>4 x 6</th>
</tr>
</thead>
</table>

### Signature of Bidder

- Name
- Business address

Place: [Signature]

Date: