



**ISLAMIC REPUBLIC OF AFGHANISTAN
DA AFGHANISTAN BRESHNA SHERKAT (DABS)**

**INTERNATIONAL COMPETITIVE BIDDING FOR
PROCUREMENT OF PLANT**

**BIDDING DOCUMENT FOR DESIGN, SUPPLY, INSTALLATION,
TESTING, AND COMMISSIONING
Of
SEPS Completion 110kV Transmission Lines in One
Lot**

RFP No. : NPA/DABS/1394/ICB/W-1128

**RFP Title: SEPS Completion 110kV Transmission Lines in
One Lot**

AFG No.: 830021

DATE: March 27, 2016

SEPS Completion 110kV Transmission Lines in One Lot

INVITATION

INTERNATIONAL COMPETITIVE BIDDING

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1. Da Afghanistan Breshna Sherkat (DABS), Islamic Republic of Afghanistan has received funding from the United States Agency for International Development (USAID) for the completion of a 110kV Transmission Lines system under the Southeast Power System (SEPS) Completion Project. The project is expected to be executed in one lot.
2. DABS ("the Employer"), is inviting sealed bids from eligible bidders for the engineering, procurement and construction of the 110kV Transmission Lines system, in one lot. Bids should cover all incidental expenses thereto as described in Section 4, Section 6 and elsewhere in this RFP and as noted below:

Lot #	Item	Place/Places of Delivery	Description	Bid Security (USD)
Lot 1	1	Kandahar Province, Afghanistan	Kandahar East to Kandahar Breshna Kot and on to Pushmul and Maiwand Transmission Line	USD 400,000.00
	2	Kandahar Province, Afghanistan	Breshna Kot Transmission Line Tap	
	3	Kandahar Province, Afghanistan	Pushmul Transmission Line Tap	
	4	Kandahar Province, Afghanistan	Maiwand Transmission Line Tap	
	5	Helmand Province, Afghanistan	Sangin North Transmission Line Tap	
	6	Helmand Province, Afghanistan	Sangin North Transmission Line to Kajaki Switchyard	

3. The estimated price of this bid is in the range USD 20 million. This estimated price is inclusive of security costs. This estimated price includes a contingency of USD 1 million. This estimated price is for five fully functional transmission lines that fulfill the requirements of the bid documents. See Section 2, ITB 18.1, page 2-4.
4. Time to complete the plant and services from the effective date specified in Article 3 of the Contract Agreement for determining time for completion of pre-commissioning activities is 20 months (expected six (6) months for design and preliminary procurement and expected 14 months for construction and pre-commissioning; bidder to determine their own schedule, but the time to complete is set by these bidding documents). Bids offering time for completion in excess of these specified time requirements shall be rejected. See, also, Section 3 Evaluation and Qualification Criteria, Paragraph 1.2.2 Time Schedule, page 3-2.
5. Bidders shall quote for the full quantity of goods and construction services specified under each lot on a single responsibility basis. All quotes shall be inclusive of the security costs. Bids that are not compliant with the terms of this RFP will be considered non-responsive and will not be eligible for consideration for award.

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6. Section 5: The Grantor Requirements of the RFP provide guidance on available tax exemptions for USAID-financed projects. Available tax exemptions include, in summary: an exemption for (1) taxes on income; profits or property of all non-Afghan organizations, on non-Afghan employees of both Afghan and non-Afghan organizations, and on non-Afghan individual contractors and grantees; including social security taxes and taxes on the property, personal or real, owned by non-Afghan organizations or persons and (2) customs duties; import taxes and other levies on all goods and equipment imported by both Afghan and non-Afghan contractors for use on the project. The Grantor Requirements section also contains other important limitations on the goods and services that can be financed by USAID. **All bidders are advised to review Section 5 in detail.**
7. Bidding will be conducted through the International Competitive Bidding (ICB) procedure specified in the Public Procurement Law and Circulars, and is open to all Bidders from Eligible Source Countries as defined in the Guidelines.
8. Interested eligible bidders may obtain further information from the below mentioned address and also from the Procurement Unit, DABS and may inspect the bidding documents at the address given below from 9:00 hours to 15:00 hours on any working day from Saturday to Wednesday.
9. A complete set of bidding Documents in English may be obtained by interested bidders by contacting at e-mail address shekiba.hajizada@aop.gov.af, zabihulrahman.rahmani@aop.gov.af and copy to tenders.dabs@dabs.af. Standard Bidding (RFP) Documents in English are available for free download in electronic data room hosted by NPA and DABS which are www.npa.gov.af and www.dabs.af. Requests for access to the electronic data should be sent to the following email address - shekiba.hajizada@aop.gov.af, zabihulrahman.rahmani@aop.gov.af and tenders.dabs@dabs.af –stating the name and address of party making the request. The clarifications and amendments if any will also be posted in the PDF format for free download in the same websites. Bidders are urged to regularly check the NPA and DABS procurement website for RFI responses, possible amendments, pre bid meeting schedule and other tenders announcements.
10. A non-mandatory pre-bid meeting will be held at **10:00 Hours** (local time) on **April 11, 2016** at the NPA Headquarters in Kabul at the address below. All interested bidders are encouraged to attend. Interested bidders should monitor the NPA website (www.npa.gov.af) and DABS Procurement website (www.dabs.af) for possible change of venue, date and/or time of this pre-bid meeting. The next day there will be a tour of the DABS storage facilities in Kandahar where the government furnished equipment is stored. The ACSR is the GFE for this transmission line project.
11. Bids must be delivered to the address below at or before **10:00 Hours** (local time) **April 30, 2016**. Electronic bids will not be permitted. Late bids will be rejected. Bids will be opened immediately after the deadline of bid submission, at the same place of bid submission in the presence of the bidders' representatives who choose to attend in person.
12. All bids must be accompanied by a Bid Security in the amount specified under Paragraph 2 above that will remain valid for 28 days over and above the validity period of the bids, that is, the bid security is to be valid for 148 days (**i.e. up to September 28, 2016**). A Bid Security Declaration is not acceptable. Copies of the Bid Security documentation shall be included in the original and in the copies of the Technical Bid packages. The original Bid Security document shall accompany the original Technical Bid package.
13. The address (es) referred to above is (are):

Pashtonistan wat,
Geodesy & Cartography Authority,
First Floor
Conference Room of National Procurement Authority
City: Kabul City, District 2
Country: Afghanistan
Telephone: +93 020 2101752

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PART I BIDDING PROCEDURES

Section 1 - Instructions to Bidders

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Section 1 - Instructions to Bidders

A. General

- 1. Scope of Bid**
- 1.1 In connection with the Invitation for Bids indicated in the Bid Data Sheet (BDS), the Employer, as indicated in the BDS, issues this Bidding Document for the procurement of plant and services as specified in Section 6 (Employer's Requirements). The name, identification, and number of lots (contracts) of the International Competitive Bidding (ICB) are provided in the BDS.
- 1.2 Unless otherwise stated, throughout this Proposal, definitions and interpretations shall be as prescribed in Section 7 (General Conditions of Contract).
- 2. Source of Funds**
- 2.1 DABS ("the Employer") has received funding from USAID for the completion of the 110 kV Transmission Lines under the Southeast Power Systems (SEPS) completion project. The bidding is expected to be done in one lot.
- 2.2 The Employer guarantees that adequate public funds have been budgeted and allotted and are also available for managing the procurement proceedings toward the cost of the project. The Employer intends to apply a portion of the public funds to eligible payments under the contract for which this Bidding Documents are issued.
- 2.3 The Employer guarantees that adequate public funds are available. For the purpose of this provision, "PUBLIC FUNDS" defines any monetary resources appropriated to procuring entities under Government budget. This also includes revenues generated by statutory bodies and corporations or aid grants and credits put at the disposal of procuring entities by the development partners through the Government.
- 3. Corrupt Practices**
- 3.1 It is the Government of the Islamic Republic of Afghanistan's policy to require that Purchasers as well as Bidders, Suppliers, and Contractors and their subcontractors under Government-financed contracts, observe the highest standard of ethics during the procurement and execution of such contracts¹. In pursuance of this policy, the Government:
- (a) Defines, for the purpose of this provision, the terms set forth as follows:
- (i) "CORRUPT PRACTICE" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party²;
- (ii) "FRAUDULENT PRACTICE" is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party³ to obtain a financial or other benefit or to avoid an obligation;

¹In 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 Government staff and employees of other organizations taking or reviewing procurement decisions.

³A "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 contract execution.

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- (iii) "COLLUSIVE PRACTICE" is an arrangement between two or more parties⁴ designed to achieve an improper purpose, including to influence improperly the actions of another party;
 - (iv) "COERCIVE PRACTICE" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party⁵ or the property of the party to influence improperly the actions of a party;
 - (v) "OBSTRUCTIVE PRACTICE" is
 - I. Deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Government 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,
 - II. Acts intended to materially impede the exercise of the Government's inspection and audit rights provided for under sub-clause 3.1(e) below.
 - (b) Will reject a proposal for award if it determines that the Bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for the contract in question;
 - (c) Will sanction and prosecute any procurement official if it is found at any time that representative of the procuring entity engaged in corrupt, fraudulent, collusive; coercive or obstructive practices during the procurement or the execution of the contract, without the procuring entity having taken timely and appropriate action satisfactory to the Government to address such practices when they occur;
 - (d) Will sanction a firm or individual, including declaring ineligible, either indefinitely or for a stated period of time, to be awarded a Government of Afghanistan (GOA) financed contract if it at any time determines that the firm has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a GOA financed contract; and
 - (e) Will have the right to require that a provision be included in bidding documents and in contracts financed by the GOA, requiring Bidders, suppliers, and contractors and their sub-contractors to permit the Government 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 Government.
- 3.2 Furthermore, the Bidder shall be aware of the provision stated in the Conditions of Contract (GCC 42.2.1(c)).

⁴ "PARTIES" refers to participants in the procurement process (including 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.

- 4. Eligible Bidder**
- 4.1 A Bidder, and all parties constituting the Bidder, may have the nationality of any country as **specified in the BDS**. A Bidder shall be deemed to have the nationality of a country if the Bidder is a citizen or is constituted, incorporated, or registered and operates in conformity with the provisions of the laws of that country. This criterion shall also apply to the determination of the nationality of proposed subcontractors.
- 4.2 A Bidder shall not have a conflict of interest. All Bidders found to have conflict of interest shall be disqualified. Bidders may be considered to have a conflict of interest with one or more parties in this bidding process, if they are affiliated, 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, or any individual that has been engaged by the Procuring Entity to provide consulting services for the preparation or supervision of the Works and any of its affiliates **shall not be eligible to bid**.
- 4.3 A Bidder that is under a declaration of ineligibility by the GOA in accordance with ITB Clause 3, at the date of contract award, shall not be eligible to be awarded a contract. The list of such debarred firms is available at the electronic address **specified in the BDS**.
- 4.4 Government-owned enterprises may be eligible only if they can establish that they do not have conflict of interest.
- 4.5 Bidders shall provide such evidence of their continued eligibility satisfactory to the Employer, as the Employer shall reasonably request.
- 5. Eligible Plant and Services**
- 5.1 The plant and services to be supplied under the Contract shall have their origin in eligible source countries as defined in ITB 4.3 above and all expenditures under the Contract will be limited to such plant and services.
- 5.2 For purposes of ITB 5.1 above, "origin" means the place where the plant, or component parts thereof are mined, grown, produced or manufactured, and from which the services are provided. Plant components are produced when, through manufacturing, processing, or substantial or major assembling of components, a commercially recognized product results that is substantially in its basic characteristics or in purpose or utility from its components.
- B. Contents of Bid**
- 6. Sections of Bidding Document**
- 6.1. The Bidding Document consists of Parts 1, 2, and 3; which include all the Sections indicated below, and should be read in conjunction with any Addenda issued in accordance with ITB 8.
- PART I Procedures**
- Section 1 - Instructions to Bidder (ITB)
 - Section 2 - Bid Data Sheet (BDS)
 - Section 3 - Evaluation and Qualification Criteria (EQC)
 - Section 4 – Bidding Forms (BDF)

Section 5 –Grantor Requirements

PART II Requirements

Section 6 - Employer's Requirements (ERQ)

PART III Conditions of Contract and Contract Forms

Section 7 - General Conditions of Contract (GCC)

Section 8 - Special Conditions of Contract (SCC)

Section 9 - Contract Forms (COF)

- 6.2. The Invitation for Proposal issued by the Employer is not part of the Proposal.
- 6.3. The Employer is not responsible for the completeness of the Bidding Document and its addenda, if they were not obtained directly from the source stated by the Employer in the Invitation for Bids.
- 6.4. The Bidder is expected to examine all instructions, forms, terms, and specifications in the Bidding Document. Failure to furnish all information or documentation required by the Bidding Document may result in the rejection of the Proposal.

7. Clarification of Bidding Document, Site Visit, Pre-Bid Meeting

- 7.1. A prospective Bidder requiring any clarification of the Bidding Document shall contact the Employer in writing at the Employer's address indicated in the BDS or raise his inquiries during the pre-bid meeting if provided for in accordance with ITB 7.4. The Employer will respond to any request for clarification, provided that such request is received no later than twenty-one (21) days prior to the deadline for submission of bids. The Employer's response shall be in writing with copies to all Bidders who have acquired the Bidding Document in accordance with ITB 6.3, including a description of the inquiry but without identifying its source. Should the Employer deem it necessary to amend the Bidding Document as a result of a request for clarification, it shall do so following the procedure under ITB 8 and ITB 24.2.
- 7.2. The Bidder is advised to visit and examine the site where the plant is to be installed and its surroundings and obtain for itself on its own responsibility all information that may be necessary for preparing the Bid and entering into a contract for the provision of plant and services. The costs of visiting the site shall be at the Bidder's own expense. The Employer is in no way responsible for any differences in the information provided in the Bidding document with that of the ground reality, which may arise on account of the Contractor's scope after submission of the Bid.
- 7.3. The Bidder and any of its personnel or agents will be granted permission by the Employer to enter upon its premises and lands for the purpose of such visit, but only upon the express condition that the Bidder, its personnel, and agents will release and indemnify the Employer and its personnel and agents from and against all liability in respect thereof and the Bidder will be responsible for the death or personal injury, loss of or damage to property, and any other loss, damage, costs, and expenses incurred as a result of the inspection.
- 7.4. The Bidder's designated representative is invited to attend a pre-bid

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meeting, if provided for in the BDS. The purpose of the meeting will be to clarify issues and to answer questions relevant to preparation of the bids.

- 7.5. The Bidder is requested, as far as possible, to submit any questions in writing, to reach the Employer not later than one week before the pre-bid meeting.
- 7.6. Minutes of the pre-bid meeting, including the text of the questions raised, without identifying the source, and the responses given, together with any responses prepared after the meeting, will be transmitted promptly to all Bidders who have acquired the Bidding Document in accordance with ITB 6.3. Any modification to the Bidding Document that 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 ITB 8 and not through the minutes of the pre-bid meeting.
- 7.7. Nonattendance at the pre-bid meeting will not be a cause for disqualification of a Bidder.

8. Amendment of Bidding Document

- 8.1. At any time prior to the deadline for submission of Bids, the Employer may amend the Bidding document by issuing an addendum.
- 8.2. Any addendum issued shall be part of the Bidding Document and shall be communicated in writing to all who have obtained the Bidding Document from the Employer in accordance with ITB 6.3.
- 8.3. To give prospective Bidders reasonable time in which to consider an addendum in preparing the Bids, the Employer may, at its discretion, extend the deadline for the submission of bids, pursuant to ITB 24.2.

C. Preparation of Bid

9. Cost of Bidding

- 9.1. The Bidder shall bear all costs associated with the preparation and submission of its Bid, and the Employer shall not be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

10. Language of Bid

- 10.1. The Bid, as well as all correspondence and documents relating to the bid exchanged by the Bidder and the Employer, shall be written in the English language. Supporting documents and printed literature that are part of the Bid may be in another language provided they are accompanied by an accurate translation of the relevant passages into the English language, in which case, for purposes of interpretation of the Bid, such translation shall govern.

11. Documents Comprising the Bid

- 11.1. The Bid shall be comprised of two envelopes submitted simultaneously, one called the Technical Bid containing the documents listed in ITB 11.2 and the other the Price Bid containing the documents listed in ITB 11.3, both envelopes enclosed together in an outer single envelope.
- 11.2. The Technical Bid submitted by the Bidder shall comprise the following:
 - (a) Letter of Technical Bid;
 - (b) Bid Security or Bid Securing Declaration, in accordance with ITB 21;
 - (c) Alternative bids, if permissible, in accordance with ITB 13;
 - (d) Written confirmation authorizing the signatory of the Bid to commit

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the Bidder, in accordance with ITB 22.2;

- (e) Documentary evidence establishing in accordance with ITB 14.1 that the plant and services offered by the Bidder in its bid or in any alternative bid, if permitted, are eligible;
- (f) Documentary evidence in accordance with ITB 15 establishing the Bidder's eligibility and qualifications to perform the contract if its Bid is accepted;
- (g) Technical Proposal in accordance with ITB 17;
- (h) Documentary evidence establishing in accordance with ITB 16 that the plant and services offered by the Bidder conform to the Bidding Document;
- (i) In the case of a bid submitted by a JV, JV agreement, or letter of intent to enter into a JV including a draft agreement, indicating at least the parts of the Plant to be executed by the respective partners;
- (j) List of subcontractors, in accordance with ITB 17.2; and
- (k) Any other document required in the BDS.

11.3. The Price Bid submitted by the Bidder shall comprise the following:

- (a) Letter of Price Bid;
- (b) Completed schedules as required, including Price Schedules, in accordance with ITB 12 and 18;
- (c) Alternative price bids, if permissible, in accordance with ITB 13; and,
- (d) Any other document required in the BDS

12. Letter of Bid and Schedules

12.1. The Letters of Technical Bid and Price Bid, and the Schedules, and all documents listed under ITB 11, shall be prepared using the relevant forms furnished in Section 4 (Bidding Forms). The forms must be completed without any alterations to the text, and no substitutes shall be accepted. All blank spaces shall be filled in with the information requested.

13. Alternative Bids

13.1. Unless otherwise indicated in the BDS, alternative bids shall not be considered. If they are allowed, the BDS will also indicate whether they are permitted in accordance with ITB 13.3, or invited in accordance with ITB 13.2 and/or ITB 13.4.

13.2. When alternatives to the Time Schedule are explicitly invited, a statement to that effect will be included in the BDS, and the method of evaluating different time schedules will be described in Section 3 (Evaluation and Qualification Criteria).

13.3. Except as provided under ITB 13.4 below, Bidders wishing to offer technical alternatives to the Employer's requirements as described in the bidding document must also provide: (i) a price at which they are prepared to offer a plant meeting the Employer's requirements; and (ii) all information necessary for a complete evaluation of the alternatives by the Employer, including drawings, design calculations, technical specifications, breakdown of prices, and proposed installation methodology and other relevant details. Only the technical alternatives, if any, of the lowest evaluated Bidder conforming to the basic technical requirements shall be considered by the Employer.

13.4. When bidders are invited in the BDS to submit alternative technical solutions for specified parts of the facilities, such parts shall be

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- described in Section 6 (Employer's Requirements). Technical alternatives for the specific parts of the facilities that comply with the performance and technical criteria specified for the plant and services shall be considered by the Employer on their own merits, pursuant to ITB 32.
- 14. Documents Establishing the Eligibility of Plant and Services**
- 14.1. To establish the eligibility of the plant and services in accordance with ITB Clause 5, the Bidders shall complete the country of origin declarations in the Price Schedule Forms, included in Section 4 (Bidding Forms).
- 15. Documents Establishing the Eligibility and Qualifications of the Bidder**
- 15.1. To establish its eligibility and qualifications to perform the Contract in accordance with Section 3 (Evaluation and Qualification Criteria), the Bidder shall provide the information requested in the corresponding information sheets included in Section 4 (Bidding Forms).
- 15.2. Domestic Bidders, individually or in joint ventures, applying for eligibility for domestic preference shall supply all information required to satisfy the criteria for eligibility as described in ITB 38.
- 16. Documents Establishing Conformity of the Plant and Services**
- 16.1. The documentary evidence of the conformity of the plant and services to the Bidding Document may be in the form of literature, drawings and data, and shall furnish:
- (a) A detailed description of the essential technical and performance characteristics of the plant and services, including the functional guarantees of the proposed plant and services, in response to the Specification;
 - (b) A list giving full particulars, including available sources, of all spare parts, special tools, etc., necessary for the proper and continuing functioning of the plant for the period named in the BDS, following completion of plant and services in accordance with provisions of contract; and,
 - (c) A commentary on the Employer's Specification and adequate evidence demonstrating the substantial responsiveness of the plant and services to those specifications. Bidders shall note that standards for workmanship, materials and equipment designated by the Employer in the Bidding Document are intended to be descriptive (establishing standards of quality and performance) only and not restrictive. The Bidder may substitute alternative standards, brand names and/or catalog numbers in its Bid, provided that it demonstrates to the Employer's satisfaction that the substitutions are substantially equivalent or superior to the standards designated in the Specification.
- 16.2. In order to facilitate evaluation of Technical Bids, deviations, if any, from the terms and conditions or Specification shall be listed as indicated in ITB 18.2.
- 17. Technical Proposal, Subcontractors**
- 17.1. The Bidder shall furnish a Technical Proposal including a statement of work methods, equipment, personnel, schedule, and any other information as stipulated in Section 4 (Bidding Forms), in sufficient detail to demonstrate the adequacy of the Bidder's proposal to meet the work requirements and the completion time.
- 17.2. For major items of plant and services as listed by the Employer in Section 3 (Evaluation and Qualification Criteria), which the Bidder intends to purchase or subcontract, the Bidder shall give details of the name and nationality of the proposed Subcontractors, including

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manufacturers, for each of those items. In addition, the Bidder shall include in its bid information establishing compliance with the requirements specified by the Employer for these items. Bidders are free to list more than one Subcontractor against each item of the plant and services. Quoted rates and prices will be deemed to apply to whichever Subcontractor is appointed, and no adjustment of the rates and prices will be permitted.

- 17.3. The Bidder shall be responsible for ensuring that any Subcontractor proposed complies with the requirements of ITB 4, and that any plant, or services to be provided by the Subcontractor comply with the requirements of ITB 5 and ITB 15.1

18. Bid Prices and Discounts

- 18.1. Unless otherwise specified in the BDS or Section 6 (Employer's Requirements), bidders shall quote for the entire plant and services on a "single responsibility" basis such that the total bid price covers all the Contractor's obligations mentioned in or to be reasonably inferred from the bidding document in respect of the design, manufacture, including procurement and subcontracting (if any), delivery, construction, installation and completion of the plant. See Bidders Forms – Section 4 This includes all requirements under the Contractor's responsibilities for testing, pre-commissioning and commissioning of the plant and, where so required by the bidding document, the acquisition of all permits, approvals and licenses, etc.; the operation, maintenance and training services and such other items and services as may be specified in the Bidding Document, all in accordance with the requirements of the General Conditions. Items against which no price is entered by the Bidder will not be paid for by the Employer when executed and shall be deemed to be covered by the prices for other items.
- 18.2. Bidders are required to quote the price for the commercial, contractual, and technical obligations outlined in the bidding document. If a Bidder wishes to make a deviation, such deviation shall be listed in the relevant form in Section 4 (Bidding Forms). The Bidder shall also provide the additional price if any, for withdrawal of the deviation.
- 18.3. Bidders shall give a breakdown of the prices in the manner and detail called for in the Price Schedules included in Section 4 (Bidding Forms). Where no different Price Schedules are included in the Bidding Document, bidders shall present their prices in the following manner: separate numbered Schedules included in Section 4 (Bidding Forms) shall be used for each of the following elements. The total amount from each Schedule shall be summarized in a Grand Summary giving the total bid price(s) to be entered in the Bid Form. See Section No. 4 for details.
- 18.4. The current edition of Incoterms, published by the International Chamber of Commerce shall govern.
- 18.5. The prices shall be either fixed or adjustable as specified in the BDS.
- (a) In the case of 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.
- (b) In the case of Adjustable Price, prices quoted by the Bidder shall be subject to adjustment during performance of the contract to reflect changes in the cost elements such as labor, material, transport and contractor's equipment in accordance with the procedures specified in the corresponding Appendix to the Contract Agreement. A bid submitted with a fixed price quotation

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- will not be rejected, but the price adjustment will be treated as zero. The Bidders are required to indicate the source of labor and material indices in the corresponding Form in Section 4 (Bidding Forms).
- 18.6. If so indicated in BDS 1.1, bids are being invited for individual lots (contracts) or for any combination of lots (packages). Bidders wishing to offer any price reduction (discount) for the award of more than one contract shall specify in their Letter of Price Bid the price reductions applicable to each package, or alternatively, to individual contracts within the package, and the manner in which the price reductions will apply.
- 19. Currencies of Bid and Payment**
- 19.1. The currency (ies) of the Bid shall be, as specified in the BDS.
- 19.2. The Bidder shall indicate in the Schedule of Prices and the Letter of Bid price as detailed in Schedule No. 4 that corresponds to expenditures incurred in the currency of the Employer's country.
- 19.3. The Bidder expecting to incur expenditures in other currencies for inputs to the Facilities supplied from outside the Employer's country and wishing to be paid accordingly, may indicate in the Schedule of Prices and the Letter of Bid up to three foreign currencies of their choice.
- 20. Period of Validity of Bids**
- 20.1. Bids shall remain valid for the period specified in the BDS after the bid submission deadline date prescribed by the Employer. A bid valid for a shorter period shall be rejected by the Employer as non-responsive.
- 20.2. In exceptional circumstances, prior to the expiration of the bid validity period, the Employer may request Bidders to extend the period of validity of their bids. The request and the responses shall be made in writing. If a bid security is requested in accordance with ITB 21, it shall also be extended for a corresponding period. A Bidder may refuse the request without forfeiting its bid security. A Bidder granting the request shall not be required or permitted to modify its bid.
- 21. Bid Security**
- 21.1. Unless otherwise specified in the BDS, **the Bidder shall furnish as part of its bid, in original form**, either a Bid Securing Declaration or a bid security as specified in the BDS. In the case of a bid security, the amount shall be as specified in the BDS.
- 21.2. The bid security shall be a demand guarantee, at the Bidder's option, in any of the following forms:
- (a) An unconditional bank guarantee; or
 - (b) An irrevocable letter of credit; or
 - (c) A cashier's or certified check;
- All from a reputable source from an eligible country. If the institution issuing the bid security furnished by the Bidder is located outside the Employer's country, the issuer shall have a correspondent financial institution located in the Employer's country to make it enforceable. In the case of a bank guarantee, the bid security shall be submitted either using the Bid Security Form included in Section 4 (Bidding Forms) or another form acceptable to the Employer. The form must include the complete name of the Bidder. **The bid security shall be valid for twenty-eight days (28) beyond the original validity period of the bid, or beyond any period of extension if requested under ITB 20.2.**
- 21.3. Any bid not complying with ITB 21.1 and ITB 21.2, shall be rejected by

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the Employer as non-responsive.

- 21.4. If a bid security is specified pursuant to ITB 21.1, the bid security of the successful Bidder shall be returned as promptly as possible once the successful Bidder has signed the Contract and furnished the required performance security.
- 21.5. If a bid security is specified pursuant to ITB 21.1, the bid security of unsuccessful Bidders shall be returned as promptly as possible upon the successful Bidder's furnishing of the performance security pursuant to ITB 43.
- 21.6. The bid security may be forfeited:
 - (a) If a Bidder withdraws its bid during the period of bid validity specified by the Bidder on the Letter of Bid Form, except as provided in ITB 20.2; or
 - (b) If the successful Bidder fails to:
 - (i) Sign the Contract in accordance with ITB 42;
 - (ii) furnish a performance security in accordance with ITB 43; or
 - (iii) Furnish a domestic preference security if so required.
- 21.7. The Bid Security of a JV shall be in the name of the JV that submits the bid. If the JV has not been legally constituted at the time of bidding, the Bid Security shall be in the names of all future partners as named in the letter of intent referred to in ITB 4.1.
- 21.8. If a bid securing declaration is executed in accordance with ITB 20.7, the Employer will declare the Bidder ineligible to be awarded a contract by the Employer for the period of time stated in the Form of Bid Securing Declaration.

22. Format and Signing of Bid

- 22.1. The Bidder shall prepare one original of the Technical Bid and one original of the Price Bid comprising the Bid as described in ITB 11 and clearly mark it "ORIGINAL – TECHNICAL BID" and "ORIGINAL – PRICE BID". Alternative bids, if permitted in accordance with ITB 13, shall be clearly marked "ALTERNATIVE". In addition, the Bidder shall submit copies of the bid, in the number specified in the BDS and clearly mark each of them "COPY." In the event of any discrepancy between the original and the copies, the original shall prevail.
- 22.2. The original and all copies of the Bid shall be typed or written in indelible ink and shall be signed by a person duly authorized to sign on behalf of the Bidder. This authorization shall consist of a written confirmation as specified in the BDS and shall be attached to the bid. The name and position held by each person signing the authorization must be typed or printed below the signature. All pages of the bid where entries or amendments have been made shall be signed or initialed by the person signing the bid.
- 22.3. A bid submitted by a Joint Venture (JV) shall be signed so as to be legally binding on all partners.
- 22.4. Any interlineations, erasures, or overwriting shall be valid only if they are signed or initialed by the person signing the bid.

D. Submission and Opening of Bids

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- 23. Submission, Sealing and Marking of Bids**
- 23.1. Bidders may always submit their bids by mail or by hand. When so **specified in the BDS**, bidders shall have the option of submitting their bids electronically. Bidders submitting bids electronically shall follow the procedures **specified in the BDS**. The Bidder shall seal the original and all copies of the Bid in two inner envelopes and one outer envelope, duly marking the inner envelopes as "ORIGINAL" and "COPIES."
- 23.2. The inner and outer envelopes shall:
- (a) be addressed to the Employer at the address **provided in the BDS**;
 - (b) bear the name and identification number of the Contract as **defined in the BDS and SCC**; and
 - (c) Provide a warning not to open before the specified time and date for Bid opening as **defined in the BDS**.
- 23.3. In addition to the identification required in ITB Sub-Clause 23.2, 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 ITB Clause 25.
- 23.4. If the outer envelope is not sealed and marked as above, the Employer shall assume no responsibility for the misplacement or premature opening of the Bid.
- 24. Deadline for Submission of Bids**
- 24.1. The Bid must be received by the Employer at the address and no later than the date indicated in the BDS.
- 24.2. The Employer may, at its discretion, extend the deadline for the submission of Proposal by amending the Bidding Document in accordance with ITB 8, in which case all rights and obligations of the Employer and the Bidders previously subject to the deadline shall thereafter be subject to the deadline as extended.
- 25. Late Bids**
- 25.1. The Employer shall not consider any bid that arrives after the deadline for submission of bids, in accordance with ITB 24. Any bid received by the Employer after the deadline for submission of bids shall be declared late, rejected, and returned unopened to the Bidder.
- 26. Withdrawal, Substitution, and Modification of Bids**
- 26.1. A Bidder may withdraw, substitute, or modify its bid after it has been submitted by sending a written notice, duly signed by an authorized representative, and shall include a copy of the authorization in accordance with ITB 22.2, (except that withdrawal notices do not require copies). The corresponding substitution or modification of the bid must accompany the respective written notice. All notices must be:
- (a) prepared and submitted in accordance with ITB 22 and ITB 23 (except that withdrawals notices do not require copies), and in addition, the respective envelopes shall be clearly marked "Withdrawal," "Substitution," "Modification;" and
 - (b) Received by the Employer prior to the deadline prescribed for submission of Bids, in accordance with ITB 24.
- 26.2. Bid requested to be withdrawn in accordance with ITB 26.1 shall be returned unopened to the Bidder.
- 26.3. No Bid may be withdrawn, substituted, or modified 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 Letter of Technical Bid or any extension thereof.

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- 27. Bid Opening**
- 27.1. The Employer shall open the bids, including modifications made pursuant to Clause 23, in the presence of the bidders' representatives who choose to attend at the time and in the place **specified in the BDS**. Any specific opening procedures required if electronic bidding is permitted in accordance with ITB Sub-Clause 20.1, shall be as specified in the BDS.
- 27.2. First, envelopes marked "WITHDRAWAL" shall be opened and read out and the envelope with the corresponding bid shall not be opened, but returned to the Bidder. No bid withdrawal shall be permitted unless the corresponding withdrawal notice contains a valid authorization to request the withdrawal and is read out at bid opening.
- 27.3. Second, outer envelopes marked "SUBSTITUTION" shall be opened. The inner envelopes containing the Substitution Technical Bid and/or Substitution Price Bid shall be exchanged for the corresponding envelopes being substituted, which are to be returned to the Bidder unopened. Only the Substitution Technical Bid, if any, shall be opened, read out, and recorded. Substitution Price Bid will remain unopened in accordance with ITB Sub-Clause 25.1. No envelope shall be substituted unless the corresponding Substitution Notice contains a valid authorization to request the substitution and is read out and recorded at bid opening.
- 27.4. Next, outer envelopes marked "MODIFICATION" shall be opened. No Technical Bid and/or Price Bid shall be modified unless the corresponding Modification Notice contains a valid authorization to request the modification and is read out and recorded at the opening of Technical Bids. Only the Technical Bids, both Original as well as Modification, are to be opened, read out, and recorded at the opening. Price Bids, both Original as well as Modification, will remain unopened in accordance with ITB Sub-Clause 25.1.
- 27.5. All other envelopes holding the Bids shall be opened one at a time, and the following read out and recorded: 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 withdrawals, substitutions, or modifications, the presence or absence of Bid Security or Bid-Securing Declaration, if required, and such other details as the Employer may consider appropriate, shall be announced by the Employer at the opening. Substitution Bids and modifications submitted pursuant to ITB Clause 25 that are not opened and read out at bid opening shall not be considered for further evaluation regardless of the circumstances. No Bid shall be rejected at the opening of Bids except for late bids, in accordance with ITB Sub-Clause 25.1.
- 27.6. The Employer shall prepare a record of the opening of Bids that shall include, as a minimum: the name of the Bidder and whether there is a withdrawal, substitution, or modification; and alternative proposals; and the presence or absence of a bid security or a bid securing declaration, if one was required. The Bidders' representatives who are present shall be requested to sign the record. The omission of a Bidder's signature on the record shall not invalidate the contents and effect of the record. A copy of the record shall be distributed to all Bidders who submitted bids in time, and posted online when electronic bidding is permitted.

E. Evaluations and Comparison of Bids

- 28. Confidentiality**
- 28.1. Information relating to the evaluation of bids and recommendation of contract award, shall not be disclosed to Bidders or any other persons not officially concerned with such process until information on Contract award

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- is communicated to all Bidders.
- 28.2. Any attempt by a Bidder to influence the Employer in the evaluation of the bids or Contract award decisions may result in the rejection of its bid.
- 28.3. Notwithstanding ITB 28.2, from the time of bid opening to the time of Contract award, if any Bidder wishes to contact the Employer on any matter related to the bidding process, it should do so in writing.
- 29. Clarification of Bids**
- 29.1. To assist in the examination, evaluation, and comparison of the Technical and Price Bids, and qualification of the Bidders, the Employer may, at its discretion, ask any Bidder for a clarification of its bid. Any clarification submitted by a Bidder that is not in response to a request by the Employer shall not be considered. The Employer's request for clarification and the response shall be in writing. No change in the substance of the Technical Bid or prices in the Price Bid shall be sought, offered, or permitted; except to confirm the correction of arithmetic errors discovered by the Employer in the evaluation of the bids, in accordance with ITB 36.
- 29.2. If a Bidder does not provide clarifications of its bid by the date and time set in the Employer's request for clarification, its bid may be rejected.
- 30. Deviation, Reservations, and Omission**
- 30.1. During the evaluation of bids, the following definitions apply:
- (a) "Deviation" is a departure from the requirements specified in the Bidding Document;
 - (b) "Reservation" is the setting of limiting conditions or withholding from complete acceptance of the requirements specified in the Bidding Documents; and
 - (c) "Omission" is the failure to submit part or all of the information or documentation required in the Bidding Documents.
- 31. Preliminary Examination of Technical Bids**
- 31.1. The Employer shall examine the Technical Bid to confirm that all documents and technical documentation requested in ITB Sub-Clause 11.2 have been provided, and to determine the completeness of each document submitted. If any of these documents or information is missing, the Bid may be rejected.
- 31.2. The Employer shall confirm that the following documents and information have been provided in the Technical Bid. If any of these documents or information is missing, the offer shall be rejected.
- (a) Letter of Technical Bid;
 - (b) Written confirmation of authorization to commit the Bidder;
 - (c) Bid Security, if applicable;
 - (d) Technical Proposal in accordance with ITB 17.
- 32. Responsive of Technical Bid**
- 32.1. The Employer's determination of a bid's responsiveness is to be based on the contents of the bid itself, as defined in ITB11.
- 32.2. A substantially responsive Technical Bid is one that meets the requirements of the Bidding Document without material deviation, reservation, or omission. A material deviation, reservation, or omission is one that,
- (a) if accepted, would
 - (i) affect in any substantial way the scope, quality, or performance of the plant and services specified in the Contract;
 - (ii) limit in any substantial way, inconsistent with the Bidding

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Document, the Employer's rights or the Bidder's obligations under the proposed Contract; or

- (b) If rectified, would unfairly affect the competitive position of other Bidders presenting substantially responsive bids.

32.3. The Employer shall examine the technical aspects of the Bid submitted in accordance with ITB 17, Technical Proposal, in particular to confirm that all requirements of Section 6 (Employer's Requirements) have been met without any material deviation or reservation.

32.4. If a bid is not substantially responsive to the requirements of the Bidding Document, it shall be rejected by the Employer and may not subsequently be made responsive by correction of the material deviation, reservation, or omission.

33. Nonmaterial Non conformities

33.1. Provided that a Bid is substantially responsive, the Employer may waive any nonconformity in the bid that does not constitute a material deviation, reservation or omission.

33.2. Provided that a Bid is substantially responsive, the Employer may request that the Bidder submit the necessary information or documentation, within a reasonable period of time, to rectify nonmaterial nonconformities in the Bid related to documentation requirements. Requesting information or documentation on such nonconformities shall not be related to any aspect of the Price Bid. Failure of the Bidder to comply with the request may result in the rejection of its Bid.

33.3. Provided that a Bid is substantially responsive, the Employer shall rectify nonmaterial nonconformities related to the Bid Price. To this effect, the Bid Price shall be adjusted, for comparison purposes only, to reflect the price of a missing or non-conforming item or component. The adjustment shall be made using the method indicated in Section 3 (Evaluation and Qualification Criteria).

34. Detailed Evaluation of Technical Bids

34.1. The Employer will carry out a detailed technical evaluation of the bids not previously rejected as being substantially non-responsive, in order to determine whether the technical aspects are in compliance with the Bidding Document. In order to reach such a determination, the Employer will examine and compare the technical aspects of the bids on the basis of the information supplied by the bidders, taking into account the following:

- (a) overall completeness and compliance with the Employer's Requirements; deviations from the Employer's Requirements; conformity of the plant and services offered with specified performance criteria; suitability of the plant and services offered in relation to the environmental and climatic conditions prevailing at the site; and quality, function and operation of any process control concept included in the bid. The bid that does not meet minimum acceptable standards of completeness, consistency and detail will be rejected for non-responsiveness;
- (b) type, quantity and long-term availability of mandatory and recommended spare parts and maintenance services; and
- (c) other relevant factors, if any, listed in Section 3 (Evaluation and Qualification Criteria).

34.2. Where alternative technical solutions have been allowed in accordance with ITB 13, and offered by the Bidder, the Employer will make a similar evaluation of the alternatives. Where alternatives have not been allowed but have been offered, they shall be ignored.

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- 35. Eligibility and Qualification of Bidders**
- 35.1. The Employer shall determine to its satisfaction during the evaluation of Technical Bids whether a Bidder meets the eligibility and qualifying criteria specified in Section 3 (Evaluation and Qualification Criteria).
- 35.2. The determination shall be based upon an examination of the documentary evidence of the Bidder's qualifications submitted by the Bidder, pursuant to ITB 15.
- 35.3. An affirmative determination shall be a prerequisite for the opening and evaluation of a Bidder's Price Bid. A negative determination shall result into the disqualification of the Bid, in which event the Employer shall return the unopened Price Bid to the Bidder.
- 35.4. The capabilities of the manufacturers and subcontractors proposed in its Bid to be used by the Bidder will also be evaluated for acceptability in accordance with Section 3 (Evaluation and Qualification Criteria). Their participation should be confirmed with a letter of intent between the parties, as needed. Should a manufacturer or subcontractor be determined to be unacceptable, the Bid will not be rejected, but the Bidder will be required to substitute an acceptable manufacturer or subcontractor without any change to the bid price? Prior to signing the Contract, the corresponding Appendix to the Contract Agreement shall be completed, listing the approved manufacturers or subcontractors for each item concerned.
- 36. Correction of Arithmetical Error**
- 36.1. During the evaluation of Price Bids, the Employer shall correct arithmetical errors on the following basis:
- (a) where there are errors between the total of the amounts given under the column for the price breakdown and the amount given under the Total Price, the former shall prevail and the latter will be corrected accordingly;
 - (b) where there are errors between the total of the amounts of Schedule Nos. 1 to 5 and the amount given in Schedule No. 6 (Grand Summary), the former shall prevail and the latter will be corrected accordingly; and
 - (c) if there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetical error, in which case the amount in figures shall prevail subject to (a) and (b) above.
- 36.2. If the Bidder that submitted the lowest evaluated bid does not accept the correction of errors, its bid shall be disqualified.
- 37. Conversion to Single Currency**
- 37.1. For evaluation and comparison purposes, the currency(ies) of the bid shall be converted into a single currency as specified in the BDS.
- 38. Margin of Preference**
- 38.1. Unless otherwise specified in the BDS, a margin of preference shall not apply.
- 39. Evaluation of Price Bids**
- 39.1. The Employer shall use the criteria and methodologies listed in this Clause. No other evaluation criteria or methodologies shall be permitted.
- 39.2. To evaluate a Price Proposal, the Employer shall consider the following:
- (a) the bid price, excluding provisional sums and the provision, if any, for contingencies in the Price Schedules;
 - (b) price adjustment for correction of arithmetical errors in accordance with ITB 36.1
 - (c) price adjustment due to discounts offered in accordance with ITB

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- 18.6;
- (d) converting the amount resulting from applying (a) to (c) above, if relevant, to a single currency in accordance with ITB 37; and
 - (e) The evaluation factors indicated in Section 3 (Evaluation and Qualification Criteria).
- 39.3. If price adjustment is allowed in accordance with ITB 18.5 the estimated effect of the price adjustment provisions of the Conditions of Contract, applied over the period of execution of the Contract, shall not be taken into account in bid evaluation.
- 39.4. If this Bidding Document allows Bidders to quote separate prices for different lots (contracts), and the award to a single Bidder of multiple lots (contracts), the methodology to determine the lowest evaluated price of the lot (contract) combinations, including any discounts offered in the Letter of Price Bid, is specified in Section 3 (Evaluation and Qualification Criteria).
- 39.5. If the bid, which results in the lowest Evaluated Bid Price, is seriously unbalanced or front-loaded in the opinion of the Employer, the Employer may require the Bidder to produce detailed price analyses for any or all items of the Price Schedules, to demonstrate the internal consistency of those prices with the methods and time schedule proposed. After evaluation of the price analyses, taking into consideration the terms of payments, the Employer may require that the amount of the performance security be increased at the expense of the Bidder to a level sufficient to protect the Employer against financial loss in the event of default of the successful Bidder under the Contract.
- 40. Comparison of Bids** 40.1. The Employer shall compare all substantially responsive Bids to determine the lowest evaluated bid, in accordance with ITB 39.2.
- 41. Employer's Right to Accept Any Bid, and to Reject Any or All Bids** 41.1. The Employer reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids at any time prior to contract award, without thereby incurring any liability to Bidders. In case of annulment, all bids submitted and specifically, bid securities, shall be promptly returned to the Bidders.

F. G. Award of Contract

- 42. Award Criteria** 42.1. The Employer shall award the Contract to the Bidder whose offer has been determined to be the lowest evaluated bid and is substantially responsive to the Bidding Document, provided further that the Bidder is determined to be eligible and qualified to perform the Contract satisfactorily.
- 42.2. The Employer reserves the right to accept any of the deviations submitted in accordance with ITB 18.2 by the lowest evaluated bidder, at the price shown for the deviation in the bid.
- 43. Notification of Award** 43.1. Prior to the expiration of the period of bid validity, the Employer shall notify the successful Bidder, in writing, that its bid has been accepted. The notification letter (hereinafter and in the Conditions of Contract and Contract Forms called the "Letter of Acceptance") shall specify the sum that the Employer will pay the Contractor in consideration of the execution and completion of the plant and services (hereinafter and in the Conditions of Contract and Contract Forms called "the Contract Price").
- 43.2. At the same time, the Employer will publish in an English language newspaper or well-known freely accessible website the results identifying the bid and lot numbers and the following information: (i)

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- name of each Bidder who submitted a Bid; (ii) bid prices as read out at bid opening; (iii) name and evaluated prices of each Bid that was evaluated; (iv) name of bidders whose bids were rejected and the reasons for their rejection; and (v) name of the winning Bidder, and the price it offered, as well as the duration and summary scope of the contract awarded. After publication of the award, unsuccessful bidders may request in writing to the Employer for a debriefing seeking explanations on the grounds on which their bids were not selected. The Employer shall promptly respond in writing to any unsuccessful Bidder who, after publication of contract award, requests a debriefing.
- 43.3. Until a formal contract is prepared and executed, the notification of award shall constitute a binding Contract.
- 43.4. The Employer shall promptly respond in writing to any unsuccessful Bidder who, after notification of award in accordance with ITB 43.1, requests in writing the grounds on which its bid was not selected.
- 44. Signing of Contract**
- 44.1. Promptly after notification, the Employer shall send the successful Bidder the Contract Agreement.
- 44.2. Within twenty-eight (28) days of receipt of the Contract Agreement, the successful Bidder shall sign, date, and return it to the Employer.
- 45. Performance Security**
- 45.1. Within twenty-eight (28) days of the receipt of notification of award from the Employer, the successful Bidder shall furnish the performance security in accordance with the conditions of contract, subject to ITB 39.5, using for that purpose the Performance Security Form included in Section 9 (Contract Forms), or another form acceptable to the Employer. If the institution issuing the performance security is located outside the country of the Employer, it shall have a correspondent financial institution located in the country of the Employer to make it enforceable.
- 45.2. Failure of the successful Bidder to submit the above-mentioned Performance Security or sign the Contract shall constitute sufficient grounds for the annulment of the award and forfeiture of the bid security. In that event, the Employer may award the Contract to the next lowest evaluated Bidder whose offer is substantially responsive and is determined by the Employer to be qualified to perform the Contract satisfactorily.
- 45.3. The above provision shall also apply to the furnishing of a domestic preference security if so required.

Section 2 - Bid Data Sheet

This Section consists of provisions that are specific to each procurement and they supplement the information or requirements included in Section 1 Instructions to Bidders.

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A. Introduction

ITB 1.1	The number of the Invitation for Bids is : NPA/DABS/1394/ICB/W-1128 The Employer is: Da Afghanistan Breshna Sherkat (DABS) The name of the ICB is: SEPS Completion 110kV Transmission Lines in One Lot The identification number of the ICB is: NPA/DABS/1394/ICB/W-1128 The number and identification of lots (contracts) comprising this ICB is: One Lot
ITB 2.1	The Employer is: Da Afghanistan Breshna Sherkat (DABS) The name of the Project is: SEPS Completion 110kV Transmission Lines in One Lot USAID will be funding one hundred percent (100%) of the project cost. The contract will be executed between the Contractor and DABS (Employer). The invoices are to be submitted to DABS (see, also, Section 9 Contract Forms, Appendix 3 Terms and Procedures of Payment, (B) Payment Procedures, page 9-21) which will review for contract compliance and then request Ministry of Finance to release the payment with the approval of USAID.
ITB 4.1	Bidders from the following countries are not eligible: Section 5
ITB 4.3	A list of firms debarred from participating in Government Procurement is available at: http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml , www.npa.gov.af Lists of firms debarred from participating in procurements are also maintained by GoIRA, DABS, State Department, DOD, USAID, US Department of Justice, USACE, and NPA. These apply to this tender.

B. Bidding Documents

ITB 7.1	Employer's address for clarification is: Mr. Sayed Abdul Hameed Hameedi, Procurement Specialist Email address: s.hameedi.gdnp@gmail.com ----- And ----- Mrs. Shekiba Hajizada Senior Procurement Specialist Email address: Shekiba.hajizada@aop.gov.af Copy to: zabihulrahman.rahmani@aop.gov.af ; wais.Rahimi@aop.gov.af DABS address: 1 st Floor, O/o CFO Da Afghanistan Breshna Sherkat Kabul, Afghanistan Telephone: 0752002063 Electronic mail address: tenders.dabs@dabs.af
ITB 7.4	A pre-bid meeting will be held at the following address or other location to be announced:

SEPS Completion 110kV Transmission Lines in One Lot

<p>CFO's Office, 1st Floor Da Afghanistan Breshna Sherkat (DABS), H.Q Chaman Houzouri, Kabul, Afghanistan</p> <p>Contact Persons: Mr. Yousuf Anwari, Director Procurement</p> <p>Email: tenders.dabs@dabs.af</p> <p>Date: April 11, 2016</p> <p>Time: 10:00 Hours</p>
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C. Preparation of Bids

ITB 11.1	<p>The Bidder shall submit with its Technical Bid the following additional documents:</p> <p>(a) Average Annual Turnover:</p> <p>The Bidder shall have had an average annual turnover as prime supplier (calculated as total certified payments received for contracts in progress or completed) over the last three years of at least USD 20 million per annum;</p> <p>(b) Financial Capability: (applicable for each lot)</p> <p>(1) The Bidder shall have sufficient cash flow capacity of at least USD 10 million to be met by the Bidder or Joint Venture (i) from working capital net of current contract commitments based on submitted audited financial statements, or (ii) by confirmed letter of credit from reputable banks, or (iii) by a combination of both; and</p> <p>(2) The Bidder shall have a positive net worth based on the same audited financial statements.</p> <p>(c) Litigation:</p> <p>The Bidder shall provide accurate information on any litigation or arbitration resulting from contracts completed or under execution by it over the last ten (10) years. Claims, arbitration or other litigation proceedings pending or already resolved, with a possible impact of more than 50 per cent of the Bidder's net worth shall be a ground for declaring the Bidder not qualified for the award of the contract.</p> <p>(d) Project Experience:</p> <p>The requirements for project experience are set forth in Section 3, Sub-Section 2.4 Experience, page 3-7.</p> <p>(e) Manufacturing Experience:</p> <p>(1) Manufacturers of the major components of plant, materials and equipment, be they the sole bidder, member of a joint venture or a proposed subcontractor shall have manufactured not less than two times the amount of plant/materials/equipment to that to be supplied by them as proposed in the bid that has been in use for a period of not less than 1 year.</p> <p>(2) The Bidder, joint venture partner and all subcontractors shall provide evidence (for example, copies of the certificates) of appropriate up to date ISO 9000 registrations, or approved equal quality certifying</p>
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SEPS Completion 110kV Transmission Lines in One Lot

	<p>program.</p> <p>(3) In the event that the bidder is not the manufacturer of the major components of plant, equipment and materials it shall obtain from the manufacturer its authorization to supply as per the provisions of the bidding documents.</p> <p>(4) Submit Form EXP-3, Section 4, page 4-55.</p>
ITB 11.3 (d)	The Bidder shall submit with its Price Bid the following additional documents: None.
ITB 13.1	Alternative bids are not permitted.
ITB 13.2	<p>Alternatives to the Time Schedule that exceed the required Time Schedule are not to be permitted.</p> <p>Alternatives to the Time Schedule that are less than the required Time Schedule are permitted, provided that the bid price is the same for required Time Schedule and for all alternatives.</p>
ITB 13.4	Alternative technical solutions shall not be permitted
ITB 14.1	To establish the eligibility of the plant and service in accordance with ITB Clause 5, the Bidder is to have the Manufacturing Authorization Certificate authorized by a governmental entity acceptable to the Employer (for example, the embassy of the country of origin, the registrar of corporations for the country, a federal / apex judicial entity).
ITB 16.1 (b)	<p>The period following completion of plant and services in accordance with provisions of contract shall be 20 months. This ITB 16.1 (b) requirement applies to documentation.</p> <p>Note: This ITB 16.1 (b) is not the same as the time-to-complete the project. The time to complete the project is set forth in the cover letter (page i-1) and in Section 3, Paragraph 1.2.2, page 3-2.</p>
ITB 18.1	<p>Bidders shall quote for the entire plant and services on a “single responsibility” basis.</p> <p>The estimated price of this bid is in the range USD 20 million. See Section i Invitation to Bidders, paragraph 3, page i-1.</p>
IT 18.4(a)(i)	The Incoterm 2010 for quoting plant to be supplied from abroad is DAP – The seller is responsible for arranging carriage and for delivery of the goods, ready for unloading by the seller from the arriving conveyance, at the named place. Duties are not paid by the seller under this term; the Employer arranges for the necessary custom duties exemption in accordance with Section 5. The seller bears all risk involved in bringing the goods to the named place.

SEPS Completion 110kV Transmission Lines in One Lot

<p>IT 18.4(b)(i)</p>	<p>The Incoterm 2010 for quoting plant manufactured within the Employer's country is EX-works plus transportation, insurance, and delivery to the project site.</p>
<p>ITB 18.6</p>	<p>The prices quoted by the Bidder shall be fixed, without price escalation.</p> <p>The prices quoted by the Bidder shall be deemed to include all that is necessary to deliver a fully functional transmission line as set forth in these bidding documents.</p>
<p>ITB 19.1</p>	<p>The currency of the bid prices shall be quoted in United States Dollars (USD). The bidder shall quote each and every line item from the Section 4 Pricing Schedule in their Price Bid; no Unit Price for Line Items in the Price Sheets (start on page 4-11) shall be left un-filled.</p>
<p>ITB 20.1</p>	<p>The bid validity period shall be one-hundred twenty (120) days. (i.e. up to August 31, 2016)</p>
<p>ITB 21.1</p>	<p>A Bid Security is required. A Bid Security Declaration is not acceptable.</p> <p>The amount and currency of the Bid Security shall be estimated at US Dollars</p> <p>Bid Security shall be in US Dollar or any freely convertible currency.</p> <p>The amount of Bid Security shall be four-hundred thousand US Dollars (\$400,000) to be valid for 148 days from the date of bid submission deadline (i.e. valid up to September 05, 2016)</p> <p>NOTE 1: THE ORIGINAL BID SECURITY MUST BE PLACED IN THE SAME ENVELOPE AS THE ORIGINAL TECHNICAL BID.</p> <p>NOTE 2: COPIES OF THE BID SECURITY MUST BE INCLUDED IN THE ORIGINAL AND IN EACH COPY OF THE TECHNICAL BID.</p>
<p>ITB 21.2</p>	<p>Bank guarantee from any eligible country is acceptable provided that it is cashable in Afghanistan. A back-to-back bank guarantee with a local bank in Afghanistan is preferable.</p>
<p>ITB 22.1</p>	<p>The original of the Technical Bid and the original of the Price Bid are to be submitted in sealed envelopes. Three (3) copies of the Technical Bid and three (3) copies of the Price Bid shall be submitted in sealed envelopes. One (1) CD of the Technical Bid and one CD of the Price Bid shall be submitted in sealed envelopes. All envelopes are to be labeled as to what they contain (original, copy, Technical Bid, or Price Bid).</p>
<p>ITB 22.2</p>	<p>The written confirmation of authorization to sign on behalf of the Bidder shall consist of a Letter of Authority signed by the Bidder's Executive Management.</p>

D. Submission and Opening of Bids

<p>ITB 23.1</p>	<p>Electronic submission of the Bid is not acceptable.</p>
<p>ITB 24.1</p>	<p>For Proposal submission purposes only.</p>

SEPS Completion 110kV Transmission Lines in One Lot

	<p>The NPA's address is:</p> <p>Mr. Sayed Abdul Hameed Hameedi, Procurement Specialist Email address: s.hameedi.gdnp@gmail.com</p> <p>----- And -----</p> <p>Mrs. Shekiba Hajizada Senior Procurement Specialist Civil Procurement Directorate National Procurement Authority, Telephone: +93 020 2147557 Email address: shekiba.hajizada@aop.gov.af Copy to: zabihulrahman.rahmani@aop.gov.af; wais.rahim@aop.gov.af & tenders.dabs@dabs.af</p> <p>The deadline for Bid submission is</p> <p>Date: April 30, 2016</p> <p>Time: 10:00 hours (local time)</p>
<p>ITB 27.1</p>	<p>The Bid Opening will take place at</p> <p>Pashtonistan watt, Geodesy & Cartography Authority, First Floor Conference Room of National Procurement Authority City: Kabul City, District 2 Country: Afghanistan Telephone: +93 0202147557</p> <p>Date: April 30, 2016</p> <p>Time: 10:00 hours (local time) immediately after the bid submission deadline</p>
<p>ITB 27.5</p>	<p>All other envelopes holding the Bids shall be opened one at a time, and the following read out and recorded: The bidders' names, Bid withdrawals, substitutions, or modifications, the presence or absence of Bid Security or Bid-Securing Declaration, if required, and such other details as the Employer may consider appropriate, shall be announced by the Employer at the opening. Substitution Bids and modifications submitted pursuant to ITB Clause 25 that are not opened and read out at bid opening shall not be considered for further evaluation regardless of the circumstances. No Bid shall be rejected at the opening of Bids except for late bids, in accordance with ITB Sub-Clause 25.1</p>

E. Evaluation, and Comparison of Bids

<p>ITB 37.1</p>	<p>The currency exchange rate that shall be used for bid evaluation and comparison purposes to convert all bid prices expressed in various currencies into a single currency is United States Dollars (US\$).</p> <p>The source of exchange rate shall be: The Selling Exchange rate of Da Afghanistan Bank for checks.</p> <p>The date for the exchange rate shall be: on the date of opening the technical proposals or the nearest following date, if the exchange rates are not published on the day of bid opening.</p>
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SEPS Completion 110kV Transmission Lines in One Lot

ITB 38.1

A margin of preference will apply as per the Procurement Law of Afghanistan as follows:

1. Domestic goods comparing to the imported finished goods – 15%
2. Local companies comparing to the foreign resident and non-resident companies operating in Afghanistan – 10%
3. Foreign resident companies operating in Afghanistan comparing to foreign companies operating outside the country – 5%
4. Foreign companies operating jointly with local partners as (JV) comparing to other foreign companies operating outside the country – 5%

Local contractors are encouraged to bid. International contractors are encouraged to form joint ventures with local contractors.

Section 3 - Evaluation and Qualification Criteria

This Section contains all the criteria that the Employer shall use to evaluate bids and qualify Bidders. In accordance with ITB 34 and ITB 35, no other methods, criteria and factors shall be used. The Bidder shall provide all the information requested in the forms included in Section 4 (Bidding Forms).

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1. Evaluation

1.1 Technical Evaluation

The following information shall be supplied for evaluation by the Employer.

1.1.1 Method Statement

A method statement, which shall cover the design and construction of the works, shall be submitted by the Bidder. The method statement shall be in sufficient detail to demonstrate the adequacy of the bidder's proposal to complete the work (must particularly include the following: design, procurement, construction, management, security, health safety and environmental and quality control) in accordance with the Technical Specifications and the specified time for completion. **This shall be as evidenced by written method statement(s) and work program(s) in the form of a Gantt chart or similar chart for the Transmission Line(s) Works.**

The method statement(s) shall confirm that the design, the supply, the Construction documents, the execution and the completed works shall comply with the Country's national specification, technical standards, building, construction and environmental regulations where and if available and applicable to the product being produced from the Works, and the standards specified in the Schedule for Supply, applicable to the Contractor's Proposal and Schedules, or defined by law. In the absence of the Country's national standards, specifications and regulations the Contractor's design, the Construction documents, the execution and the completed works shall comply with international standards as specified in the Schedule of Supply. In respect of technical specifications and standards, any national or international standards which promise to confer equal or better quality than the standards specified will also be acceptable. This shall be as evidenced by the completed technical schedules.

1.1.2 Type Test Certificates

Type test certificates or type test reports shall be supplied in the bidding documents with the TECHNICAL BID for the Contractor supplied major equipment. Type Test Certificates are not needed for GFE items. The Certificates and the Reports must not be older than five (5) years. "Major equipment" includes but is not limited to the following:

- Suspension Poles
- Tension Poles
- Insulators
- Conductors
- OPGW Cable
- OPGW Hardware and Fittings
- Line Hardware and Fittings, including vibration dampers

1.2 Economic Evaluation

Any adjustments in price that result from the procedures outlined below shall be added, for purposes of comparative evaluation only, to arrive at an "Evaluated Bid Price." Bid prices quoted by bidders shall remain unaltered.

1.2.1 Quantifiable Deviations and Omissions

Quantifiable Deviations and Omissions from the contractual obligations: the evaluation shall be based on the evaluated cost of fulfilling the contract in compliance with all contractual obligations under this bidding document. The Employer will assess the cost of such a deviation for the purpose of ensuring fair comparison of bids.

1.2.2 Time Schedule

Time to complete the plant and services from the effective date specified in Article 3 of the Contract Agreement for determining time for completion of pre-commissioning activities is 20

months (expected six (6) months for design and preliminary procurement and expected 14 months for construction and pre-commissioning, bidder to determine their own schedule, but the time to complete is set by these bidding documents). Bids offering time for completion in excess of these specified time requirements shall be rejected.

1.3 Domestic Preference

A margin of preference will apply as per the Procurement Law of Afghanistan as follows:

1. Domestic goods comparing to the imported finished goods – 15%
2. Local companies comparing to the foreign resident and non-resident companies operating in Afghanistan – 10%
3. Foreign resident companies operating in Afghanistan comparing to foreign companies operating outside the country – 5%
4. Foreign companies operating jointly with local partners as (JV) comparing to other foreign companies operating outside the country – 5%.

Local contractors are encouraged to bid. International contractors are encouraged to form joint ventures with local contractors.

1.4 Technical Alternatives

Technical alternatives are not permitted (refer to ITB 13.4).

1.5 Price Realism Analysis

The Employer shall assess whether prices are not so low that the Bidder, if awarded the contract, would incur substantial financial losses and, therefore, fail to complete the work satisfactorily, or whether any unrealistically low prices reflect a misunderstanding of the specifications and scope of works. In such a case the bidder's explanation including rate analysis shall be sought and if not rational and satisfactory, the bid may be rejected. In the case of satisfactory explanation, an additional performance security may be required to protect the Employer against financial and time loss in the event of a default by the successful bidder.

SEPS Completion 110kV Transmission Lines in One Lot

2. Qualification

If the bidding was preceded by a prequalification process then the Bidder and any subcontractors shall continue to meet the criteria used at the time of prequalification and reiterated below.

13.1 Eligibility

Criteria	Compliance Requirements			Documents	
Requirement	Single Entity	Joint Venture			Submission Requirements
		All Partners Combined	Each Partner	At Least One Partner	

2.1.1 Nationality

Nationality in accordance with ITB Sub-Clause 4.2.	must meet requirement	must meet requirement	must meet requirement	not applicable	Forms ELI - 1; ELI - 2 with attachments
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2.1.2 Conflict of Interest

No conflicts of interest in accordance with ITB Sub-Clause 4.3.	must meet requirement	must meet requirement	must meet requirement	not applicable	Application Submission Sheet
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2.1.3 DABS Eligibility

Not having been declared ineligible by DABS, as described in ITB Sub-Clause 4.3.	must meet requirement	must meet requirement	must meet requirement	not applicable	Application Submission Sheet
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2.1.4 Government-owned Entity

Bidder required meeting conditions of ITB Sub-Clause 4.5.	must meet requirement	must meet requirement	must meet requirement	not applicable	Forms ELI - 1; ELI - 2 with attachments
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2.1.5 UN Eligibility

Not having been excluded by an act of compliance with UN Security Council resolution or Employer's country law in accordance with ITB Clause 4, and meeting all requirements as outlined in Section 5-Grantor Requirements	must meet requirement	must meet requirement	must meet requirement	not applicable	Application Submission Sheet
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SEPS Completion 110kV Transmission Lines in One Lot

2.2 Pending Litigation

Criteria	Compliance Requirements			Documents
Requirement	Single Entity	Joint Venture		Submission Requirements
		All Partners Combined	Each Partner	

2.2.1 Pending Litigation

All pending litigation shall be treated as resolved against the Bidder and shall in total not represent more than 50 percent of the Bidder's net worth.	must meet requirement by itself or as partner to past or existing JV	not applicable	must meet requirement by itself or as partner to past or existing JV	not applicable	Form LIT
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SEPS Completion 110kV Transmission Lines in One Lot

2.3 Financial Situation

Criteria	Compliance Requirements			Documents
Requirement	Single Entity	Joint Venture		Submission Requirements
		All Partners Combined	Each Partner	

2.3.1 Historical Financial Performance

Submission of audited balance sheets or, if not required by the law of the Bidder's country, other financial statements acceptable to the Employer, for the last three years to demonstrate the current soundness of the Bidder's financial position and its prospective long - term profitability. As a minimum, an Applicant's net worth calculated as the difference between total assets and total liabilities should be positive	must meet requirement	not applicable	must meet requirement	not applicable	Form FIN - 1 with attachments
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2.3.2 Average Annual Turnover

Minimum average annual turnover over the last three (3) years of USD 20 million per year calculated as total certified payments received for contracts in progress or completed.	must meet requirement	must meet requirement	Each partner must meet 25% of the requirement	Lead partner must meet 40% of the requirement	Form FIN - 2
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2.3.3 Financial Resources

Using Forms FIN - 3 and FIN - 4 in Section 4 (Bidding Forms) the Bidder must demonstrate access to, or availability of, financial resources such as liquid assets, unencumbered real assets, lines of credit, and other financial means, other than any contractual mobilization payments to meet: Cash flow capacity of at least USD 10 million and positive net worth.	must meet requirement	must meet requirement	Lead partner must meet 40% of the requirement	Not applicable	Form FIN - 3
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SEPS Completion 110kV Transmission Lines in One Lot

2.4 Experience

Criteria	Compliance Requirements			Documents	
Requirement	Single Entity	Joint Venture			Submission Requirements
		All Partners Combined	Each Partner	One Partner	

2.4.1 General Experience

Experience under contracts in the role of contractor, subcontractor, or management contractor for at least the last six (6) years prior to the bid submission deadline.	must meet requirement	not applicable	must meet requirement	not applicable	Form EXP - 1
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2.4.2 Specific Experience

(a) **Contracts of Similar Size and Nature**

<p>(1) The Bidder must have completed within the last ten (10) years at least three (3) turnkey 110kV transmission line projects. One of these projects must have been in satisfactory operation for at least two (2) years on the bid date.</p> <p>(2) In case of a joint venture, (a) the leading partner shall have the 110kV experience as per (1) above; and, (b) the other individual partners shall have individually <i>participated</i> as a sub-contractor or joint venture partner within the last ten (10) years in at least two transmission line projects of 110kV or higher.</p> <p>(3) To substantiate the above, the Bidder shall submit duly authenticated user's certificates and other relevant documents. Users are defined to be "Employer" or public electric energy provider.</p>	must meet requirement	must meet requirement	not applicable	not applicable	Form EXP - 2
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SEPS Completion 110kV Transmission Lines in One Lot

2.5 Personnel

The Bidder must demonstrate that it has the personnel for the key positions that meet the following requirements:

No.	<i>Position</i>	Total Work Experience [years]	Experience In Similar Work [years]	Experience as Manager of Similar Work [years]
1	Contractor's Project Representative	15	10	5
2	Design and Engineering Manager	10	5	5
3	Site Manager	10	5	5
4	Construction Manager	10	5	5
5	Transmission Line Engineer	10	5	5
6	Quality Control Officer	10	5	5
7	Health, Safety and Environmental Officer	10	5	5

The Bidder shall provide details of the proposed personnel and their experience records in the relevant Information Forms included in Section 4 (Bidding Forms).

2.6 Equipment

The Bidder must demonstrate that it has the key equipment listed hereafter:

No.	Equipment Type and Characteristics	Min. Number Required
1	The Contractor is responsible for obtaining and maintaining any and all equipment that the contractor needs to complete the contract, which shall be listed by the Bidder in this table.	
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		

The Bidder shall provide further details of proposed items of equipment using the relevant Form in Section 4 (Bidding Forms).

SEPS Completion 110kV Transmission Lines in One Lot

2.7 Subcontractors

Subcontractors/manufacturers for the following major items of supply or services must meet the following minimum criteria, herein listed for that item. Failure to comply with this requirement will result in rejection of the subcontractor.

The Bidder is to list all the subcontractor for major items supply or services that they plan to engage for this project. Additional subcontractors can be added to the list *after the award of contract* only with the review and approval of the Employer.

Multi-tiered subcontracting is not permitted. That is, there can only be two tiers in this project; the prime contractor (sole or joint venture) and the one or several subcontractors (suppliers of material or services) that report directly to the prime contractor.

Item No.	Description of Item	Minimum Criteria to be met
1	For services (labor): None	See at left
2	For supplies (material): See Section 2 Bid Data Sheets, ITB 11.1 (e), page 2-3.	See at left
3		
4		
5		

In the case of a Bidder who offers to supply and install major items of supply under the contract that the Bidder did not manufacture or otherwise produce, the Bidder shall provide the manufacturer's authorization, using the form provided in Section 4 (Bidding Forms), showing that the Bidder has been duly authorized by the manufacturer or producer of the related plant and equipment or component to supply and install that item in the Employer's country. The Bidder is responsible for ensuring that the manufacturer or producer complies with the requirements of ITB 4 and 5 and meets the minimum criteria listed above for that item.

Section 4 - Bidding Forms

This Section contains the forms which are to be completed by the Bidder and submitted as part of his Bid.

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SEPS Completion 110kV Transmission Lines in One Lot

Requirements:

- The manufacturer's authorization for supply of the equipment for the proposed Bid and all the Technical literature to be signed and stamped by the Manufacturers and Bidder and is to be submitted along with the bid proposal.
- Companies who have entered into a JV are to submit the JV agreement signed as a legally enforceable document along with the Bid proposal. The JV Agreement is to mention clearly the Lead Partner and other partner(s). Lead Partner and other partner(s) are to meet the Section 3 Evaluation and Qualification Criteria (EQC) as mentioned in the standard bidding documents. Bidders can use their standard format for the JV Agreement.
- For the JV authorized signatory letter, which is to be attached along with the Bid proposal, Bidders can use their standard format for the Authorization.
- The Letter of Technical Bid must be signed by both companies if they have JV.

Letter of Technical Bid

[Bidder's Letterhead]

Date:

RFP No.: NPA/DABS/1394/ICB/W-1128

To: Da Afghanistan Breshna Sherkat (DABS)

We, the undersigned, declare that:

(a) We have examined and have no reservations to the Bidding Documents, including Addenda issued in accordance with Instructions to Bidders (ITB) 8;

(b) We offer to design, manufacture, test, deliver, install, pre-commission and commission in conformity with the Bidding Document the following Plant and Services: SEPS Completion 110kV Transmission Lines in One Lot ;

(c) Our Bid consisting of the Technical Bid and the Price Bid shall be valid for a period of 208 days from the date fixed for the bid submission deadline in accordance with the Bidding Documents, and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

(d) We, including any subcontractors or manufacturers for any part of the contract, have or will have nationalities from eligible countries, in accordance with ITB-4.1;

(e) We, including any subcontractors or suppliers for any part of the contract, do not have any conflict of interest in accordance with ITB 4.2;

(f) We are not participating, as a Bidder or as a Subcontractor, in more than one bid in this bidding process other than alternative offers submitted in accordance with ITB 13;

(g) Our firm, its affiliates or subsidiaries, including any Subcontractors or Suppliers for any part of the contract, has not been declared ineligible by DABS, under the Employer's country laws or official regulations or by an act of compliance with a decision of the United Nations Security Council or by any requirements as listed in Section 5;

(h) We are not a government owned entity / We are a government owned entity but meet the requirements of ITB4.4; *

(i) We agree to permit DABS or its representative to inspect our accounts and records and other documents relating to the bid submission and to have them audited by auditors appointed by DABS.

SEPS Completion 110kV Transmission Lines in One Lot

Name

In the capacity of

Signed
.....

Duly authorized to sign the Bid for and on behalf of

Date

Corporate Seals (where appropriate)

[Note: in case of a Joint Venture, the Bid-Securing Declaration must be in the name of all partners to the Joint Venture that submits the bid]

* *Use one of the two options as appropriate*
** *If none has been paid or is to be paid, indicate "none"*

Letter of Price Bid

[Bidder's Letterhead]

Date:

RFP No.: NPA/DABS/1394/ICB/W-1128

To: Da Afghanistan Breshna Sherkat (DABS)

We, the undersigned, declare that:

- (a) We have examined and have no reservations to the Bidding Document, including Addenda issued in accordance with Instructions to Bidders (ITB) 8;
- (b) We offer to design, manufacture, test, deliver, install, pre-commission and commission in conformity with the Bidding Document the following Plant and Services: SEPS Completion 110kV Transmission Lines in One Lot;

_____ (Signature)

(c) The total price of our Bid (from the Contract Price Bid line of the Price Sheets, page 4-11), excluding any discounts offered in item (d) below is the sum of:

_____ (USD in words, or No Bid)

_____ (USD in figures (numerals), or No Bid)

(d) The discounts offered and the methodology for their application are:

_____ (USD in words, or No Bid)

_____ (USD in figures (numerals), or No Bid)

(e) Our bid shall be valid for a period of one hundred eighty (180) days from the date fixed for the submission deadline in accordance with the Bidding Documents, and it shall remain binding upon us and may be accepted at any time before the expiration of that period;

(f) If our bid is accepted, we commit to obtain a performance security in accordance with the SCC of the Bidding Document;

(g) We have paid, or will pay the following commissions, gratuities, or fees with respect to the bidding process or execution of the Contract: **

SEPS Completion 110kV Transmission Lines in One Lot

Name of Recipient	Address	Reason	Amount
.....
.....

(h) We understand that this bid, together with your written acceptance thereof included in your notification of award, shall be the basis for the Negotiation of Contract and the Notice of Award of Contract on basis of the negotiated Contract Price and shall constitute a binding contract between us, until a formal contract is prepared and executed; and

(i) We understand that you are not bound to accept the lowest evaluated bid or any other bid that you may receive.

(j) We agree to permit DABS or its representative to inspect our accounts and records and other documents relating to the bid submission and to have them audited by auditors appointed by the bank.

Name

In the capacity of

Signed

Duly authorized to sign the Bid for and on behalf of

Date.....

Corporate Seal (where appropriate)

**** If none has been paid or is to be paid, indicate "none"**

Price Schedules

PREAMBLE

General

1. The Price Schedules are divided into separate Schedules as follows:

Transmission Line Pricing Summary Sheet

Kandahar East to Maiwand Transmission Line Price Schedules

Schedule No. 1: Transmission Line Design, Drawings and Documentation

Schedule No. 2: Plant & Mandatory Spare Parts

Schedule No. 3: Prototype of Pole Test

Schedule No. 4: Construction, Installation, Testing & Commissioning

Schedule No. 5: On the Job Training

Kajaki to Sangin North Transmission Line Price Schedules

Schedule No. 1: Transmission Line Design, Drawings and Documentation

Schedule No. 2: Plant & Mandatory Spare Parts

Schedule No. 3: Prototype of Pole Test

Schedule No. 4: Construction, Installation, Testing & Commissioning

Schedule No. 5: On the Job Training

Glossary for Bidding Schedules

1. The price schedules include estimates of the equipment required to complete three 110kV transmission line segments from Kandahar East Substation to Breshna Kot Substation, Breshna Kot Substation to a transmission pole past Maiwand Substation with a tap to Pushmul Substation and Maiwand Substation, and from Kajaki Switchyard to Sangin North Substation. The objective of these estimates is to provide sufficient information to enable bids to be prepared efficiently and accurately.

Bidders are requested to visit site to get knowledge for the preparation of Price Schedules.

After a contract has been awarded, the Contractor will perform detailed design, to include exact transmission line equipment layout and routing so that the final design will minimize land resettlement and relocation as shown on the supplied maps for each of two transmission lines. The design will take into account contour of land and avoidance of land resettlement, relocations of roads and existing facilities.

2. The Schedules do not generally give a full description of the plant to be supplied and the services to be performed under each item. That is, the Schedules are not a bill of quantities nor a bill of materials that lists all the material, equipment and labor that is to be provided. Bidders shall be deemed to have read the Employer's Requirements and other sections of the Bidding Document and reviewed the Drawings to ascertain the full scope of the requirements included in each item prior to filling in the rates and prices. The entered rates and prices shall be deemed to cover the full scope as aforesaid, including overheads and profit. The Contractor is to deliver fully functional (operational, maintainable, safe, etc.) deliverables in compliance with these bidding documents.
3. If bidders are unclear or uncertain as to the scope of any item, they shall seek clarification in accordance with ITB 7 prior to submitting their bid.
4. Prices shall be filled in indelible ink, and any alterations necessary due to errors, etc., shall be initialed by the Bidder.

SEPS Completion Substations in Sangin, Kajaki, and Tangi in One Lot

As specified in the Bid Data Sheet and Special Conditions of Contract, prices shall be fixed and firm for the duration of the Contract, or prices shall be subject to adjustment in accordance with the corresponding Appendix (Price Adjustment) to the Contract Agreement.

5. Bid prices shall be quoted in the manner indicated and in the currencies specified in the Instructions to Bidders in the Bidding Document.
For each item, bidders shall complete each appropriate column in the respective Schedules, giving the price breakdown as indicated in the Schedules.
Prices given in the Schedules against each item shall be for the scope covered by that item as detailed in Section 6 (Employer's Requirements) or elsewhere in the Bidding Document.
6. Payments will be made to the Contractor in the currency or currencies indicated under each respective item.
7. When requested by the Employer for the purposes of making payments or part payments, valuing variations or evaluating claims, or for such other purposes as the Employer may reasonably require, the Contractor shall provide the Employer with a breakdown of any composite or lump sum items included in the Schedules.
8. The Bidders shall provide details of quantities and unit rates where required in the Schedules. The quantities and unit rates will be used for the valuation of additional works and variations, should additional works and variations be required.
9. The abbreviations for units of quantity that are used in the Schedules are listed at the end of the Schedules
10. Where there are discrepancies between the unit prices to compute the total price in Schedules, the unit prices shall prevail and the total prices will be corrected.
Where there are discrepancies between the total of the amounts given under the column for the price breakdown and the amount given under the Total Price, the former shall prevail and the latter will be corrected accordingly.
Where there are discrepancies between the total of the amounts of the Schedules and the amount given in Transmission Line Pricing Summary Sheet for any of the transmission line segments, the former shall prevail and the latter will be corrected accordingly.
Where there are discrepancies between amounts stated in figures and amounts stated in words, the amounts stated in words shall prevail.
11. Items left blank or bid zero will be deemed to have been included in other items. The TOTAL for each Schedule and the TOTAL of the Summary shall be deemed to be the total price for executing the Works and sections thereof in complete accordance with the Contract, whether or not each individual item has been priced.
12. When requested by the Employer for the purposes of making payments or part payments, valuing variations or evaluating claims, or for such other purposes as the Employer may reasonably require, the Contractor shall provide the Employer with a breakdown of any composite or lump sum items included in the Schedule.
13. The Bidders shall submit with the FINANCIAL BID envelope one electronic file (Microsoft Excel) on CDROM containing the financial schedules; in case of any discrepancies between the soft and hard copies, the amounts stated on hard copy shall prevail.
14. The prices to be filled in the price schedule by the Bidders shall be full inclusive value of the work described under the several items, including all costs and expenses which may be required in and for the completion and maintenance of the works, together with all risks,

SEPS Completion Substations in Sangin, Kajaki, and Tangi in One Lot

liabilities, and obligations set forth or implied in the documents provided for the purposes of tendering.

15. The prices shall include all material supply and installation, tools and equipment, mobilization/demolition, labor, supervision, transport, storage, installation, testing and commissioning, execution and maintenance, facilities, insurances, overheads, security costs, profits, taxes and duties of the works.
16. Employer shall direct to the Bidders to furnish the detail breakdown price for the quoted prices. In such case Bidders shall provide the detail breakdown prices for the said items as required by the Employer.
17. Employer shall have the right to remove any item from the Scope of Work due to any requirements and the appropriate value shall be deducted from the Contract Price without any claim from the Contractor, in accordance with the provisions Clause No 7 of the General Condition of Contract.

SUMMARY OF SCOPE OF WORK

SEPS Completion 110kV Transmission Lines in One Lot

The Contractor is to design, construct, test, deliver and commission fully functional single circuit, single conductor per phase, 110kV Transmission Line segments. The segments start at a new Kandahar East Substation, constructed under a different contract, to a transmission pole past Maiwand Substation with taps at Breshna Kot, Pushmul and Maiwand Substations in Kandahar Province. Also included is an 110kV Transmission Line segment from the Sangin North Substation to the Kajaki switchyard in Helmand Province. Work is to be done according to the concept design drawings and specifications contained within this bidding document. These concept design drawings and specifications are contained in Section 6 Employer's Requirements.

Other works on the transmission lines and substations are being constructed under separate contracts and will consist of bus work, circuit breakers and components, power transformers, capacitor banks, MV distribution equipment, control buildings, and surrounding boundary walls and guard towers.

The Contractor shall be responsible for complete engineering, design, procurement, and construction, test and delivery, including all work necessary for the turnover of fully functional and commissioned transmission lines and taps from the gantry of one substation to the gantry of the next substation as identified within Section 6 Employer's Requirements. The drawings provided in Section 6 are at the concept design level; the Contractor is to complete all necessary calculations, drawings, specifications, and designs and submit them for review and approval by the Employer.

Government Furnished Equipment (GFE) for this contract is limited to only the 110 kV transmission line conductors in sufficient length for the transmission lines indicated in the Section 6 technical documents. Schedule 2, specifically "Item 2.7 Supply of Line Materials for Single 110 kV Circuit Conductor (Conductor is GFE)," shall be bid assuming the 110 kV Partridge conductor is GFE. All other equipment, materials, splices, shipping, and construction necessary to complete this 110 kV transmission line system shall be provided by the Contractor.

With regard to the work at Kajaki, please see Notes 6 and 7 on drawing sheet E-101 of Section 6, Appendix 5.1, Maps and One-Line Plans. Note 6 mentions using the existing dead-end tower to get inside the existing Kajaki 110 kV Switchyard; this may not occur since a future Kajaki 110kV Switchyard line bay may be built by another contract. Note 7 says that the Contractor of the new transmission line will provide a new dead end pole between P0001 and a future Kajaki 110kV Switchyard line bay. The new dead end pole is shown on Drawing E-101; this additional pole (named P0001a) is included in the Pricing Sheets. Instead of one dead end pole, the contractor can provide a single tension pole (with all three phases), or three dead end tension poles (one pole per phase), or a dead end lattice tower. The Contractor is to furnish a kit consisting of three spans of conductors (one span for each phase), the OPGW and its hardware, and insulators, jumpers, and associated hardware to make up the span from the additional dead end pole (P0001a) to the Kajaki 110 kV gantry. The Contractor is to provide all necessary hardware in this kit, up to and including the connection of the Contractor's provided insulators onto the gantry in the Kajaki 110kV Switchyard. The installation of the three conductor spans (one span per phase) will be done later by another contractor. As part of the design work, the Contractor for this project is to do all necessary engineering, design, calculations, and drawings needed to assure proper connection of the new 110 kV transmission line to either the existing gantry or a new gantry by others in the Kajaki 110kV Switchyard.

It is expected that Contractor will have two major construction groups, one group based in Kandahar and the other group based at the Kajaki Hydro Power Plant complex. One group works in the area of Kandahar, the other group works in the area of Kajaki, Tangi, Sangin North, and Sangin South. It is expected that each group has two (2) (for Kajaki area) to six (6) (for Kandahar area) crews, and it is expected that each crew install poles at the rate of one (1) completed pole per week (that is, from groundbreaking, through pole erected, to line hardware and insulators installed). For the 18 month time-to-complete for the project, it is expected that there will be 6 months for design and preliminary procurement and 12 months for construction.

SEPS Completion 110kV Transmission Lines in One Lot

PRICE SHEETS

Transmission Line Pricing Summary Sheet		
SEPS Completion 110kV Transmission Lines In One Lot		
DABS Project Reference Number: NPA/DABS/1394/ICB/W-1128		
Bidder Data		
Company Name		
Technical Offer Number		
Date of Bid		
Name of Authorized Signatory		
Title of Authorized Signatory		
Bid Summary		
	Kandahar East to Maiwand	Kajaki to Sangin North
Schedule No. 1 (Design, Drawings and Documentation)	\$0.00	\$0.00
Schedule No. 2 (Plant and Mandatory Parts)	\$0.00	\$0.00
Schedule No. 3 (Prototype of Pole Test)	\$0.00	\$0.00
Schedule No. 4 (Construction, Installation, Testing, and Commissioning)	\$0.00	\$0.00
Schedule No. 5 (On The Job Training)	\$0.00	\$0.00
Subtotal	\$0.00	\$0.00
Grand Total		\$0.00
Provisional Sum for Contingency		1,000,000.00
Provisional Sum for De-mining		\$749,508.00
Contract Price Bid		\$0.00

I hereby certify that the above information is correct.

Name of Bidder:

Seal:

Signature of Bidder:

SEPS Completion 110kV Transmission Lines in One Lot

Design, Procure, Construct, Test and Commission Transmission Lines Kandahar East to Maiwand					
Schedule No. 1 Transmission Line Design, Drawings and Documentation					
Item No.	Description	Units	QTY	Unit Price	Amount
1.1	Structural Design And General Arrangement Drawings	LS	1		\$0.00
1.2	Construction Drawings	LS	1		\$0.00
1.3	As Built Drawings	LS	1		\$0.00
1.4	Maintenance Manual And Completion Report	LS	1		\$0.00
Schedule No. 1 Total					\$0.00
Schedule No. 2 Plant & Mandatory Parts					
Item No.	Description	Units	QTY	Unit Price	Amount
2.1	Supply of Suspension Poles	EA	175		\$0.00
2.2	Supply of Tension Poles	EA	140		\$0.00
2.3	Supply of Suspension Pole Accessories	EA	175		\$0.00
2.4	Supply of Tension Pole Accessories	EA	140		\$0.00
2.5	Supply of Pole Grounding / Earthing Materials	EA	315		\$0.00
2.6	Supply Of Line Materials For OPGW	km	82.5		\$0.00
2.7	Supply of Line Materials For Single 110 kV Circuit Conductor (Conductor is GFE)	km	82.5		\$0.00
2.8	Supply of 3-Way Transmission Line Switch	EA	3		\$0.00
2.9	Spare Parts And Tools	LS	1		\$0.00
Schedule No. 2 Total					\$0.00

I hereby certify that the above information is correct.

Name of Bidder:

Seal:

Signature of Bidder: _____

SEPS Completion 110kV Transmission Lines in One Lot

Design, Procure, Construct, Test and Commission Transmission Lines Kandahar East to Maiwand					
Schedule No. 3					
Prototype of Pole Test					
Item No.	Description	Units	QTY	Unit Price	Amount
3.1	Prototype of Pole Test	LS	1		\$0.00
Schedule No. 3 Total					\$0.00
Schedule No. 4					
Construction, Installation, Testing & Commissioning					
Item No.	Description	Units	QTY	Unit Price	Amount
4.1	Preliminary Works (per Pole)	EA	315		\$0.00
4.2	Foundation Construction Work for Pole Setting and Survey	EA	315		\$0.00
4.3	Erection of Suspension Poles	EA	175		\$0.00
4.4	Erection of Tension Poles	EA	140		\$0.00
4.5	Installation of Suspension Pole Accessories	EA	175		\$0.00
4.6	Installation of Tension Pole Accessories	EA	140		\$0.00
4.7	Installation of Pole Grounding / Earthing Material	EA	315		\$0.00
4.8	Installation of Line Materials For OPGW	km	82.5		\$0.00
4.9	Installation of Line Materials For Single 110 kV Circuit System	km	82.5		\$0.00
4.10	Installation of 3-Way Transmission Line Switch	EA	3		\$0.00
4.11	Protection of Pole Foundations	EA	315		\$0.00
Schedule No. 4 Total					\$0.00

I hereby certify that the above information is correct.

Name of Bidder:

Seal:

Signature of Bidder: _____

SEPS Completion 110kV Transmission Lines in One Lot

Design, Procure, Construct, Test and Commission Transmission Lines Kandahar East to Maiwand					
Schedule No. 5					
On The Job Training					
Item No.	Description	Units	QTY	Unit Price	Amount
5.1	On the Job Training	LS	1		\$0.00
Schedule No. 5 Total					\$0.00
Sub-Total This Line Section					\$0.00

I hereby certify that the above information is correct.

Name of Bidder:

Seal:

Signature of Bidder: _____

SEPS Completion 110kV Transmission Lines in One Lot

Design, Procure, Construct, Test and Commission Transmission Lines Kajaki to Sangin North					
Schedule No. 1					
Transmission Line Design, Drawings and Documentation					
Item No.	Description	Units	QTY	Unit Price	Amount
1.1	Structural Design And General Arrangement Drawings	LS	1		\$0.00
1.2	Construction Drawings	LS	1		\$0.00
1.3	As Built Drawings	LS	1		\$0.00
1.4	Maintenance Manual And Completion Report	LS	1		\$0.00
Schedule No. 1 Total					\$0.00
Schedule No. 2					
Plant & Mandatory Parts					
Item No.	Description	Units	QTY	Unit Price	Amount
2.1	Supply of Suspension Poles	EA	48		\$0.00
2.2	Supply of Tension Poles	EA	73		\$0.00
2.3	Supply of Suspension Pole Accessories	EA	48		\$0.00
2.4	Supply of Tension Pole Accessories	EA	73		\$0.00
2.5	Supply of Pole Grounding / Earthing Materials	EA	121		\$0.00
2.6	Supply of Line Materials For OPGW	km	31.8		\$0.00
2.7	Supply of Line Materials For Single 110 kV Circuit Conductor (Conductor is GFE)	km	31.8		\$0.00
2.8	Supply of 3-Way Transmission Line Switch	EA	1		\$0.00
2.9	Spare Parts And Tools	LS	1		\$0.00
Schedule No. 2 Total					\$0.00

Name of Bidder:

I hereby certify that the above information is correct.

Seal:

Signature of Bidder: _____

SEPS Completion 110kV Transmission Lines in One Lot

Design, Procure, Construct, Test and Commission Transmission Lines Kajaki to Sangin North					
Schedule No. 3					
Prototype of Pole Test					
Item No.	Description	Units	QTY	Unit Price	Amount
3.1	Prototype of Pole Test	LS	1		\$0.00
Schedule No. 3 Total					\$0.00
Schedule No. 4					
Construction, Installation, Testing & Commissioning					
Item No.	Description	Units	QTY	Unit Price	Amount
4.1	Preliminary Works (per Pole)	EA	121		\$0.00
4.2	Foundation Construction Work for Pole Setting and Survey	EA	121		\$0.00
4.3	Erection of Suspension Poles	EA	48		\$0.00
4.4	Erection of Tension Poles	EA	73		\$0.00
4.5	Installation of Suspension Pole Accessories	EA	48		\$0.00
4.6	Installation of Tension Pole Accessories	EA	73		\$0.00
4.7	Installation of Pole Grounding / Earthing Material	EA	121		\$0.00
4.8	Installation of Line Materials For OPGW	km	31.8		\$0.00
4.9	Installation of Line Materials For Single 110 kV Circuit System	km	31.8		\$0.00
4.10	Installation of 3-Way Transmission Line Switch	EA	1		\$0.00
4.11	Protection of Pole Foundations	EA	121		\$0.00
Schedule No. 4 Total					\$0.00

Name of Bidder:

I hereby certify that the above information is correct.

Seal:

Signature of Bidder: _____

SEPS Completion 110kV Transmission Lines in One Lot

Design, Procure, Construct, Test and Commission Transmission Lines Kajaki to Sangin North					
Schedule No. 5 On The Job Training					
Item No.	Description	Units	QTY	Unit Price	Amount
5.1	On the Job Training	LS	1		\$0.00
Schedule No. 5 Total					\$0.00
Sub-Total This Line Section					\$0.00

I hereby certify that the above information is correct.

Name of Bidder:

Seal:

Signature of bidder: _____

:

SEPS Completion 110kV Transmission Lines in One Lot

Glossary of bidding schedules for: SEPS Completion 110kV Transmission Lines In One lot		
Schedule Number and Title	Item No.	Item Description
Schedule No. 1 Transmission Line Design, Drawings and Documentation	1.1	<p>Structural Design and General Arrangement Drawings: Pole structural load calculations and drawings which include all the various loads (wind, ice, seismic, sag and tension calculations) to carry line conductors for single circuit; conductors' calculations and placement locations; insulators' calculations and drawings; calculations and drawings for OPGW shield wire and all the required fittings. General arrangement drawings for the poles along the route of the new transmission line. Prepare final detailed design deliverables, including transmission line and pole drawings, specifications, and supporting analyses. Submit for employer and engineer review. Detailed survey including approved route alignment and profiling, right - of - way (RoW) identification and clearance, pole spotting, optimization of pole locations, soil resistivity measurements, and geotechnical investigations. The design shall be in accordance with design criteria and specifications given in the supply requirements, and as shown in the RFP conceptual drawings. Must fully comply with the technical requirements of Afghanistan. The design shall be suitable for Afghanistan's climatic conditions. See, also, Section 9 Contract Forms, Appendix 3 Terms and Procedures of Payments, A) Terms of Payment, Schedule No. 1, page 9-20.</p>
	1.2	<p>Construction Drawings: Drawings for temporary access roads and their removal after construction completion. Prepare and submit shop drawings for the various poles shapes. The construction drawings must detail the construction / installation of the foundations for the poles and the installation sequences for poles, insulators and conductors. Stringing and final tensioning of conductors and OPGW work shall extend from dead-end terminal poles to dead-end terminal poles or the substations' take off structures (Gantry) at the applicable locations, and any other work necessary so that the works as described in the project documents are fully implemented satisfactory for their intended purposes. See, also, Section 9 Contract Forms, Appendix 3 Terms and Procedures of Payments, A) Terms of Payment, Schedule No. 1, page 9-20.</p>
	1.3	<p>As-Built Drawings: Provide all as-built drawings showing all the final markups and changes performed in the field with the supporting documents and calculations for such changes in accordance with the procedures outlined in the project documents.</p>
	1.4	<p>Maintenance Manual and Completion Report: Commissioning and acceptance testing including provision of necessary testing equipment, instruments and devices. Manual such as general description of the equipment in the contract, operating instructions (suitable for training of personnel), general maintenance instructions describing frequencies and methods for regular inspections for planned and regular part replacements. All manuals shall include spare part lists and description of any special tools needed for service of the equipment. All manuals or drawings that are not directly mentioned, but deemed necessary for a safe and proper handling of the delivered equipment, shall be included in the maintenance manual.</p>
Schedule No. 2 Plant and Mandatory Parts	2.1	<p>Supply of Suspension Poles: Supply of all suspension reinforced concrete transmission line poles (0° to 5°).</p>
	2.2	<p>Supply of Tension Poles: Supply of all tension reinforced concrete transmission line poles (over 5° & dead-end terminal poles).</p>
	2.3	<p>Supply Of Suspension Pole Accessories: Supply of all Suspension poles accessories such as insulators, insulator strings, vibration dumper, arcing horns, Bird Guard, bolts, nuts, washers, hangers, D-shackles, foundation etc.</p>

SEPS Completion 110kV Transmission Lines in One Lot

	2.4	Supply Of Tension Pole Accessories: Supply of all Tension poles accessories such as guy lines, guy line anchors, insulators, insulator strings, vibration dumper, arcing horns, Bird Guard, bolts, nuts, washers, hangers, D-shackles, foundation etc.
	2.5	Supply of Pole Grounding / Earthing Materials: Supply all the required pole grounding hardware, material and earthing conductors as specified in the design drawings and specifications.
	2.6	Supply Of Line Materials For OPGW: Supply of all the selected Overhead Photo-optic Ground Wire conductors, the associated hardware fittings for OPGW conductors, and the necessary hardware to mount them.
	2.7	Supply Of Line Materials For Single Circuit Conductor: Supply of the phase conductors is Government Furnished Equipment (GFE). Cable splices shall be provided by the Contractor.
	2.8	Supply Of 3-Way Transmission Line Switch: Supply of 3-Way, 3-pole, switch, material, associated hardware fittings, and the necessary hardware to mount them on tension poles. At the line tap location for each substation.
	2.9	Spare Parts And Tools: Supply all the required parts and tools to install and maintain the transmission lines and poles.

Glossary of bidding schedules for: SEPS Completion 110kV Transmission Lines In One lot

Schedule Number and Title	Item No.	Item Description
Schedule No. 3 Prototype of Pole Test	3.1	Prototype Of Pole Test: Type & Factory Assurance Testing (F.A.T.) of reinforced concrete poles, materials and fabrication for each type of pole to be used in the project-suspension & tension. The type tests and their cost can be avoided by the bidder if they submit type test certificates and associated type test reports that are acceptable to the Employer with the Technical Bid.
	Schedule No. 4 Construction, Installation, & Commissioning	4.1
4.2		Foundation Construction Work For Pole Setting And Survey: Supply and install the pole foundation in accordance with the design drawings and calculations for the specific type/shape of pole at the selected and surveyed physical location of each pole.
4.3		Erection Of Suspension Poles: The erection of each suspension pole at the pole site and the mounting of the pole into its concrete foundation.
4.4		Erection Of Tension Poles: The erection of each tension pole at the pole site and the mounting of the pole into its concrete foundation.

SEPS Completion 110kV Transmission Lines in One Lot

	4.5	<u>Installation Of Suspension Pole Accessories:</u> The installation of all the insulators and the hardware necessary for attaching the phase conductors on the suspension pole. Fixing of all items as listed in schedule 2.3.
	4.6	<u>Installation Of Tension Pole Accessories:</u> The installation of all the insulators and the hardware necessary for attaching the phase conductors on the tension pole. Fixing of all items as listed in schedule 2.4.
	4.7	<u>Installation Of Pole Grounding / Earthing Material:</u> The installation of equipment to each pole to provide a permanently and effectively grounded system. Approved and documented soil resistivity tests at each structure location to determine the number of earth rods and conductors required. Pole grounding (earthing) and, if required counterpoising, and attachment to pole structure.
	4.8	<u>Installation Of Line Materials For OPGW:</u> Installation of the OPGW conductors and all the associated hardware fittings necessary to mount them.
	4.9	<u>Installation Of Line Materials For Single Circuit System:</u> Installation of the GFE single circuit conductors and all the associated hardware fittings as listed in schedule 2.7 and termination of conductors into substation gantry & taps (beginning & end), as applicable.
	4.10	<u>Installation Of 3-Way Transmission Line Switch:</u> Installation of 3-Way, 3-pole, switch, material, associated hardware fittings, and the necessary hardware to mount switches on tension poles at substation line taps.
	4.11	<u>Protection Of Pole Foundations:</u> Implementation of the required and specified measures to protect the pole foundations during and post construction periods.
<u>Schedule No. 5</u> On The Job Training	5.1	<u>On Job Training:</u> Provide complete training for personnel assigned by the employer to maintain and repair the poles and lines.
<u>Note 1</u>	<p>7.a All cells of the Price Sheets (pages 4-11 through 4-26) must be filled in on the spreadsheet that is provided along with the RFP. No cell of the Price Sheets is to be left blank.</p> <p>7.b Copies of the completed spreadsheet is to be included in the original and the copy envelopes of the Financial Bid. Copies of the completed spreadsheet can also be provided in Microsoft Word or Adobe PDF format, but the copies of the completed spreadsheet is to be provided in Microsoft Excel format (that is, *.xlsx).</p>	
<u>Note 2</u>	The Contractor is to deliver at time of handover spare parts and standard tools for any equipment that the Contractor supplies in excess of what is provided in the GFE to support the project for two years from date of handover.	

SEPS Completion 110kV Transmission Lines in One Lot

<u>Note 3 Acronyms</u>	LS	Lump sum
	IAW	In According With
	NIC	Not In Contract
	QTY	Quantity
	GFE	Government Furnished Equipment
	Ref A	Reference A
	O&M	Operation and Manual
	RFP	Request For Proposal
	OH	Overhead
	UG	Underground
	MV	Medium Voltage, Includes 13.8 kV, 15 kV, 20 kV, Nominal
	HV	High Voltage, 110 kV and Above
	LV	Low Voltage, 0.4 kV and Below
	Note 4	The Contractor's costs for physical security of personnel and materials is to be included in each line item of all the Schedules. The Contractor's total security cost assigned to a line item is to be in the same ratio as that line item's cost to the "Sub-Total .(by Column)" of the "Transmission Line Pricing Summary Sheet", Section 4, page 4-11.
Note 5	The Bidder is to include the costs of shipping, handling and inland transportation cost in the Unit Prices of each Line item, as appropriate.	
Note 6	The Contractor shall include all the required security costs in their unit rate line items including transportation, storage of equipment, plant and material, construction, installation, testing and commissioning. Reference Section 8 Special Conditions of Contract, Sub-Section 22.11 Security, page 8-5.	

Bid Security

Bank Guarantee

..... *Bank's Name, and Address of Issuing Branch or Office*.....

Beneficiary: Da Afghanistan Breshna Sherkat (DABS)

Date:.....

We have been informed that (Hereinafter called "the Bidder") has submitted to you its bid dated (Hereinafter called "the Bid") for the execution of AFG # 830021 under Invitation for Bids No. NPA/DABS/1394/ICB/W-1128 ("the IFB").

Furthermore, we understand that, according to your conditions, bids must be supported by a bid guarantee.

At the request of the Bidder, we **name of Bank** hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of:

(USD in words or No Bid)

(USD in figures or No Bid)

upon receipt by us of your first demand in writing accompanied by a written statement stating that the Bidder is in breach of its obligation(s) under the bid conditions, because the Bidder:

- (a) has withdrawn its Bid during the period of bid validity specified by the Bidder in the Form of Bid; or
- (b) does not accept the correction of errors in accordance with the Instructions to Bidders (hereinafter "the ITB"); or
- (c) having been notified of the acceptance of its Bid by the Employer during the period of bid validity, (i) fails or refuses to execute the Contract Agreement, or (ii) fails or refuses to furnish the Performance Security, in accordance with the ITB.

This guarantee will expire: (a) if the Bidder is the successful Bidder, upon our receipt of copies of the Contract Agreement signed by the Bidder and the performance security issued to you upon the instruction of the Bidder; and (b) if the Bidder is not the successful Bidder, upon the earlier of (i) our receipt of a copy your notification to the Bidder of the name of the successful Bidder; or (ii) 28 days after the expiration of the Bidder's bid.

Consequently, any demand for payment under this guarantee must be received by us at the office on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees, ICC Publication No. 758.

SEPS Completion 110kV Transmission Lines in One Lot

..... *Bank's seal and authorized signature(s)*

Note: All italicized text is for use in preparing this form and shall be deleted from the final document

Form of Bid-Securing Declaration

Date:

RFP No. NPA/DABS/1394/ICB/W-1128

To: Da Afghanistan Breshna Sherkat (DABS)

We, the undersigned, declare that:

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

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

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

We understand this Bid-Securing Declaration shall expire if we are not the successful Bidder, upon the earlier of (i) our receipt of your notification to us of the name of the successful Bidder; or (ii) 28 days after the expiration of our Bid.

Signed:

Note to Bidder: A Bid Securing Declaration is not allowed for this tender. Reference ITB 21.1, page 2-5.

In the capacity of

Name:

Duly authorized to sign the bid for and on behalf of:

Dated on _____ day of _____, _____ *[insert date of signing]*

Corporate Seal (where appropriate)

[Note: In case of a Joint Venture, the Bid-Securing Declaration must be in the name of all partners to the Joint Venture that submits the bid.]

Technical Proposal

Site Organization

- a) Preliminary Site Organization Chart
- b) Narrative Description of Site Organization Chart
- c) Description of Relationship between Head Office and Site Management³

Method Statement

- a. Design
- b. Procurement
- c. Construction
- d. Management
- e. Security
- f. Health, Safety and Environmental
- g. Quality Control

Mobilization Schedule

Construction Schedule

Payment Schedule

Personnel

Equipment

Proposed Subcontractors for Major Items of Plant and Services

Time Schedule

Others

³ Indicate clearly which responsibility and what authority will be delegated to site management.

Site Organization

Method Statement

- a. Design
- b. Procurement
- c. Construction
- d. Management
- e. Security
- f. Health, Safety and Environmental
- g. Quality Control & Quality Assurance

Mobilization Schedule (Gantt schedule)

Construction Schedule (Gantt chart)

Payment Schedule

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Personnel

Bidders should provide the names of suitably qualified personnel to meet the requirements specified in Section 3 (Evaluation and Qualification Criteria). The data on their experience should be supplied using the Form below for each candidate.

Form PER – 1: Proposed Personnel

1.	Title of position Contractor's Project Representative
	Name
2.	Title of position Design and Engineering Manager
	Name
3.	Title of position Site Manager
	Name
4.	Title of position Construction Manager
	Name
5.	Title of position Transmission Line Engineer
	Name
6.	Title of position Quality Control Officer
	Name
7.	Title of position Health, Safety and Environmental Officer
	Name

As listed in Section 3 (Evaluation and Qualification Criteria).

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Form PER – 2: Resume of Proposed Personnel

Position		
Personnel information	Name	Date of birth
	Professional qualifications	
Present employment	Name of employer	
	Address of employer	
	Telephone	Contact (manager / personnel officer)
	Fax	E-mail
	Job title	Years with present employer

Summarize professional experience in reverse chronological order. Indicate particular technical and managerial experience relevant to the project.

From	To	Company / Project / Position / Relevant technical and management experience

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Equipment

The Bidder shall provide adequate information to demonstrate clearly that it has the capability to meet the requirements for the key equipment listed in Section 3 (Evaluation and Qualification Criteria). A separate Form shall be prepared for each item of equipment listed, or for alternative equipment proposed by the Bidder.

Item of Equipment	
Equipment Information	Name of manufacturer
	Capacity
	Model and power rating
	Year of manufacture
Current Status	Current location
	Details of current commitments
Source	Indicate source of the equipment <input type="checkbox"/> Owned <input type="checkbox"/> Rented <input type="checkbox"/> Leased <input type="checkbox"/> Specially manufactured

Omit the following information for equipment owned by the Bidder.

Owner	Name of owner	
	Address of owner	
	Telephone	Contact name and title
	Fax	Telex
Agreements	Details of rental / lease / manufacture agreements specific to the project	

Proposed Subcontractors/Manufacturers for Major Items of Plant and Services

The following Subcontractors and/or manufacturers are proposed for carrying out the item of the facilities indicated. Bidders are free to propose more than one for each item

Major Items of Plant and Services	Proposed Subcontractors/Manufacturers	Nationality

Time Schedules

The Bidder shall include the proposed time schedule for the project showing the intended program of complete works. The total time shall not exceed the specified maximum time period given in Section 3, Sub section 1.2.2, page 3-2

Others

The bidder should add any further information that it considers to be relevant to the evaluation of its Technical Proposal. If the bidder wishes to attach other documents, they should be listed below.

Bidders should not enclose testimonials, certificates, and publicity material with their Technical Proposals; they will not be taken into account in the evaluation of qualifications and will be discarded.

Manufacturer's Authorization

[The Bidder shall require the Manufacturer to fill in this Form in accordance with the instructions indicated. This letter of authorization should be signed by a person with the proper authority to sign documents that are binding on the Manufacturer. The Bidder shall include it in its bid, if so indicated in the BDS.]

Date: *[insert date (as day, month and year) of Bid Submission]*

RFP No.: NPA/DABS/1394/ICB/W-1128

To: Da Afghanistan Breshna Sherkat (DABS)

WHEREAS

We *[insert complete name of Manufacturer or Manufacturer's authorized agent]*, who are official manufacturers or agent authorized by the manufacturer of *[insert type of goods manufactured]*, having factories at *[insert full address of Manufacturer's factories]*, do hereby authorize *[insert complete name of Bidder]* to submit a bid the purpose of which is to provide the following goods, manufactured by us *[insert name and or brief description of the goods]*, and to subsequently negotiate and sign the Contract.

We hereby extend our full guarantee and warranty in accordance with Clause 27 of the General Conditions of Contract, with respect to the goods offered by the above firm.

Signed: *[insert signature(s) of authorized representative(s) of the Manufacturer]*

Name: *[insert complete name(s) of authorized representative(s) of the Manufacturer]*

Title: *[insert title]*

Duly authorized to sign this Authorization on behalf of: *[insert complete name of Bidder]*

Dated on _____ day of _____, _____ *[insert date of signing]*

Bidders to obtain the concerned signature and Company's stamp of the Manufacturing company for the proposed Equipment being supplied for the Contract on the technical Brochures, data sheets , drawings etc. along with the Bidder's signature and Company's stamp on all the sheets and have to be submitted as part of the Technical Bid. Bidders are also referred to ITB 11.1 (e) in the BDS Section 2.

Bidder's Qualification

To establish its qualifications to perform the contract in accordance with Section 3 (Evaluation and Qualification Criteria) the Bidder shall provide the information requested in the corresponding Information Sheets included hereunder. If the bidding was preceded by a prequalification process then the forms included in this section and used earlier during the prequalification process need to be completed only if the information submitted at the time of prequalification requires updating.

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Form ELI – 1: Bidder’s Information Sheet

Page of Pages

Bidder’s Information	
Bidder’s legal name	
In case of JV, legal name of each partner	
Bidder’s country of constitution	
Bidder’s year of constitution	
Bidder’s legal address in country of constitution	
Bidder’s authorized representative (name, address, telephone numbers, fax numbers, e-mail address)	
<p>Attached are copies of the following original documents.</p> <ul style="list-style-type: none"> <input type="checkbox"/> 1. In case of single entity, articles of incorporation or constitution of the legal entity named above, in accordance with ITB 4.1 and 4.2. <input type="checkbox"/> 2. Authorization to represent the firm or JV named in above, in accordance with ITB Sub-Clause 4.1. <input type="checkbox"/> 3. In case of JV, letter of intent to form JV or JV agreement, in accordance with ITB Sub-Clause 4.1. <input type="checkbox"/> 4. In case of a government-owned entity, any additional documents not covered under 1 above required to comply with ITB Sub-Clause 4.1. 	

Form ELI - 2: JV Information Sheet

For JV Partners and Specialist Subcontractors as per ITB 5.3

Page of Pages

Each member of a JV must fill in this form

JV Information	
Bidder's legal name	
JV Partner's or Subcontractor's legal name	
JV Partner's or Subcontractor's country of constitution	
JV Partner's or Subcontractor's year of constitution	
JV Partner's or Subcontractor's legal address in country of constitution	
JV Partner's or Subcontractors authorized representative information (name, address, telephone numbers, fax numbers, e-mail address)	
<p>Attached are copies of the following original documents.</p> <ul style="list-style-type: none"> <input type="checkbox"/> 1. Articles of incorporation or constitution of the legal entity named above, in accordance with ITB 4.1 and 4.2. <input type="checkbox"/> 2. Authorization to represent the firm named above, in accordance with ITB 4.1. <input type="checkbox"/> 3. In the case of government-owned entity, documents establishing legal and financial autonomy and compliance with commercial law, in accordance with ITB Sub-Clause 4.4 <input type="checkbox"/> 4. In the case of specialist Subcontractors, a formal intent to enter into an agreement. 	

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Form LIT: Pending Litigation

Page _____ of _____ Pages

Bidder's Legal Name: _____ Date: _____

JV Partner Legal Name: _____

Each Bidder or member of a JV must fill in this form

Pending Litigation			
<input type="checkbox"/> No pending litigation in accordance with Criteria 2.2 of Section 3 (Evaluation and Qualification Criteria)			
<input type="checkbox"/> Pending litigation in accordance with Criteria 2.2 of Section 3 (Evaluation and Qualification Criteria)			
Year	Matter in Dispute	Value of Pending Claim in US\$ Equivalent	Value of Pending Claim as a Percentage of Net Worth

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Form FIN - 1: Historical Financial Performance

Page of Pages

Bidder's Legal Name: _____ Date: _____

JV Partner Legal Name: _____

Each Bidder or member of a JV must fill in this form

Information from Balance Sheet

Financial Data for Previous 3 Years [US\$ Equivalent]			
	Year 1:	Year 2:	Year 3:
1. Total Assets			
2. Current Assets			
2. Total Liabilities			
4. Current Liabilities			
5. Profits Before Taxes			
6. Profits After Taxes			
7. Net Worth [= 1 - 3]			
8. Working Capital [= 2 - 4]			
9. Return on Equity [= 5 / 7 of prior year]			
<input type="checkbox"/> Attached are copies of the audited balance sheets, including all related notes, and income statements for the last three years, as indicated above, complying with the following conditions: <ul style="list-style-type: none"> • All such documents reflect the financial situation of the Bidder or partner to a JV, and not sister or parent companies. • Historic financial statements must be audited by a certified accountant. • Historic financial statements must be complete, including all notes to the financial statements. • Historic financial statements must correspond to accounting periods already completed and audited (no statements for partial periods shall be requested or accepted). 			

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Form FIN - 2: Financial Capability

Page of Pages

Bidder's Legal Name: _____ Date: _____

JV Partner Legal Name: _____

Each Bidder or member of a JV must fill in this form

Annual Turnover Data for the Last 3 Years			
Year	Amount Currency	Exchange Rate	US\$ Equivalent
Average Annual Turnover			

The information supplied should be the Annual Turnover of the Bidder or each member of a JV in terms of the amounts billed to clients for each year for contracts in progress or completed, converted to US Dollars at the rate of exchange at the end of the period reported.

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Form FIN – 3: Financial Resources

Specify proposed sources of financing, such as liquid assets, unencumbered real assets, lines of credit, and other financial means, net of current commitments, available to meet the total construction cash flow demands of the subject contract or contracts as indicated in Section 3 (Evaluation and Qualification Criteria)

Financial Resources		
No.	Source of financing	Amount (US\$ equivalent)
1		
2		
3		
4		

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Form FIN- 4: Current Contract Commitments

Bidders and each partner to a JV should provide information on their current commitments on all contracts that have been awarded, or for which a letter of intent or acceptance has been received, or for contracts approaching completion, but for which an unqualified, full completion certificate has yet to be issued.

Current Contract Commitments					
No .	Name of Contract	Employer's Contact Address, Tel, Fax	Value of Outstanding Work [Current US\$ Equivalent]	Estimated Completion Date	Average Monthly Invoicing Over Last Six Months [US\$/month]
1					
2					
3					
4					
5					

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Form EXP – 1: General Experience

Page of Pages

Each Bidder or member of a JV must fill in this form

General Experience				
Starting Month Year	Ending Month Year	Years	Contract Identification and Name Name and Address of Employer Brief Description of the Works Executed by the Bidder	Role of Bidder

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Form EXP – 2: Specific Project Experience

Page of Pages

Each bidder or member of a JV must fill in this form

Contract of Similar Size and Nature		
Contract No Of	Contract Identification	
Award Date	Completion Date	
Role in Contract	<input type="checkbox"/> Contractor <input type="checkbox"/> Management Contractor <input type="checkbox"/> Subcontractor	
Total Contract Amount	US\$	
If partner in a JV or subcontractor, specify participation of total contract amount	Percent of Total	Amount
Employer's Name Address Telephone/Fax Number E-mail		
Description of the similarity in accordance with Criteria 2.4.2(a) of Section 3		

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Form EXP - 3: Manufacturing Experience

Page of Pages

Reference ITB 11.1 (e), first paragraph, page 2-4.

Bidder's Legal Name: _____ Date: _____

JV Partner Legal Name: _____ (if applicable)

Bidder or member of a JV must fill in this form

Manufacturing Experience				
Starting Month Year	Ending Month Year	Years	Contract Identification and Name, Name and Address of Employer Brief Description of the Works Executed by the Bidder Evidence that the Qualifications of ITB 11.1 (e) are met	Role of Bidder

Section 5 – Grantor’s Requirements

This section specifies the requirements to be followed by all Bidders, Contractors, and Subcontractors.

As a condition of funding, USAID, the Grantor, requires that contracts and subcontracts, including the contract described in these Bid Documents, be subject to the following requirements and conditions, which are incorporated in any final contract entered into pursuant to the Invitation to Bid and the Tender Documents, and required to be included in any subcontract entered into by Contractor in connection with the Works described herein. Bidders are advised to familiarize themselves with these requirements and conditions.

The Grantor has certain rights such as, but not limited to, the right to approve the terms of this contract, the Contractor, as well as subcontracts, subcontractors, and other documents related to this contract and the project of which it is part. The parties hereto further understand and agree that the Grantor, in reserving any or all of the foregoing approval rights, has acted solely as a financing entity to assure the proper use of United States Government funds, and that any decision by the Grantor to exercise or refrain from exercising these approval rights shall be made as a financier in the course of financing this project and shall not be construed as making the Grantor a party to the contract. The parties hereto understand and agree that the Grantor may, from time to time, exercise the foregoing approval rights, or discuss matters related to these rights and the project with the parties jointly or separately, without thereby incurring any responsibility or liability to the parties jointly or to any of them. Any approval (or failure to disapprove) by the Grantor shall not bar the United States Government or the Grantor from asserting any right, or relieve the Contractor of any liability which the Contractor might otherwise have to the United States Government or the Grantor.

1. The mandatory requirements and conditions required by Grantor are:

No funds under this contract or subcontract may be used, directly, or indirectly, to produce, acquire, use, transport, store, sell, or otherwise deal with ammonium nitrate (AN) for agricultural applications or calcium ammonium nitrate (CAN) for agricultural or construction/demolition applications.

No funds under this contract or subcontract may be used to finance any ineligible commodity, including commodities for police, prisons, military or paramilitary purposes, surveillance equipment, abortion equipment, luxury goods and gambling equipment, or weather modification equipment.

No funds under this contract or subcontract may be used to finance any Grantor restricted commodities without the consent of USAID. These restricted commodities include agricultural commodities, motor vehicles, pharmaceuticals and contraceptive items, pesticides, fertilizer, used equipment, or U.S. Government-owned excess property.

2. **Prohibited Sources:** No funds under this contract or subcontract may be used to finance a good or service from a prohibited source, which is defined to mean any country to which assistance is prohibited by the annual appropriations acts of the United States Congress or other U.S. statutes, or those subject to U.S. Executive Branch restrictions, such as applicable sanctions administered by the U.S. Treasury Department’s Office of Foreign Assets Control. For purposes of clarity related to this activity, prohibited sources include goods and services from Iran, including but not limited to, transit costs in importing commodities through or from Iran.
3. **Permissible Geographic Sources:** The USAID geographic code for this requirement is 935. Authorized source countries include any area or country including the cooperating country, but excluding the foreign policy restricted countries. Further information is available at: <http://transition.usaid.gov/policy/ads/200/260.pdf>.
4. **Security and Compliance Investigation:** USAID shall have the right to obtain

SEPS Completion 110kV Transmission Lines in One Lot

information and to review for security and compliance purposes all companies, organizations, and individuals involved in award of any contracts resulting from this tender. USAID may prohibit contract award based upon the information obtained and/or the results of such review.

5. Salary Supplements Prohibited: No funds from any resulting contract or subcontract from this tender may be used for the payment of salary supplements to, or any benefit for employees or representatives of the Government of the Islamic Republic of Afghanistan, including, but not limited to DABS and the Ministry of Finance. No funds from this contract or subcontract shall be provided in any form including, but limited to, gratuities, favors, or anything of monetary value, to any employee or agent of the Government of Islamic Republic of Afghanistan in connection with the procurement of goods or services related to this contract or subcontract.

6. Marking and Public Recognition: The Da Afghanistan Breshna Sherkat (DABS) is required to cooperate with USAID in publicizing the Power Transmission, Expansion, and Connectivity (PTEC) project, including the marking of some of the Transmission Line (T/L) routings and/or Substation sites of program operations and commodities as being financed by USAID. The Contractor shall cooperate with DABS and USAID in (a) allowing DABS to place signs at some of the T/L and/or Substation sites notifying of USAID financing; (b) providing information and consenting to the release of information about Contractor's activities and accomplishment of major milestones to the print and electronic media; and (c) organizing and participating in public ceremonies and events related to the project.

7. Taxation:

(a) General Exemption. This contract is funded by USAID through a bilateral agreement with the Government of the Islamic Republic of Afghanistan under the terms of the Point Four General Agreement for Technical Cooperation, dated as February 7, 1951, between the Government of Afghanistan (herein after called the "Grantee") and the United States Government, and the assistance thereunder is free from any taxes imposed under laws in effect in the territory of the Grantee.

(b) Except as provided otherwise in this provision, the General Exemption in subsection (a) applies to, but is not limited to (1) any activity, contract, grant or other implementing agreement financed by USAID under its bilateral agreement with GOA; (2) any transaction or supplies, equipment, materials, property or other goods (hereinafter collectively "goods") under (1) above; (3) any contractor, grantee, or other organization carrying out activities financed by USAID under its bilateral agreement with GOA; (4) any employee of such organizations; and (5) any individual contractor or grantee carrying out activities financed by USAID under its bilateral agreement with GOA.

(c) Except as provided otherwise in this provision, the General Exemption in sub-section (a) applies to, but is not limited to, the following taxes:

(1) Exemption 1. Customs duties, tariffs, import taxes, or other levies on the importation, use and re-exportation of goods or the personal belongings and effects (including personally owned automobiles) for the personal use of non-national individuals or their family members.

Exemption 1 includes, but is not limited to all charges based on the value of such imported goods, but does not include service charges directly related to services performed to transfer goods or cargo.

(2) Exemption 2. Taxes on the income, profits or property of all (i) non-national organizations of any type, (ii) non-national employees of national and non-national organizations, or (iii) non-national individual contractors and grantees. Exemption 2 includes income and social security taxes of all types and all taxes on the property, personal or real, owned by such non-national organizations or persons. The term "national" refers to organizations established under the laws of the Grantee and citizens of the Grantee, other than permanent resident aliens in the United States.

(3) Exemption 3. Taxes levied on the last transaction for the purchase of goods or services financed by USAID under its bilateral agreement with GOA. , including sales taxes, value-added taxes (VAT), or taxes on purchases or rentals of real or personal property. The term "last transaction" refers to the last transaction by which the goods or services were purchased for use in the activities financed by USAID under its bilateral agreement with GOA.

8. Applicable U.S. and Afghanistan Laws and Regulations and Adherence to Applicable Standards:

All applicable laws and regulations of Afghanistan and of U.S. Government, including applicable health and safety and environmental laws will be observed, as will all applicable national, international, and other standards for the rehabilitation, construction and operation of transmission lines, distribution systems, substations and controls. This requirement includes ensuring all applicable health and safety and environmental laws and regulations, including environmental requirements reflected through environmental impact statements and environmental assessments, and national, international or other rehabilitation and construction standards for electrical systems are included as requirements in all awarded contracts and subcontracts, including amendments thereto.

9. Transportation and Insurance: The following requirements shall apply to all activities financed by USAID provided funds:

Ocean transportation must be provided by United States-flag, privately owned commercial ocean vessels unless otherwise authorized by USAID in writing. If transportation on such vessels is not available to transport cargo in a timely manner or at a reasonable rate, Contractor shall notify the Ministry and USAID and request instructions on how to proceed with shipment.

Transportation by air of property or persons for flights originating from or terminating in the U.S. will be on carriers holding United States certification, to the extent service by such carriers is available under the United States' Fly America Act.

Materials and goods imported will be insured against risks incident to their transit to the point of their use; such insurance will be issued on terms and conditions consistent with sound commercial practice and will insure the full value of the goods. Any indemnification received by DABS under such insurance will be used to replace or repair any material damage or any loss of the goods insured or will be used to reimburse the Grantee for the replacement or repair of such goods. Any such replacement will be sourced and of origin from countries listed in USAID Geographic Code 935 as in effect at the time of replacement and, except as the parties may agree in writing.

Marine insurance shall (i) be placed at the most advantageous competitive rate, (ii) placed in a country included in Geographic Code 935; and (iii) under which claims are payable in U.S. Dollars or any freely convertible currency unless otherwise authorized by USAID in writing.

Any motor vehicles acquired (including through lease) must be of United States manufacture unless otherwise authorized by USAID in writing.

10. Vetting:

To ensure USAID funds or USAID-funded activities do not provide support, inadvertently or otherwise, to Prohibited Parties, USAID reserves the right to conduct vetting of the contractor or any of its subcontractors.

If vetting is determined to be necessary, USAID will provide a vetting informational form to the contractor to complete.

PART II REQUIREMENTS

Section 6 - Employer's Requirements

AFGHANISTAN ENGINEERING SUPPORT PROGRAM

SEPS Completion 110kV Transmission Lines in
One Lot

REQUEST FOR PROPOSALS
TECHNICAL SECTION

RFP NO: NPA/DABS/1394/ICB/W-1128
RFP TITLE: SEPS Completion 110kV
Transmission Lines in one Lot

AFG NO: 830021

1.1.a.i.1.1 DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

AFGHANISTAN ENGINEERING SUPPORT PROGRAM

SEPS Completion 110kV Transmission Lines in
One Lot

END OF SECTION

PART III CONDITIONS OF CONTRACT AND CONTRACT FORMS

Section 7 - General Conditions of Contract

These General Conditions of Contract (GCC) are based on the Model Form of International Contract for Process Plant Construction published by the Engineering Advancement Association of Japan (ENAA). The Multilateral Development Banks (MDBs) participating in the procurement harmonization process gratefully acknowledge the contribution of ENAA to the advancement of good contracting practices in their member countries. The GCC contain general clauses to be applied on all contracts. The GCC in this Section, read in conjunction with the Special Conditions of Contract in Section 8 and other documents listed therein should be a complete document expressing all the rights and obligations of the contracting parties. The General Conditions herein shall not be altered.

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General Conditions

A. Contract and Interpretation

1. Definitions

1.1 The following words and expressions shall have the meanings hereby assigned them:

“Contract” means the Contract Agreement entered into between the Employer and the Contractor, together with the Contract Documents referred to therein; they shall constitute the Contract, and the term “the Contract” shall in all such documents be construed accordingly.

“Contract Documents” means the documents listed in Article 1.1 (Contract Documents) of the Contract Agreement (including any amendments thereto).

“GCC” means the General Conditions of Contract.

“SCC” means the Special Conditions of Contract.

“Day” means calendar day.

“Year” means 365 days.

“Month” means calendar month.

“Party” means the Employer or the Contractor, as the context requires.

“Employer” means the person named as such in the SCC and includes the legal successors or permitted assigns of the Employer.

“Project Manager” means the person appointed by the Employer in the manner provided in GCC Sub-Clause 17.1 (Project Manager) hereof and named as such in the SCC to perform the duties delegated by the Employer.

“Contractor” means the person(s) named as Contractor in the Contract Agreement, and includes the legal successors or permitted assigns of the Contractor.

“Contractor’s Representative” means any person nominated by the Contractor and approved by the Employer in the manner provided in GCC Sub-Clause 17.2 (Contractor’s Representative and Construction Manager) hereof to perform the duties delegated by the Contractor.

“Construction Manager” means the person appointed by the Contractor’s Representative in the manner provided in GCC Sub-Clause 17.2.4.

“Subcontractor,” including manufacturers, means any person to whom execution of any part of the Facilities, including preparation of any design or supply of any Plant, is sub-contracted directly or indirectly by the Contractor, and includes its legal successors or permitted assigns.

“Dispute Board” (DB) means the person or persons named as such in the SCC appointed by agreement between the Employer and the Contractor to make a decision on or to settle any dispute or difference between the Employer and the Contractor referred to him or her by the

parties pursuant to GCC Sub-Clause 44.... (Dispute Board) hereof.

“The Bank” means the financing institution named in the SCC.

“Contract Price” means the sum specified in Article 2.1 (Contract Price) of the Contract Agreement, subject to such additions and adjustments thereto or deductions there from, as may be made pursuant to the Contract.

“Facilities” means the Plant to be supplied and installed, as well as all the Installation Services to be carried out by the Contractor under the Contract.

“Plant” means permanent plant, equipment, machinery, apparatus, articles and things of all kinds to be provided and incorporated in the Facilities by the Contractor under the Contract (including the spare parts to be supplied by the Contractor under GCC Sub-Clause 7.3 hereof), but does not include Contractor’s Equipment.

“Installation Services” means all those services ancillary to the supply of the Plant for the Facilities, to be provided by the Contractor under the Contract, such as transportation and provision of marine or other similar insurance, inspection, expediting, site preparation works (including the provision and use of Contractor’s Equipment and the supply of all construction materials required), installation, testing, pre commissioning, commissioning, operations, maintenance, the provision of operations and maintenance manuals, training, etc... as the case may require.

“Contractor’s Equipment” means all facilities, equipment, machinery, tools, apparatus, appliances or things of every kind required in or for installation, completion and maintenance of Facilities that are to be provided by the Contractor, but does not include Plant, or other things intended to form or forming part of the Facilities.

“Country of Origin” means the countries and territories eligible under the rules of the Bank as further elaborated in the SCC.

“Site” means the land and other places upon which the Facilities are to be installed, and such other land or places as may be specified in the Contract as forming part of the Site.

“Effective Date” means the date of fulfillment of all conditions stated in Article 3 (Effective Date) of the Contract Agreement, upon which the period until the Time for Completion shall be counted from.

“Time for Completion” means the time within which Completion of the Facilities as a whole (or of a part of the Facilities where a separate Time for Completion of such part has been prescribed) is to be attained, as referred to in GCC Clause 8 and in accordance with the relevant provisions of the Contract.

“Completion” means that the Facilities (or a specific part thereof where specific parts are specified in the Contract) have been completed operationally and structurally and put in a tight and clean condition, that all work in respect of Pre commissioning of the Facilities or such specific part thereof has been completed, and that the Facilities or specific part thereof are ready for Commissioning as provided in GCC

Clause 24 (Completion) hereof.

“Pre commissioning” means the testing, checking and other requirements specified in the Employer’s Requirements that are to be carried out by the Contractor in preparation for Commissioning as provided in GCC Clause 24 (Completion) hereof.

“Commissioning” means operation of the Facilities or any part thereof by the Contractor following Completion, which operation is to be carried out by the Contractor as provided in GCC Sub-Clause 25.1 (Commissioning) hereof, for the purpose of carrying out Guarantee Test(s).

“Guarantee Test(s)” means the test(s) specified in the Employer’s Requirements to be carried out to ascertain whether the Facilities or a specified part thereof is able to attain the Functional Guarantees specified in the Appendix (Functional Guarantees) to the Contract Agreement in accordance with the provisions of GCC Sub-Clause 25.2 (Guarantee Test) hereof.

“Operational Acceptance” means the acceptance by the Employer of the Facilities (or any part of the Facilities where the Contract provides for acceptance of the Facilities in parts), which certifies the Contractor’s fulfillment of the Contract in respect of Functional Guarantees of the Facilities (or the relevant part thereof) in accordance with the provisions of GCC Clause 28 (Functional Guarantees) hereof and shall include deemed acceptance in accordance with GCC Clause 25 (Commissioning and Operational Acceptance) hereof.

“Defect Liability Period” means the period of validity of the warranties given by the Contractor commencing at Completion of the Facilities or a part thereof, during which the Contractor is responsible for defects with respect to the Facilities (or the relevant part thereof) as provided in GCC Clause 27 (Defect Liability) hereof.

2. Contract Documents

2.1 Subject to Article 1.2 (Order of Precedence) of the Contract Agreement, all documents forming part of the Contract (and all parts thereof) are intended to be correlative, complementary and mutually explanatory. The Contract shall be read as a whole.

3. Interpretation

- 3.1 In the Contract, except where the context requires otherwise:
- (a) words indicating one gender include all genders;
 - (b) words indicating the singular also include the plural and words indicating the plural also include the singular;
 - (c) provisions including the word “agree”, “agreed” or “agreement” require the agreement to be record in writing;
 - (d) the word “tender” is synonymous with “bid”, “tenderer” with “bidder” and “tender documents” with “bidding documents”; and
 - (e) “written” or “in writing” means hand-written, type-written, printed or electronically made, and resulting in a permanent record.

The marginal words and other headings shall not be taken into consideration in the interpretation of these Conditions.

3.2 Incoterms

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Unless inconsistent with any provision of the Contract, the meaning of any trade term and the rights and obligations of parties thereunder shall be as prescribed by Incoterms.

Incoterms means international rules for interpreting trade terms published by the International Chamber of Commerce (latest edition), 38 Cours Albert 1^{er}, 75008 Paris, France.

3.4 Entire Agreement

Subject to GCC Sub-Clause 16.4 hereof, the Contract constitutes the entire agreement between the Employer and Contractor with respect to the subject matter of Contract and supersedes all communications, negotiations and agreements (whether written or oral) of parties with respect thereto made prior to the date of Contract.

3.5 Amendment

No amendment or other variation of the Contract shall be effective unless it is in writing, is dated, expressly refers to the Contract, and is signed by a duly authorized representative of each party hereto.

3.6 Independent Contractor

The Contractor shall be an independent contractor performing the Contract. The Contract does not create any agency, partnership, joint venture or other joint relationship between the parties hereto. Subject to the provisions of the Contract, the Contractor shall be solely responsible for the manner in which the Contract is performed. All employees, representatives or Subcontractors engaged by the Contractor in connection with the performance of the Contract shall be under the complete control of the Contractor and shall not be deemed to be employees of the Employer, and nothing contained in the Contract or in any subcontract awarded by the Contractor shall be construed to create any contractual relationship between any such employees, representatives or Subcontractors and the Employer.

3.7 Non-Waiver

3.7.1 Subject to GCC Sub-Clause 3.7.2 below, no relaxation, forbearance, delay, or indulgence by either party in enforcing any of the terms and conditions of the Contract or the granting of time by either party to the other shall prejudice, affect or restrict the rights of that party under the Contract, nor shall any waiver by either party of any breach of Contract operate as waiver of any subsequent or continuing breach of Contract.

3.7.2 Any waiver of a party's rights, powers or remedies under the Contract must be in writing, must be dated, and signed by an authorized representative of the party granting such waiver, and must specify the right and the extent to which it is being waived.

3.8 Severability

If any provision or condition of the Contract is prohibited or rendered invalid or unenforceable, such prohibition, invalidity or unenforceability shall not affect the validity or enforceability of any other provisions and conditions of the Contract.

3.9 Country of Origin

"Origin" means the place where the plant and component parts thereof are mined, grown, produced or manufactured, and from which the services are provided. Plant components are produced when, through

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manufacturing, processing, or substantial or major assembling of components, a commercially recognized product results that is substantially in its basic characteristics or in purpose or utility from its components.

- 4. Communications** 4.1 Wherever these Conditions provide for the giving or issuing of approvals, certificates, consents, determinations, notices, requests and discharges, these communications shall be:
- (a) in writing and delivered against receipt; and
 - (b) delivered, sent or transmitted to the address for the recipient's communications as stated in the Contract Agreement.

When a certificate is issued to a Party, the certifier shall send a copy to the other Party. When a notice is issued to a Party, by the other Party or the Project Manager, a copy shall be sent to the Project Manager or the other Party, as the case may be.

- 5. Law and Language** 5.1 The Contract shall be governed by and interpreted in accordance with laws of the country specified in the SCC.
- 5.2 The ruling language of the Contract shall be that stated in the SCC.
- 5.3 The language for communications shall be the ruling language unless otherwise stated in the SCC.

- 6. Corrupt Practices** 6.1 It is the GOA's policy to require that Purchasers, as well as Bidders, Suppliers, and Contractors and their subcontractors under Government-financed contracts, observe the highest standard of ethics during the procurement and execution of such contracts⁶. In pursuance of this policy, the Government:
- (a) Defines, for the purpose of this provision, the terms set forth 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 party⁷;
 - (ii) "FRAUDULENT PRACTICE" is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party⁸ to obtain a financial or other benefit or to avoid an obligation;
 - (iii) "COLLUSIVE PRACTICE" is an arrangement between two or more parties⁹ 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 party¹⁰ or the property of the party

⁶a "PARTY" refers to a participant in the procurement process or contract execution.

⁷ "ANOTHER PARTY" refers to a public official acting in relation to the procurement process or contract execution. In this context, "PUBLIC OFFICIAL" includes Government staff and employees of other organizations taking or reviewing procurement decisions.

⁸A "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 contract execution.

⁹ "PARTIES" refers to participants in the procurement process (including officials) attempting to establish Bid prices at artificial, noncompetitive levels.

- to influence improperly the actions of a party;
- (v) "OBSTRUCTIVE PRACTICE" is
- Deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Government 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
 - Acts intended to materially impede the exercise of the Government's inspection and audit rights provided for under sub-clause 3.1(e) below.
- (b) Will reject a proposal for award if it determines that the Bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for the contract in question;
- (c) Will sanction and prosecute any procurement official if it is found at any time that representative of the procuring entity engaged in corrupt, fraudulent, collusive, coercive or obstructive practices during the procurement or the execution of the contract, without the procuring entity having taken timely and appropriate action satisfactory to the Government to address such practices when they occur;
- (d) Will sanction a firm or individual, including declaring ineligible, either indefinitely or for a stated period of time, to be awarded a GOA financed contract if it at any time determines that the firm has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a GOA financed contract; and
- (e) Will have the right to require that a provision be included in bidding documents and in contracts financed by the GOA, requiring Bidders, suppliers, and contractors and their sub-contractors to permit the GOA 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 GOA.

B. Subject Matter of Contract

7. Scope of Facilities

- 7.1 Unless otherwise expressly limited in the Employer's Requirements, the Contractor's obligations cover the provision of all Plant and the performance of all Installation Services required for the design, the manufacture (including procurement, quality assurance, construction, installation, associated civil works, Pre commissioning and delivery) of the Plant and the installation, completion and commissioning of the Facilities in accordance with the plans, procedures, specifications, drawings, codes and any other documents as specified in the Section, Employer's Requirements. Such specifications include, but are not limited to, the provision of supervision and engineering services; the supply of labor, materials, equipment, spare parts (as specified in GCC Sub-Clause 7.3 below) and accessories; Contractor's Equipment;

^{10a} "PARTY" refers to a participant in the procurement process or contract execution.

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construction utilities and supplies; temporary materials, structures and facilities; transportation (including, without limitation, unloading and hauling to, from and at the Site); and storage, except for those supplies, works and services that will be provided or performed by the Employer, as set forth in the Appendix (Scope of Works and Supply by the Employer) to the Contract Agreement.

- 7.2 The Contractor shall, unless specifically excluded in the Contract, perform all such work and/or supply all such items and materials not specifically mentioned in the Contract but that can be reasonably inferred from the Contract as being required for attaining Completion of the Facilities as if such work and/or items and materials were expressly mentioned in the Contract.
- 7.3 In addition to the supply of Mandatory Spare Parts included in the Contract, the Contractor agrees to supply spare parts required for the operation and maintenance of the Facilities for the period specified in the SCC and the provisions, if any, specified in the SCC. However, the identity, specifications and quantities of such spare parts and the terms and conditions relating to the supply thereof are to be agreed between the Employer and the Contractor, and the price of such spare parts shall be that given in Price Schedule No. 6, which shall be added to the Contract Price. The price of such spare parts shall include the purchase price therefore and other costs and expenses (including the Contractor's fees) relating to the supply of spare parts.
- 8. Time for Commencement and Completion**
- 8.1 The Contractor shall commence work on the Facilities within the period specified in the SCC and without prejudice to GCC Sub-Clause 26.2 hereof, the Contractor shall thereafter proceed with the Facilities in accordance with the time schedule specified in the Appendix 4 (Time Schedule) to the Contract Agreement.
- 8.2 The Contractor shall attain Completion of the Facilities or of a part where a separate time for Completion of such part is specified in the Contract, within the time stated in the SCC or within such extended time to which the Contractor shall be entitled under GCC Clause 40 hereof.
- 9. Contractor's Responsibilities**
- 9.1 The Contractor shall design, manufacture including associated purchases and/or subcontracting, install and complete the Facilities in accordance with the Contract. When completed, the Facilities should be fit for the purposes for which they are intended as defined in the Contract.
- 9.2 The Contractor confirms that it has entered into this Contract on the basis of a proper examination of the data relating to the Facilities including any data as to boring tests provided by the Employer, and on the basis of information that the Contractor could have obtained from a visual inspection of the Site if access thereto was available and of other data readily available to it relating to the Facilities as of the date twenty-eight (28) days prior to bid submission. The Contractor acknowledges that any failure to acquaint itself with all such data and information shall not relieve its responsibility for properly estimating the difficulty or cost of successfully performing the Facilities.
- 9.3 The Contractor shall acquire and pay for all permits, approvals and/or licenses from all local, state or national government authorities or public service undertakings in the country where the Site is located which such authorities or undertakings require the Contractor to obtain in its name and which are necessary for the performance of the Contract, including, without limitation, visas for the Contractor's and Subcontractor's personnel and entry permits for all imported

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Contractor's Equipment. The Contractor shall acquire all other permits, approvals and/or licenses that are not the responsibility of the Employer under GCC Sub-Clause 10.3 hereof and that are necessary for the performance of the Contract.

- 9.4 The Contractor shall comply with all laws in force in the country where the Facilities are to be implemented. The laws will include all local, state, national or other laws that affect the performance of the Contract and bind upon the Contractor. The Contractor shall indemnify and hold harmless the Employer from and against any and all liabilities, damages, claims, fines, penalties and expenses of whatever nature arising or resulting from the violation of such laws by the Contractor or its personnel, including the Subcontractors and their personnel, but without prejudice to GCC Sub-Clause 10.1 hereof.
- 9.5 Any plant and services that will be incorporated in or be required for the Facilities and other supplies shall have their origin as specified under GCC Clause 1 (Country of Origin). Any subcontractors retained by the Contractor shall be from a country as specified in GCC Clause 1 (Country of Origin).
- 9.6 The Contractor shall permit the Bank to inspect the Contractor's accounts and records relating to the performance of the Contractor and to have them audited by auditors appointed by the Bank, if so required by the Bank.
- 9.7 If the Contractor is a joint venture or consortium of two or more persons, all such persons shall be jointly and severally bound to the Employer for the fulfillment of the provisions of the Contract and shall designate one of such *persons* to act as a leader with authority to bind the joint venture or consortium. The composition or the constitution of the joint venture or consortium shall not be altered without the prior consent of the Employer.

10. Employer's Responsibilities

- 10.1 All information and/or data to be supplied by the Employer as described in the Appendix (Scope of Works and Supply by the Employer) to the Contract Agreement shall be deemed to be accurate, except when the Employer expressly states otherwise.
- 10.2 The Employer shall be responsible for acquiring and providing legal and physical possession of the Site and access thereto, and for providing possession of and access to all other areas reasonably required for the proper execution of the Contract, including all requisite rights of way, as specified in the Appendix (Scope of Works and Supply by the Employer) to the Contract Agreement. The Employer shall give full possession of an accord all rights of access thereto on or before the date(s) specified in that Appendix.
- 10.3 The Employer shall acquire and pay for all permits, approvals and/or licenses from all local, state or national government authorities or public service undertakings in the country where the Site is located which (a) such authorities or undertakings require the Employer to obtain in the Employer's name, (b) are necessary for the execution of the Contract, including those required for the performance by both the Contractor and the Employer of their respective obligations under the Contract, and (c) are specified in the Appendix (Scope of Works and Supply by the Employer) to the Contract Agreement.
- 10.4 If requested by the Contractor, the Employer shall use its best endeavors to assist the Contractor in obtaining in a timely and

expeditious manner all permits, approvals and/or licenses necessary for the execution of the Contract from all local, state or national government authorities or public service undertakings that such authorities or undertakings require the Contractor or Subcontractors or the personnel of the Contractor or Subcontractors, as the case may be, to obtain.

- 10.5 Unless otherwise specified in the Contract or agreed upon by the Employer and the Contractor, the Employer shall provide sufficient, properly qualified operating and maintenance personnel; shall supply and make available all raw materials, utilities, lubricants, chemicals, catalysts, other materials and facilities; and shall perform all work and services of whatsoever nature, including those required by the Contractor to properly carry out Pre commissioning, Commissioning and Guarantee Tests, all in accordance with the provisions of the Appendix (Scope of Works and Supply by the Employer) to the Contract Agreement at or before the time specified in the program furnished by the Contractor under GCC Sub-Clause 18.2 hereof and in the manner thereupon specified or as otherwise agreed upon by the Employer and the Contractor.
- 10.6 The Employer shall be responsible for the continued operation of the Facilities after Completion, in accordance with GCC Sub-Clause 24.8, and shall be responsible for facilitating the Guarantee Test(s) for the Facilities, in accordance with GCC Sub-Clause 25.2.
- 10.7 All costs and expenses involved in the performance of the obligations under this GCC Clause 10 shall be the responsibility of the Employer, except those incurred by the Contractor with respect to the performance of Guarantee Tests, in accordance with GCC Sub-Clause 25.2.
- 10.8 In the event that the Employer shall be in breach of any of his obligations imposed by the Contract, then the additional cost reasonably incurred by the Contractor in consequence thereof shall be added to the Contract Price.

C. Payment

11. Contract Price

- 11.1 The Contract Price shall be as specified in Article 2 (Contract Price and Terms of Payment) of the Contract Agreement.
- 11.2 Unless an escalation clause is provided for in the SCC, the Contract Price shall be a firm lump sum not subject to any alteration, except in the event of a Change in the Facilities or as otherwise provided in the Contract.
- 11.3 Subject to GCC Sub-Clauses 9.2, 10.1 and 35 hereof, the Contractor shall be deemed to have satisfied itself as to the correctness and sufficiency of the Contract Price, which shall, except as otherwise provided for in the Contract, cover all its obligations under the Contract.

12. Terms of Payment

- 12.1 The Contract Price shall be paid as specified in Article 2 (Contract Price and Terms of Payment) of the Contract Agreement and in the Appendix (Terms and Procedures of Payment) to the Contract Agreement, which also outlines the procedures to be followed in making application for and processing payments.
- 12.2 No payment made by the Employer herein shall be deemed to constitute acceptance by the Employer of the Facilities or any part(s)

thereof.

- 12.3 In the event that the Employer fails to make any payment by its respective due date or within the period set forth in the Contract, the Employer shall pay to the Contractor interest on the amount of such delayed payment at the rate(s) shown in the Appendix (Terms and Procedures of Payment) to the Contract Agreement for the period of delay until payment has been made in full, whether before or after judgment or arbitration award.
- 12.4 The currency or currencies in which payments are made to the Contractor under this Contract shall be specified in the Appendix(Terms and Procedures of Payment) to the Contract Agreement, subject to the general principle that payments will be made in the currency or currencies in which the Contract Price has been stated in the Contractor's bid.

13. Securities

13.1 Issuance of Securities

The Contractor shall provide the securities specified below in favor of the Employer at the times, and in the amount, manner and form specified below.

13.2 Mobilization Payment Security

13.2.1 The Contractor shall, within twenty-eight (28) days of the notification of contract award, provide a security in an amount equal to the advance payment calculated in accordance with the Appendix (Terms and Procedures of Payment) to the Contract Agreement, and in the same currency or currencies.

13.2.2 The security shall be in the form provided in the bidding documents or in another form acceptable to the Employer. The amount of the security shall be reduced in proportion to the value of the Facilities executed by and paid to the Contractor from time to time, and shall automatically become null and void when the full amount of the mobilization payment has been recovered by the Employer. The security shall be returned to the Contractor immediately after its expiration.

13.3 Performance Security

13.3.1 The Contractor shall, within twenty-eight (28) days of the notification of contract award, provide a security for the due performance of the Contract in the amount specified in the SCC.

13.3.2 The security shall be denominated in the currency or currencies of the Contract, or in a freely convertible currency acceptable to the Employer, and shall be in one of the forms of *bank guarantees* provided in the bidding documents, as stipulated by the Employer in the SCC, or in another form acceptable to the Employer.

13.3.3 Unless otherwise specified in the SCC, the security shall be reduced by half on the date of the Operational Acceptance. The Security shall become null and void, or shall be reduced pro rata to the Contract Price of a part of the Facilities for which a separate Time for Completion is provided, five hundred and forty (540) days after Completion of the Facilities or three hundred and sixty five (365) days after Operational Acceptance of the Facilities, whichever occurs first; provided, however, that if the Defects Liability Period has been extended on any part of the Facilities pursuant to GCC Sub-Clause 27.8 hereof, the

Contractor shall issue an additional security in an amount proportionate to the Contract Price of that part. The security shall be returned to the Contractor immediately after its expiration, provided, however, that if the Contractor, pursuant to GCC Sub-Clause 27.10, is liable for an extended defect liability obligation, the performance security shall be extended for the period and up to the amount specified in the SCC.

- 14. Taxes and Duties**
- 14.1 Except as otherwise specifically provided in the Contract, the Contractor shall bear and pay all taxes, duties, levies and charges assessed on the Contractor, its Subcontractors or their employees by all municipal, state or national government authorities in connection with the Facilities in and outside of the country where the Site is located.
- 14.2 Notwithstanding GCC Sub-Clause 14.1 above, the Employer shall bear and promptly pay all customs and import duties as well as other local taxes like, e.g., a value added tax (VAT), imposed by the law of the country where the Site is located on the Plant specified in Price Schedule No. 2 and that are to be incorporated into the Facilities.
- 14.3 If any tax exemptions, reductions, allowances or privileges may be available to the Contractor in the country where the Site is located, the Employer shall use its best endeavors to enable the Contractor to benefit from any such tax savings to the maximum allowable extent.
- 14.4 For the purpose of the Contract, it is agreed that the Contract Price specified in Article 2 (Contract Price and Terms of Payment) of the Contract Agreement is based on the taxes, duties, levies and charges prevailing at the date twenty-eight (28) days prior to the date of bid submission in the country where the Site is located (hereinafter called "Tax" in this GCC Sub-Clause 14.4). If any rates of Tax are increased or decreased, a new Tax is introduced, an existing Tax is abolished, or any change in interpretation or application of any Tax occurs in the course of the performance of Contract, which was or will be assessed on the Contractor, Subcontractors or their employees in connection with performance of the Contract, an equitable adjustment of the Contract Price shall be made to fully take into account any such change by addition to the Contract Price or deduction therefrom, as the case may be, in accordance with GCC Clause 36 hereof.

D. Intellectual Property

- 15. License/Use of Technical Information**
- 15.1 For the operation and maintenance of the Plant, the Contractor hereby grants a non-exclusive and non-transferable license (without the right to sub-license) to the Employer under the patents, utility models or other industrial property rights owned by the Contractor or by a third party from whom the Contractor has received the right to grant licenses thereunder, and shall also grant to the Employer a non-exclusive and non-transferable right (without the right to sub-license) to use the know-how and other technical information disclosed to the Employer under the Contract. Nothing contained herein shall be construed as transferring ownership of any patent, utility model, trademark, design, copyright, know-how or other intellectual property right from the Contractor or any third party to the Employer.
- 15.2 The copyright in all drawings, documents and other materials

containing data and information furnished to the Employer by the Contractor herein shall remain vested in the Contractor or, if they are furnished to the Employer directly or through the Contractor by any third party, including suppliers of materials, the copyright in such materials shall remain vested in such third party.

16. Confidential Information

- 16.1 The Employer and the Contractor shall keep confidential and shall not, without the written consent of the other party hereto, divulge to any third party any documents, data or other information furnished directly or indirectly by the other party hereto in connection with the Contract, whether such information has been furnished prior to, during or following termination of the Contract. Notwithstanding the above, the Contractor may furnish to its Subcontractor(s) such documents, data, and other information it receives from the Employer to the extent required for the Subcontractor(s) to perform its work under the Contract, in which event the Contractor shall obtain from such Subcontractor(s) an undertaking of confidentiality similar to that imposed on the Contractor under this GCC Clause 16.
- 16.2 The Employer shall not use such documents, data, and other information received from the Contractor for any purpose other than the operation and maintenance of the Facilities. Similarly, the Contractor shall not use such documents, data and other information received from the Employer for any purpose other than the design, procurement of Plant, construction or such other work and services as are required for the performance of the Contract.
- 16.3 The obligation of a party under GCC Sub-Clauses 16.1 and 16.2 above, however, shall not apply to that information which
- (a) now or hereafter enters the public domain through no fault of that party
 - (b) can be proven to have been possessed by that party at the time of disclosure and which was not previously obtained, directly or indirectly, from the other party hereto
 - (c) otherwise lawfully becomes available to that party from a third party that has no obligation of confidentiality.
- 16.4 The above provisions of this GCC Clause 16 shall not in any way modify any undertaking of confidentiality given by either of the parties hereto prior to the date of the Contract in respect of the Facilities or any part thereof.
- 16.5 The provisions of this GCC Clause 16 shall survive termination, for whatever reason, of the Contract.

E. Execution of the Facilities**17. Representatives**

- 17.1 Project Manager
If the Project Manager is not named in the Contract, then within fourteen (14) days of the Effective Date, the Employer shall appoint and notify the Contractor in writing of the name of the Project Manager. The Employer may from time to time appoint some other person as the Project Manager in place of the person previously so appointed, and shall give a notice of the name of such other person to the Contractor without delay. No such appointment shall be made

at such a time or in such a manner as to impede the progress of work on the Facilities. Such appointment shall only take effect upon receipt of such notice by the Contractor. The Project Manager shall represent and act for the Employer at all times during the performance of the Contract. All notices, instructions, orders, certificates, approvals and all other communications under the Contract shall be given by the Project Manager, except as herein otherwise provided.

All notices, instructions, information and other communications given by the Contractor to the Employer under the Contract shall be given to the Project Manager, except as herein otherwise provided.

17.2 Contractor's Representative & Construction Manager

17.2.1 If the Contractor's Representative is not named in the Contract, then within fourteen (14) days of the Effective Date, the Contractor shall appoint the Contractor's Representative and shall request the Employer in writing to approve the person so appointed. If the Employer makes no objection to the appointment within fourteen (14) days, the Contractor's Representative shall be deemed to have been approved. If the Employer objects to the appointment within fourteen (14) days giving the reason therefore, then the Contractor shall appoint a replacement within fourteen (14) days of such objection, and the foregoing provisions of this GCC Sub-Clause 17.2.1 shall apply thereto.

17.2.2 The Contractor's Representative shall represent and act for the Contractor at all times during the performance of the Contract and shall give to the Project Manager all the Contractor's notices, instructions, information and all other communications under the Contract.

All notices, instructions, information and all other communications given by the Employer or the Project Manager to the Contractor under the Contract shall be given to the Contractor's Representative or, in its absence, its deputy, except as herein otherwise provided.

The Contractor shall not revoke the appointment of the Contractor's Representative without the Employer's prior written consent, which shall not be unreasonably withheld. If the Employer consents thereto, the Contractor shall appoint some other person as the Contractor's Representative, pursuant to the procedure set out in GCC Sub-Clause 17.2.1.

17.2.3 The Contractor's Representative may, subject to the approval of the Employer which shall not be unreasonably withheld, at any time delegate to any person any of the powers, functions and authorities vested in him or her. Any such delegation may be revoked at any time. Any such delegation or revocation shall be subject to a prior notice signed by the Contractor's Representative, and shall specify the powers, functions and authorities thereby delegated or revoked. No such delegation or revocation shall take effect unless and until a copy thereof has been delivered to the Employer and the Project Manager.

Any act or exercise by any person of powers, functions and authorities so delegated to him or her in accordance with this GCC Sub-Clause 17.2.3 shall be deemed to be an act or exercise by the Contractor's Representative.

17.2.4 From the commencement of installation of the Facilities at the Site until Completion, the Contractor's Representative shall appoint a suitable person as the Construction Manager. The Construction Manager shall supervise all work done at the Site by the Contractor and shall be present at the Site throughout normal working hours except when on leave, sick or absent for reasons connected with the proper performance of the Contract. Whenever the Construction Manager is absent from the Site, the Contractor's Representative or the Construction Manager shall appoint a suitable person to act as the Construction Manager's deputy.

17.2.5 The Employer may, by notice to the Contractor, object to any representative or person employed by the Contractor in the execution of the Contract who, in the reasonable opinion of the Employer, may behave inappropriately, may be incompetent or negligent, or may commit a serious breach of the Site regulations provided under GCC Sub-Clause 22.4. The Employer shall provide evidence of the same, whereupon the Contractor shall remove such person from the Facilities.

17.2.6 If any representative or person employed by the Contractor is removed in accordance with GCC Sub-Clause 17.2.5, the Contractor shall, where required, promptly appoint a replacement.

18. Work Program

18.1 Contractor's Organization

The Contractor shall supply to the Employer and the Project Manager a chart showing the proposed organization to be established by the Contractor for carrying out work on the Facilities within twenty-one (21) days of the Effective Date. The chart shall include the identities of the key personnel and the curricula vitae of such key personnel to be employed shall be supplied together with the chart. The Contractor shall promptly inform the Employer and the Project Manager in writing of any revision or alteration of such an organization chart.

18.2 Program of Performance

Within twenty-eight (28) days after the Effective Date, the Contractor shall submit to the Project Manager a detailed program of performance of the Contract, made in a form acceptable to the Project Manager and showing the sequence in which it proposes to design, manufacture, transport, assemble, install and precommission the Facilities, as well as the date by which the Contractor reasonably requires that the Employer shall have fulfilled its obligations under the Contract so as to enable the Contractor to execute the Contract in accordance with the program and to achieve Completion, Commissioning and Acceptance of the Facilities in accordance with the Contract. The program so submitted by the Contractor shall accord with the Time Schedule included in the Appendix (Time Schedule) to the Contract Agreement and any other dates and periods specified in the Contract. The Contractor shall update and revise the program as and when appropriate or when required by the Project Manager, but without modification in the Times for Completion given in the SCC and any extension granted in accordance with GCC Clause 40, and shall submit all such revisions to the Project Manager.

18.3 Progress Report

The Contractor shall monitor progress of all the activities specified in the program referred to in GCC Sub-Clause 18.2 above, and

supply a progress report to the Project Manager every month.

The progress report shall be in a form acceptable to the Project Manager and shall indicate: (a) percentage completion achieved compared with the planned percentage completion for each activity; and (b) where any activity is behind the program, giving comments and likely consequences and stating the corrective action being taken.

18.4 Progress of Performance

If at any time the Contractor's actual progress falls behind the program referred to in GCC Sub-Clause 18.2, or it becomes apparent that it will so fall behind, the Contractor shall, at the request of the Employer or the Project Manager, prepare and submit to the Project Manager a revised program, taking into account the prevailing circumstances, and shall notify the Project Manager of the steps being taken to expedite progress so as to attain Completion of the Facilities within the Time for Completion under GCC Sub-Clause 8.2, any extension thereof entitled under GCC Sub-Clause 40.1, or any extended period as may otherwise be agreed upon between the Employer and the Contractor.

18.5 Procedures

The Contract shall be executed in accordance with the Contract Documents including the procedures given in the Forms and Procedures of the Employer's Requirements.

The Contractor may execute the Contract in accordance with its own standard project execution plans and procedures to the extent that they do not conflict with the provisions contained in the Contract.

19.Subcontracting

- 19.1 The Appendix 7 (List of Major Items of Supply and Services and List of Approved Subcontractors) to the Contract Agreement specifies major items of supply or services and a list of approved Subcontractors against each item, including manufacturers. Insofar as no Subcontractors are listed against any such item, the Contractor shall prepare a list of Subcontractors for such item for inclusion in such list. The Contractor may from time to time propose any addition to or deletion from any such list. The Contractor shall submit any such list or any modification thereto to the Employer for its approval in sufficient time so as not to impede the progress of work on the Facilities. Such approval by the Employer for any of the Subcontractors shall not relieve the Contractor from any of its obligations, duties or responsibilities under the Contract.
- 19.2 The Contractor shall select and employ its Subcontractors for such major items from those listed in the lists referred to in GCC Sub-Clause 19.1.
- 19.3 For items or parts of the Facilities not specified in the Appendix (List of Major Items of Supply and Services and List of Approved Subcontractors for Major Items) to the Contract Agreement, the Contractor may employ such Subcontractors as it may select, at its discretion.
- 19.4 Each sub-contract shall include provisions which would entitle the Employer to require the sub-contract to be assigned to the Employer under GCC 19.5 (if and when applicable), or in event of termination by the Employer under GCC 42.2.
- 19.5 If a sub-contractor's obligations extend beyond the expiry date of the relevant Defects Liability Period and the Project Manager, prior to

that date, instructs the Contractor to assign the benefits of such obligations to the Employer, then the Contractor shall do so.

20. Design and Engineering

20.1 Specifications and Drawings

20.1.1 The Contractor shall execute the basic and detailed design and the engineering work in compliance with the provisions of the Contract, or where not so specified, in accordance with good engineering practice.

The Contractor shall be responsible for any discrepancies, errors or omissions in the specifications, drawings, and other technical documents that it has prepared, whether such specifications, drawings and other documents have been approved by the Project Manager or not, provided that such discrepancies, errors or omissions are not because of inaccurate information furnished in writing to the Contractor by or on behalf of the Employer.

20.1.2 The Contractor shall be entitled to disclaim responsibility for any design, data, drawing, specification or other document, or any modification thereof provided or designated by or on behalf of the Employer, by giving a notice of such disclaimer to the Project Manager.

20.2 Codes and Standards

Wherever references are made in the Contract to codes and standards in accordance with which the Contract shall be executed, the edition or the revised version of such codes and standards current at the date twenty-eight (28) days prior to date of bid submission shall apply unless otherwise specified. During Contract execution, any changes in such codes and standards shall be applied subject to approval by the Employer and shall be treated in accordance with GCC Clause 39.

20.3 Approval/Review of Technical Documents by Project Manager

20.3.1 The Contractor shall prepare or cause its Subcontractors to prepare, and furnish to the Project Manager the documents listed in the Appendix (List of Documents for Approval or Review) to the Contract Agreement for its approval or review as specified and in accordance with the requirements of GCC Sub-Clause 18.2 (Program of Performance).

Any part of the Facilities covered by or related to the documents to be approved by the Project Manager shall be executed only after the Project Manager's approval thereof.

GCC Sub-Clauses 20.3.2 through 20.3.7 shall apply to those documents requiring the Project Manager's approval, but not to those furnished to the Project Manager for its review only.

20.3.2 Within fourteen (14) days after receipt by the Project Manager of any document requiring the Project Manager's approval in accordance with GCC Sub-Clause 20.3.1, the Project Manager shall either return one copy thereof to the Contractor with its approval endorsed thereon or shall notify the Contractor in writing of its disapproval thereof and the reasons therefore and the modifications that the Project Manager proposes.

If the Project Manager fails to take such action within the said fourteen (14) days, then the said document shall be deemed to have been approved by the Project Manager.

20.3.3 The Project Manager shall not disapprove any document,

except on the grounds that the document does not comply with the Contract or that it is contrary to good engineering practice. If the Project Manager disapproves a document, he shall specify the reasons for his decision.

20.3.4 If the Project Manager disapproves the document, the Contractor shall modify the document and resubmit it for the Project Manager's approval in accordance with GCC Sub-Clause 20.3.2. If the Project Manager approves the document subject to modification(s), the Contractor shall make the required modification(s), whereupon the document shall be deemed to have been approved.

20.3.5 If any dispute or difference occurs between the Employer and the Contractor in connection with or arising out of the disapproval by the Project Manager of any document and/or any modification(s) thereto that cannot be settled between the parties within a reasonable period, then such dispute or difference may be referred to an Dispute Board for determination in accordance with GCC Sub-Clause 45.3 hereof. If such dispute or difference is referred to a Dispute Board, the Project Manager shall give instructions as to whether and if so, how, performance of the Contract is to proceed. The Contractor shall proceed with the Contract in accordance with the Project Manager's instructions, provided that if the Dispute Board upholds the Contractor's view on the dispute and if the Employer has not given notice under Sub-Clause 45.3 hereof, then the Contractor shall be reimbursed by the Employer for any additional costs incurred by reason of such instructions and shall be relieved of such responsibility or liability in connection with the dispute and the execution of the instructions as the Dispute Board shall decide, and the Time for Completion shall be extended accordingly.

20.3.6 The Project Manager's approval, with or without modification of the document furnished by the Contractor, shall not relieve the Contractor of any responsibility or liability imposed upon it by any provisions of the Contract except to the extent that any subsequent failure results from modifications required by the Project Manager.

20.3.7 The Contractor shall not depart from any approved document unless the Contractor has first submitted to the Project Manager an amended document and obtained the Project Manager's approval thereof, pursuant to the provisions of this GCC Sub-Clause 20.3.

If the Project Manager requests any change in any already approved document and/or in any document based thereon, the provisions of GCC Clause 39 shall apply to such request.

21. Procurement

21.1 Materials

Subject to GCC Sub-Clause 14.2, the Contractor shall procure and transport all materials in an expeditious and orderly manner to the Site.

21.2 Employer-Supplied Materials

If the Appendix (Scope of Works and Supply by the Employer) to the Contract Agreement provides that the Employer shall furnish any specific items to the Contractor, the following provisions shall apply:

21.2.1 The Employer shall, at its own risk and expense, transport

each item to the place on or near the Site as agreed upon by the parties and make such item available to the Contractor at the time specified in the program furnished by the Contractor, pursuant to GCC Sub-Clause 18.2, unless otherwise mutually agreed.

21.2.2 Upon receipt of such item, the Contractor shall inspect the same visually and notify the Project Manager of any detected shortage, defect or default. The Employer shall immediately remedy any shortage, defect or default, or the Contractor shall, if practicable and possible, at the request of the Employer, remedy such shortage, defect or default at the Employer's cost and expense. After inspection, such item shall fall under the care, custody and control of the Contractor. The provision of this GCC Sub-Clause 21.2.2 shall apply to any item supplied to remedy any such shortage or default or to substitute for any defective item, or shall apply to defective items that have been repaired.

21.2.3 The foregoing responsibilities of the Contractor and its obligations of care, custody and control shall not relieve the Employer of liability for any undetected shortage, defect or default, nor place the Contractor under any liability for any such shortage, defect or default whether under GCC Clause 27 or under any other provision of Contract.

21.3 Transportation

21.3.1 The Contractor shall at its own risk and expense transport all the materials and the Contractor's Equipment to the Site by the mode of transport that the Contractor judges most suitable under all the circumstances.

21.3.2 Unless otherwise provided in the Contract, the Contractor shall be entitled to select any safe mode of transport operated by any person to carry the materials and the Contractor's Equipment.

21.3.3 Upon dispatch of each shipment of materials and the Contractor's Equipment, the Contractor shall notify the Employer by telex, cable, facsimile or electronic means, of the description of the materials and of the Contractor's Equipment, the point and means of dispatch, and the estimated time and point of arrival in the country where the Site is located, if applicable, and at the Site. The Contractor shall furnish the Employer with relevant shipping documents to be agreed upon between the parties.

21.3.4 The Contractor shall be responsible for obtaining, if necessary, approvals from the authorities for transportation of the materials and the Contractor's Equipment to the Site. The Employer shall use its best endeavors in a timely and expeditious manner to assist the Contractor in obtaining such approvals, if requested by the Contractor. The Contractor shall indemnify and hold harmless the Employer from and against any claim for damage to roads, bridges or any other traffic facilities that may be caused by the transport of the materials and the Contractor's Equipment to the Site.

21.4 Customs Clearance

The Contractor shall, at its own expense, handle all imported materials and Contractor's Equipment at the point(s) of import and shall handle any formalities for customs clearance, subject to the Employer's obligations under GCC Sub-Clause 14.2, provided that if applicable laws or regulations require any application or act to be made by or in the name of the Employer, the Employer shall take all necessary steps to comply with such laws or regulations. In the

event of delays in customs clearance that are not the fault of the Contractor, the Contractor shall be entitled to an extension in the Time for Completion, pursuant to GCC Clause 40.

22. Installation

22.1 Setting Out/Supervision

22.1.1 Bench Mark

- (a) The Contractor shall be responsible for the true and proper setting-out of the Facilities in relation to benchmarks, reference marks and lines provided to it in writing by *or on behalf of* the Employer.
- (b) If, at any time during the progress of installation of the Facilities, any error shall appear in the position, level or alignment of the Facilities, the Contractor shall forthwith notify the Project Manager of such error and, at its own expense, immediately rectify such error to the reasonable satisfaction of the Project Manager. If such error is based on incorrect data provided in writing by *or on behalf of* the Employer, the expense of rectifying the same shall be borne by the Employer.

22.1.2 Contractor's Supervision

The Contractor shall give or provide all necessary superintendence during the installation of the Facilities, and the Construction Manager or its deputy shall be constantly on the Site to provide full-time superintendence of the installation. The Contractor shall provide and employ only technical personnel who are skilled and experienced in their respective callings and supervisory staff who are competent to adequately supervise the work at hand.

22.2 Labor

22.2.1 Engagement of Staff and Labor

- (a) Except as otherwise stated in the Specification, the Contractor shall make arrangements for the engagement of all staff and labor, local or otherwise, and for their payment, housing, feeding, and transport.
- (b) The Contractor shall provide and employ on the Site in the installation of the Facilities such skilled, semi-skilled and unskilled labor as is necessary for the proper and timely execution of the Contract. The Contractor is encouraged to use local labor that has the necessary skills.
- (c) The Contractor shall be responsible for obtaining all necessary permit(s) and/or visa(s) from the appropriate authorities for the entry of all labor and personnel to be employed on the Site into the country where the Site is located. The Employer will, if requested by the Contractor, use his best endeavors in a timely and expeditious manner to assist the Contractor in obtaining any local, state, national or government permission required for bringing in the Contractor's personnel.
- (d) The Contractor shall at its own expense provide the means of repatriation to all of its and its Subcontractor's personnel employed on the Contract at the Site to the place where they were recruited or to their domicile. It shall also provide suitable temporary

maintenance of all such persons from the cessation of their employment on the Contract to the date programmed for their departure. In the event that the Contractor defaults in providing such means of transportation and temporary maintenance, the Employer may provide the same to such personnel and recover the cost of doing so from the Contractor.

22.2.2 Persons in the Service of Employer

The Contractor shall not recruit, or attempt to recruit, staff and labor from amongst the Employer's Personnel.

22.2.3 Labor Laws

- (a) The Contractor shall comply with all the relevant labor Laws applicable to the Contractor's Personnel, including Laws relating to their employment, health, safety, welfare, immigration and emigration, and shall allow them all their legal rights.
- (b) The Contractor shall at all times during the progress of the Contract use its best endeavors to prevent any unlawful, riotous or disorderly conduct or behavior by or amongst its employees and the labor of its Subcontractors.
- (c) The Contractor shall, in all dealings with its labor and the labor of its Subcontractors currently employed on or connected with the Contract, pay due regard to all recognized festivals, official holidays, religious or other customs and all local laws and regulations pertaining to the employment of labor.

22.2.4 Rates of Wages and Conditions of Labor

- (a) The Contractor shall pay rates of wages, and observe conditions of labor, which are not lower than those established for the trade or industry where the work is carried out. If no established rates or conditions are applicable, the Contractor shall pay rates of wages and observe conditions which are not lower than the general level of wages and conditions observed locally by employers whose trade or industry is similar to that of the Contractor.
- (b) The Contractor shall inform the Contractor's Personnel about their liability to pay personal income taxes in the Country in respect of such of their salaries, wages and allowances as are chargeable under the Laws for the time being in force, and the Contractor shall perform such duties in regard to such deductions thereof as may be imposed on him by such Laws.

22.2.5 Working Hours

- (a) No work shall be carried out on the Site on locally recognized days of rest, or outside the normal working hours stated in the SCC, unless:
 - (i) otherwise stated in the Contract,
 - (ii) the Project Manager gives consent, or
 - (iii) the work is unavoidable, or necessary for the

protection of life or property or for the safety of the Works, in which case the Contractor shall immediately advise the Project Manager.

- (b) If and when the Contractor considers it necessary to carry out work at night or on public holidays so as to meet the Time for Completion and requests the Project Manager's consent thereto, the Project Manager shall not unreasonably withhold such consent.
- (c) This Sub-Clause shall not apply to any work which is customarily carried out by rotary or double-shifts.

22.2.6 Facilities for Staff and Labor

- (a) Except as otherwise stated in the Specification, the Contractor shall provide and maintain all necessary accommodation and welfare facilities for the Contractor's Personnel. The Contractor shall also provide facilities for the Employer's Personnel as stated in the Specification.
- (b) The Contractor shall not permit any of the Contractor's Personnel to maintain any temporary or permanent living quarters within the structures forming part of the Permanent Works.

22.2.7 Health and Safety

- (a) The Contractor shall at all times take all reasonable precautions to maintain the health and safety of the Contractor's Personnel. In collaboration with local health authorities, the Contractor shall ensure that medical staff, first aid facilities, sick bay and ambulance service are available at all times at the Site and at any accommodation for Contractor's and Employer's Personnel, and that suitable arrangements are made for all necessary welfare and hygiene requirements and for the prevention of epidemics.
- (b) The Contractor shall appoint an accident prevention officer at the Site, responsible for maintaining safety and protection against accidents. This person shall be qualified for this responsibility, and shall have the authority to issue instructions and take protective measures to prevent accidents. Throughout the performance of the Contract, the Contractor shall provide whatever is required by this person to exercise this responsibility and authority.
- (c) The Contractor shall send, to the Project Manager, details of any accident as soon as practicable after its occurrence. The Contractor shall maintain records and make reports concerning health, safety and welfare of persons, and damage to property, as the Engineer may reasonably require.

22.2.8 Funeral Arrangements

In the event of the death of any of the Contractor's personnel or accompanying members of their families, the Contractor shall be responsible for making the appropriate arrangements for their return or burial, unless otherwise specified in the SCC.

22.2.9 Records of Contractor's Personnel

The Contractor shall keep accurate records of the Contractor's personnel, including the number of each class of Contractor's Personnel on the Site and the names, ages, genders, hours worked and wages paid to all workers. These records shall be summarized on a monthly basis in a form approved by the Project Manager and shall be available for inspection by the Project Manager. The records will be available until the Contractor has completed all work.

22.2.10 Supply of Foodstuffs

The Contractor shall arrange for the provision of a sufficient supply of suitable food as may be stated in the Specification at reasonable prices for the Contractor's Personnel for the purposes of or in connection with the Contract.

22.2.11 Supply of Water

The Contractor shall, having regard to local conditions, provide on the Site an adequate supply of drinking and other water for the use of the Contractor's Personnel.

22.2.12 Measures against Insect and Pest Nuisance

The Contractor shall at all times take the necessary precautions to protect the Contractor's Personnel employed on the Site from insect and pest nuisance, and to reduce their danger to health. The Contractor shall comply with all the regulations of the local health authorities, including use of appropriate insecticide.

22.2.13 Alcoholic Liquor or Drugs

The Contractor shall not, otherwise than in accordance with the Laws of the Country, import, sell, give barter or otherwise dispose of any alcoholic liquor or drugs, or permit or allow importation, sale, gift, barter or disposal by Contractor's Personnel.

22.2.14 Arms and Ammunition

The Contractor shall not give, barter, or otherwise dispose of, to any person, any arms or ammunition of any kind, or allow Contractor's Personnel to do so.

22.2.15 Prohibition of All Forms of Forced or Compulsory Labor

The contractor shall not employ "forced or compulsory labor" in any form. "Forced or compulsory labor" consists of all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.

22.2.16 Prohibition of Harmful Child Labor

The Contractor shall not employ any child to perform any work that is economically exploitative, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral, or social development.

22.3 Contractor's Equipment

- 22.3.1 All Contractor's Equipment brought by the Contractor onto the Site shall be deemed to be intended to be used exclusively for the execution of the Contract. The Contractor shall not remove the same from the Site without the Project Manager's consent that such Contractor's Equipment is no longer required for the execution of the Contract.
- 22.3.2 Unless otherwise specified in the Contract, upon completion of the Facilities, the Contractor shall remove from the Site all Equipment brought by the Contractor onto the Site and any surplus materials remaining thereon.
- 22.3.3 The Employer will, if requested, use its best endeavors to assist the Contractor in obtaining any local, state or national government permission required by the Contractor for the export of the Contractor's Equipment imported by the Contractor for use in the execution of the Contract that is no longer required for the execution of the Contract.

22.4 Site Regulations and Safety

The Employer and the Contractor shall establish Site regulations setting out the rules to be observed in the execution of the Contract at the Site and shall comply therewith. The Contractor shall prepare and submit to the Employer, with a copy to the Project Manager, proposed Site regulations for the Employer's approval, which approval shall not be unreasonably withheld.

Such Site regulations shall include, but shall not be limited to, rules in respect of security, safety of the Facilities, gate control, sanitation, medical care, and fire prevention.

22.5 Opportunities for Other Contractors

- 22.5.1 The Contractor shall, upon written request from the Employer or the Project Manager, give all reasonable opportunities for carrying out the work to any other contractors employed by the Employer on or near the Site.
- 22.5.2 If the Contractor, upon written request from the Employer or the Project Manager, makes available to other contractors any roads or ways the maintenance for which the Contractor is responsible, permits the use by such other contractors of the Contractor's Equipment, or provides any other service of whatsoever nature for such other contractors, the Employer shall fully compensate the Contractor for any loss or damage caused or occasioned by such other contractors in respect of any such use or service, and shall pay to the Contractor reasonable remuneration for the use of such equipment or the provision of such services.
- 22.5.3 The Contractor shall also so arrange to perform its work as to minimize, to the extent possible, interference with the work of other contractors. The Project Manager shall determine the resolution of any difference or conflict that may arise between the Contractor and other contractors and the workers of the Employer in regard to their work.
- 22.5.4 The Contractor shall notify the Project Manager promptly of any defects in the other contractors' work that come to its notice, and that could affect the Contractor's work. The Project Manager shall determine the corrective measures, if

any, required to rectify the situation after inspection of the Facilities. Decisions made by the Project Manager shall be binding on the Contractor.

22.6 Emergency Work

If, by reason of an emergency arising in connection with and during the execution of the Contract, any protective or remedial work is necessary as a matter of urgency to prevent damage to the Facilities, the Contractor shall immediately carry out such work.

If the Contractor is unable or unwilling to do such work immediately, the Employer may do or cause such work to be done as the Employer may determine is necessary in order to prevent damage to the Facilities. In such event the Employer shall, as soon as practicable after the occurrence of any such emergency, notify the Contractor in writing of such emergency, the work done and the reasons therefor. If the work done or caused to be done by the Employer is work that the Contractor was liable to do at its own expense under the Contract, the reasonable costs incurred by the Employer in connection therewith shall be paid by the Contractor to the Employer. Otherwise, the cost of such remedial work shall be borne by the Employer.

22.7 Site Clearance

22.7.1 Site Clearance in Course of Performance

In the course of carrying out the Contract, the Contractor shall keep the Site reasonably free from all unnecessary obstruction, store or remove any surplus materials, clear away any wreckage, rubbish or temporary works from the Site, and remove any Contractor's Equipment no longer required for execution of the Contract.

22.7.2 Clearance of Site after Completion

After Completion of all parts of the Facilities, the Contractor shall clear away and remove all wreckage, rubbish and debris of any kind from the Site, and shall leave the Site and Facilities in a clean and safe condition.

22.8 Watching and Lighting

The Contractor shall provide and maintain at its own expense all lighting, fencing, and watching when and where necessary for the proper execution and the protection of the Facilities, or for the safety of the owners and occupiers of adjacent property and for the safety of the public.

23. Test and Inspection

23.1 The Contractor shall at its own expense carry out at the place of manufacture and/or on the Site all such tests and/or inspections of the Plant and any part of the Facilities as are specified in the Contract.

23.2 The Employer and the Project Manager or their designated representatives shall be entitled to attend the aforesaid test and/or inspection, provided that the Employer shall bear all costs and expenses incurred in connection with such attendance including, but not limited to, all traveling and board and lodging expenses.

23.3 Whenever the Contractor is ready to carry out any such test and/or inspection, the Contractor shall give a reasonable advance notice of such test and/or inspection and of the place and time thereof to the Project Manager. The Contractor shall obtain from any relevant

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third party or manufacturer any necessary permission or consent to enable the Employer and the Project Manager or their designated representatives to attend the test and/or inspection.

- 23.4 The Contractor shall provide the Project Manager with a certified report of the results of any such test and/or inspection.
- 23.5 If the Employer or Project Manager or their designated representatives fails to attend the test and/or inspection, or if it is agreed between the parties that such persons shall not do so, then the Contractor may proceed with the test and/or inspection in the absence of such persons, and may provide the Project Manager with a certified report of the results thereof.
- 23.6 If the Employer or Project Manager may require the Contractor to carry out any test and/or inspection not required by the Contract, provided that the Contractor's reasonable costs and expenses incurred in the carrying out of such test and/or inspection shall be added to the Contract Price. Further, if such test and/or inspection impedes the progress of work on the Facilities and/or the Contractor's performance of its other obligations under the Contract, due allowance will be made in respect of the Time for Completion and the other obligations so affected.
- 23.7 If any Plant or any part of the Facilities fails to pass any test and/or inspection, the Contractor shall either rectify or replace such Plant or part of the Facilities and shall repeat the test and/or inspection upon giving a notice under GCC Sub-Clause 23.3.
- 23.8 If any dispute or difference of opinion shall arise between the parties in connection with or arising out of the test and/or inspection of the Plant or part of the Facilities that cannot be settled between the parties within a reasonable period of time, it may be referred to an Dispute Board for determination in accordance with GCC Sub-Clause 45.
- 23.9 The Contractor shall afford the Employer and the Project Manager, at the Employer's expense, access at any reasonable time to any place where the Plant are being manufactured or the Facilities are being installed, in order to inspect the progress and the manner of manufacture or installation, provided that the Project Manager shall give the Contractor a reasonable prior notice.
- 23.10 The Contractor agrees that neither the execution of a test and/or inspection of Plant or any part of the Facilities, nor the attendance by the Employer or the Project Manager, nor the issue of any test certificate pursuant to GCC Sub-Clause 23.4, shall release the Contractor from any other responsibilities under the Contract.
- 23.11 No part of the Facilities or foundations shall be covered up on the Site without the Contractor carrying out any test and/or inspection required under the Contract. The Contractor shall give a reasonable notice to the Project Manager whenever any such parts of the Facilities or foundations are ready or about to be ready for test and/or inspection; such test and/or inspection and notice thereof shall be subject to the requirements of the Contract.
- 23.12 The Contractor shall uncover any part of the Facilities or foundations, or shall make openings in or through the same as the Project Manager may from time to time require at the Site, and shall reinstate and make good such part or parts.

If any parts of the Facilities or foundations have been covered up at the Site after compliance with the requirement of GCC Sub-Clause

23.10 and are found to be executed in accordance with the Contract, the expenses of uncovering, making openings in or through, reinstating, and making good the same shall be borne by the Employer, and the Time for Completion shall be reasonably adjusted to the extent that the Contractor has thereby been delayed or impeded in the performance of any of its obligations under the Contract.

24. Completion of the Facilities

24.1 As soon as the Facilities or any part thereof has, in the opinion of the Contractor, been completed operationally and structurally and put in a tight and clean condition as specified in the Employer's Requirements, excluding minor items not materially affecting the operation or safety of the Facilities, the Contractor shall so notify the Employer in writing.

24.2 Within seven (7) days after receipt of the notice from the Contractor under GCC Sub-Clause 24.1, the Employer shall supply the operating and maintenance personnel specified in the Appendix (Scope of Works and Supply by the Employer) to the Contract Agreement for Pre commissioning of the Facilities or any part thereof.

Pursuant to the Appendix (Scope of Works and Supply by the Employer) to the Contract Agreement, the Employer shall also provide, within the said seven (7) day period, the raw materials, utilities, lubricants, chemicals, catalysts, facilities, services and other matters required for Pre commissioning of the Facilities or any part thereof.

24.3 As soon as reasonably practicable after the operating and maintenance personnel have been supplied by the Employer and the raw materials, utilities, lubricants, chemicals, catalysts, facilities, services and other matters have been provided by the Employer in accordance with GCC Sub-Clause 24.2, the Contractor shall commence Pre commissioning of the Facilities or the relevant part thereof in preparation for Commissioning, subject to GCC Sub-Clause 25.5.

24.4 As soon as all works in respect of Pre commissioning are completed and, in the opinion of the Contractor, the Facilities or any part thereof is ready for Commissioning, the Contractor shall so notify the Project Manager in writing.

24.5 The Project Manager shall, within fourteen (14) days after receipt of the Contractor's notice under GCC Sub-Clause 24.4, either issue a Completion Certificate in the form specified in the Employer's Requirements (Forms and Procedures), stating that the Facilities or that part thereof have reached Completion as of the date of the Contractor's notice under GCC Sub-Clause 24.4, or notify the Contractor in writing of any defects and/or deficiencies.

If the Project Manager notifies the Contractor of any defects and/or deficiencies, the Contractor shall then correct such defects and/or deficiencies, and shall repeat the procedure described in GCC Sub-Clause 24.4.

If the Project Manager is satisfied that the Facilities or that part thereof have reached Completion, the Project Manager shall, within seven (7) days after receipt of the Contractor's repeated notice, issue a Completion Certificate stating that the Facilities or that part thereof have reached Completion as of the date of the Contractor's repeated notice.

If the Project Manager is not so satisfied, then it shall notify the Contractor in writing of any defects and/or deficiencies within seven (7) days after receipt of the Contractor's repeated notice, and the above procedure shall be repeated.

- 24.6 If the Project Manager fails to issue the Completion Certificate and fails to inform the Contractor of any defects and/or deficiencies within fourteen (14) days after receipt of the Contractor's notice under GCC Sub-Clause 24.4 or within seven (7) days after receipt of the Contractor's repeated notice under GCC Sub-Clause 24.5, or if the Employer makes use of the Facilities or part thereof, then the Facilities or that part thereof shall be deemed to have reached Completion as of the date of the Contractor's notice or repeated notice, or as of the Employer's use of the Facilities, as the case may be.
- 24.7 As soon as possible after Completion, the Contractor shall complete all outstanding minor items so that the Facilities are fully in accordance with the requirements of the Contract, failing which the Employer will undertake such completion and deduct the costs thereof from any monies owing to the Contractor.
- 24.8 Upon Completion, the Employer shall be responsible for the care and custody of the Facilities or the relevant part thereof, together with the risk of loss or damage thereto, and shall thereafter take over the Facilities or the relevant part thereof.

25. Commissioning and Operational Acceptance

25.1 Commissioning

- 25.1.1 Commissioning of the Facilities or any part thereof shall be commenced by the Contractor immediately after issue of the Completion Certificate by the Project Manager, pursuant to GCC Sub-Clause 24.5, or immediately after the date of the deemed Completion, under GCC Sub-Clause 24.6.
- 25.1.2 The Employer shall supply the operating, maintenance personnel, and all raw materials, utilities, lubricants, chemicals, catalysts, facilities, services and other matters required for Commissioning.
- 25.1.3 In accordance with the requirements of the Contract, the Contractor and Project Manager's advisory personnel shall attend the Commissioning, including the Guarantee Test, and shall advise and assist the Employer.

25.2 Guarantee Test

- 25.2.1 Subject to GCC Sub-Clause 25.5, the Guarantee Test and repeats thereof shall be conducted by the Contractor during Commissioning of the Facilities or the relevant part thereof to ascertain whether the Facilities or the relevant part can attain the Functional Guarantees specified in the Appendix (Functional Guarantees) to the Contract Agreement. The Employer shall promptly provide the Contractor with such information as the Contractor may reasonably require in relation to the conduct and results of the Guarantee Test and any repeats thereof.
- 25.2.2 If for reasons not attributable to the Contractor, the Guarantee Test of the Facilities or the relevant part thereof cannot be successfully completed within the period from the date of Completion specified in the SCC or any other period agreed upon by the Employer and the Contractor, the Contractor shall be deemed to have fulfilled its obligations

with respect to the Functional Guarantees, and GCC Sub-Clauses 28.2 and 28.3 shall not apply.

25.3 Operational Acceptance

25.3.1 Subject to GCC Sub-Clause 25.4 below, Operational Acceptance shall occur in respect of the Facilities or any part thereof when

- (a) the Guarantee Test has been successfully completed and the Functional Guarantees are met; or
- (b) the Guarantee Test has not been successfully completed or has not been carried out for reasons not attributable to the Contractor within the period from the date of Completion specified in the SCC or any other agreed upon period as specified in GCC Sub-Clause 25.2.2 above; or
- (c) the Contractor has paid the liquidated damages specified in GCC Sub-Clause 28.3 hereof; and
- (d) any minor items mentioned in GCC Sub-Clause 24.7 hereof relevant to the Facilities or that part thereof have been completed.

25.3.2 At any time after any of the events set out in GCC Sub-Clause 25.3.1 have occurred, the Contractor may give a notice to the Project Manager requesting the issue of an Operational Acceptance Certificate in the form provided in the Employer's Requirements (Forms and Procedures) in respect of the Facilities or the part thereof specified in such notice as of the date of such notice.

25.3.3 The Project Manager shall, after consultation with the Employer, and within seven (7) days after receipt of the Contractor's notice, issue an Operational Acceptance Certificate.

25.3.4 If within seven (7) days after receipt of the Contractor's notice, the Project Manager fails to issue the Operational Acceptance Certificate or fails to inform the Contractor in writing of the justifiable reasons why the Project Manager has not issued the Operational Acceptance Certificate, the Facilities or the relevant part thereof shall be deemed to have been accepted as of the date of the Contractor's said notice.

25.4 Partial Acceptance

25.4.1 If the Contract specifies that Completion and Commissioning shall be carried out in respect of parts of the Facilities, the provisions relating to Completion and Commissioning including the Guarantee Test shall apply to each such part of the Facilities individually, and the Operational Acceptance Certificate shall be issued accordingly for each such part of the Facilities.

25.4.2 If a part of the Facilities comprises facilities such as buildings, for which no Commissioning or Guarantee Test is required, then the Project Manager shall issue the Operational Acceptance Certificate for such facility when it attains Completion, provided that the Contractor shall thereafter complete any outstanding minor items that are

listed in the Operational Acceptance Certificate.

25.5 Delayed Pre commissioning and/or Guarantee Test

25.5.1 In the event that the Contractor is unable to proceed with the Pre commissioning of the Facilities pursuant to Sub-Clause 24.3, or with the Guarantee Test pursuant to Sub-Clause 25.2, for reasons attributable to the Employer either on account of non-availability of other facilities under the responsibilities of other contractor(s), or for reasons beyond the Employer's control, the provisions leading to "deemed" completion of activities such as Completion, pursuant to GCC Sub-Clause 24.6, and Operational Acceptance, pursuant to GCC Sub-Clause 25.3.4, and Contractor's obligations regarding Defect Liability Period, pursuant to GCC Sub-Clause 27.2, Functional Guarantee, pursuant to GCC Clause 28, and Care of Facilities, pursuant to GCC Clause 32, and GCC Clause 41.1, Suspension, shall not apply. In this case, the following provisions shall apply.

25.5.2 When the Contractor is notified by the Project Manager that he will be unable to proceed with the activities and obligations pursuant to above Sub-Clause 25.5.1, the Contractor shall be entitled to the following:

- (a) the Time of Completion shall be extended for the period of suspension without imposition of liquidated damages pursuant to GCC Sub-Clause 26.2;
- (b) payments due to the Contractor in accordance with the provision specified in the Appendix (Terms and Procedures of Payment) to the Contract Agreement, which would not have been payable in normal circumstances due to non-completion of the subject activities, shall be released to the Contractor against submission of a security in the form of a bank guarantee of equivalent amount acceptable to the Employer, and which shall become null and void when the Contractor will have complied with its obligations regarding those payments, subject to the provision of Sub-Clause 25.5.3 below;
- (c) the expenses towards the above security and extension of other securities under the contract, of which validity needs to be extended, shall be reimbursed to the Contractor by the Employer;
- (d) the additional charges towards the care of the Facilities pursuant to GCC Sub-Clause 32.1 shall be reimbursed to the Contractor by the Employer for the period between the notification mentioned above and the notification mentioned in Sub-Clause 25.5.4 below. The provision of GCC Sub-Clause 33.2 shall apply to the Facilities during the same period.

25.5.3 In the event that the period of suspension under above Sub-Clause 25.5.1 actually exceeds one hundred eighty (180) days, the Employer and Contractor shall mutually agree to any additional compensation payable to the Contractor.

25.5.4 When the Contractor is notified by the Project Manager that the plant is ready for Pre commissioning, the Contractor shall proceed without delay in performing all the specified

activities and obligations under the contract.

F. Guarantees and Liabilities

26. Completion Time Guarantee

26.1 The Contractor guarantees that it shall attain Completion of the Facilities (or a part for which a separate time for completion is specified) within the Time for Completion specified in the SCC pursuant to GCC Sub-Clause 8.2, or within such extended time to which the Contractor shall be entitled under GCC Clause 40 hereof.

26.2 If the Contractor fails to attain Completion of the Facilities or any part thereof within the Time for Completion or any extension thereof under GCC Clause 40, the Contractor shall pay to the Employer liquidated damages in the amount specified in the SCC as a percentage rate of the Contract Price or the relevant part thereof. The aggregate amount of such liquidated damages shall in no event exceed the amount specified as "Maximum" in the SCC as a percentage rate of the Contract Price. Once the "Maximum" is reached, the Employer may consider termination of the Contract, pursuant to GCC Sub-Clause 42.2.2.

Such payment shall completely satisfy the Contractor's obligation to attain Completion of the Facilities or the relevant part thereof within the Time for Completion or any extension thereof under GCC Clause 40. The Contractor shall have no further liability whatsoever to the Employer in respect thereof.

However, the payment of liquidated damages shall not in any way relieve the Contractor from any of its obligations to complete the Facilities or from any other obligations and liabilities of the Contractor under the Contract.

Save for liquidated damages payable under this GCC Sub-Clause 26.2, the failure by the Contractor to attain any milestone or other act, matter or thing by any date specified in the Appendix (Time Schedule) to the Contract Agreement and/or other program of work prepared pursuant to GCC Sub-Clause 18.2 shall not render the Contractor liable for any loss or damage thereby suffered by the Employer.

26.3 If the Contractor attains Completion of the Facilities or any part thereof before the Time for Completion or any extension thereof under GCC Clause 40, the Employer shall pay to the Contractor a bonus in the amount specified in the SCC. The aggregate amount of such bonus shall in no event exceed the amount specified as "Maximum" in the SCC.

27. Defect Liability

27.1 The Contractor warrants that the Facilities or any part thereof shall be free from defects in the design, engineering, materials and workmanship of the Plant supplied and of the work executed.

27.2 The Defect Liability Period shall be five hundred and forty (540) days from the date of Completion of the Facilities (or any part thereof) or one year from the date of Operational Acceptance of the Facilities (or any part thereof), whichever first occurs, unless specified otherwise in the SCC pursuant to GCC Sub-Clause 27.10.

If during the Defect Liability Period any defect should be found in the design, engineering, materials and workmanship of the Plant supplied or of the work executed by the Contractor, the Contractor shall promptly, in consultation and agreement with the Employer

regarding appropriate remedying of the defects, and at its cost, repair, replace or otherwise make good as the Contractor shall determine at its discretion, such defect as well as any damage to the Facilities caused by such defect. The Contractor shall not be responsible for the repair, replacement or making good of any defector of any damage to the Facilities arising out of or resulting from any of the following causes:

- (a) improper operation or maintenance of the Facilities by the Employer;
- (b) operation of the Facilities outside specifications provided in the Contract; or
- (c) normal wear and tear.

27.3 The Contractor's obligations under this GCC Clause 27 shall not apply to:

- (a) any materials that are supplied by the Employer under GCC Sub-Clause 21.2, are normally consumed in operation, or have a normal life shorter than the Defect Liability Period stated herein;
- (b) any designs, specifications or other data designed, supplied or specified by or on behalf of the Employer or any matters for which the Contractor has disclaimed responsibility herein; or
- (c) any other materials supplied or any other work executed by or on behalf of the Employer, except for the work executed by the Employer under GCC Sub-Clause 27.7

27.4 The Employer shall give the Contractor a notice stating the nature of any such defect together with all available evidence thereof, promptly following the discovery thereof. The Employer shall afford all reasonable opportunity for the Contractor to inspect any such defect.

27.5 The Employer shall afford the Contractor all necessary access to the Facilities and the Site to enable the Contractor to perform its obligations under this GCC Clause 27.

The Contractor may, with the consent of the Employer, remove from the Site any Plant or any part of the Facilities that are defective if the nature of the defect, and/or any damage to the Facilities caused by the defect, is such that repairs cannot be expeditiously carried out at the Site.

27.6 If the repair, replacement, or making good is of such a character that it may affect the efficiency of the Facilities or any part thereof, the Employer may give to the Contractor a notice requiring that tests of the defective part of the Facilities shall be made by the Contractor immediately upon completion of such remedial work, whereupon the Contractor shall carry out such tests.

If such part fails the tests, the Contractor shall carry out further repair, replacement or making good, as the case may be, until that part of the Facilities passes such tests. The tests shall be agreed upon by the Employer and the Contractor.

27.7 If the Contractor fails to commence the work necessary to remedy such defect or any damage to the Facilities caused by such defect within a reasonable time (which shall in no event be considered to be less than fifteen (15) days), the Employer may, following notice to the Contractor, proceed to do such work, and the reasonable costs

incurred by the Employer in connection therewith shall be paid to the Employer by the Contractor or may be deducted by the Employer from any monies due the Contractor or claimed under the Performance Security.

- 27.8 If the Facilities or any part thereof cannot be used by reason of such defect and/or making good of such defect, the Defect Liability Period of the Facilities or such part, as the case may be, shall be extended by a period equal to the period during which the Facilities or such part cannot be used by the Employer because of any of the aforesaid reasons.
- 27.9 Except as provided in GCC Clauses 27 and 33, the Contractor shall be under no liability whatsoever and howsoever arising, and whether under the Contract or at law, in respect of defects in the Facilities or any part thereof, the Plant, design or engineering or work executed that appear after Completion of the Facilities or any part thereof, except where such defects are the result of the gross negligence, fraud, criminal or willful action of the Contractor.
- 27.10 In addition, any such component of the Facilities and during the period of time as may be specified in the SCC shall be subject to an extended Defect Liability Period. Such obligation of the Contractor shall be in addition to the Defect Liability Period specified under GCC Sub-Clause 27.2.

28. Functional Guarantees

- 28.1 The Contractor guarantees that during the Guarantee Test, the Facilities and all parts thereof shall attain the Functional Guarantees specified in the Appendix (Functional Guarantees) to the Contract Agreement, subject to and upon the conditions therein specified.
- 28.2 If, for reasons attributable to the Contractor, the minimum level of the Functional Guarantees specified in the Appendix (Functional Guarantees) to the Contract Agreement are not met either in whole or in part, the Contractor shall at its cost and expense make such changes, modifications and/or additions to the Plant or any part thereof as may be necessary to meet at least the minimum level of such Guarantees. The Contractor shall notify the Employer upon completion of the necessary changes, modifications and/or additions, and shall request the Employer to repeat the Guarantee Test until the minimum level of the Guarantees has been met. If the Contractor eventually fails to meet the minimum level of Functional Guarantees, the Employer may consider termination of the Contract, pursuant to GCC Sub-Clause 42.2.2.
- 28.3 If, for reasons attributable to the Contractor, the Functional Guarantees specified in the Appendix (Functional Guarantees) to the Contract Agreement are not attained either in whole or in part, but the minimum level of the Functional Guarantees specified in the said Appendix to the Contract Agreement is met, the Contractor shall, at the Contractor's option, either
 - (a) make such changes, modifications and/or additions to the Facilities or any part thereof that are necessary to attain the Functional Guarantees at its cost and expense, and shall request the Employer to repeat the Guarantee Test or
 - (b) pay liquidated damages to the Employer in respect of the failure to meet the Functional Guarantees in accordance with the provisions in the Appendix (Functional Guarantees) to the Contract Agreement.
- 28.4 The payment of liquidated damages under GCC Sub-Clause 28.3,

up to the limitation of liability specified in the Appendix (Functional Guarantees) to the Contract Agreement, shall completely satisfy the Contractor's guarantees under GCC Sub-Clause 28.3, and the Contractor shall have no further liability whatsoever to the Employer in respect thereof. Upon the payment of such liquidated damages by the Contractor, the Project Manager shall issue the Operational Acceptance Certificate for the Facilities or any part thereof in respect of which the liquidated damages have been so paid.

29. Patent Indemnity

- 29.1 The Contractor shall, subject to the Employer's compliance with GCC Sub-Clause 29.2, indemnify and hold harmless the Employer and its employees and officers from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of whatsoever nature, including attorney's fees and expenses, which the Employer may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright or other intellectual property right registered or otherwise existing at the date of the Contract by reason of: (a) the installation of the Facilities by the Contractor or the use of the Facilities in the country where the Site is located; and (b) the sale of the products produced by the Facilities in any country.
- 29.2 Such indemnity shall not cover any use of the Facilities or any part thereof other than for the purpose indicated by or to be reasonably inferred from the Contract, any infringement resulting from the use of the Facilities or any part thereof, or any products produced thereby in association or combination with any other equipment, plant or materials not supplied by the Contractor, pursuant to the Contract Agreement.
- 29.3 If any proceedings are brought or any claim is made against the Employer arising out of the matters referred to in GCC Sub-Clause 29.1, the Employer shall promptly give the Contractor a notice thereof, and the Contractor may at its own expense and in the Employer's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim.
- 29.4 If the Contractor fails to notify the Employer within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Employer shall be free to conduct the same on its own behalf. Unless the Contractor has so failed to notify the Employer within the twenty-eight (28) day period, the Employer shall make no admission that may be prejudicial to the defense of any such proceedings or claim.
- 29.5 The Employer shall, at the Contractor's request, afford all available assistance to the Contractor in conducting such proceedings or claim, and shall be reimbursed by the Contractor for all reasonable expenses incurred in so doing.
- 29.6 The Employer shall indemnify and hold harmless the Contractor and its employees, officers and Subcontractors from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of whatsoever nature, including attorney's fees and expenses, which the Contractor may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright or other intellectual property right registered or otherwise existing at the date of the Contract arising out of or in connection with any design, data, drawing, specification, or other

documents or materials provided or designed by or on behalf of the Employer.

30. Limitation of Liability

- 30.1 Except in cases of criminal negligence or willful misconduct,
- (a) the Contractor shall not be liable to the Employer, 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 Contractor to pay liquidated damages to the Employer and
 - (b) the aggregate liability of the Contractor to the Employer, whether under the Contract, in tort or otherwise, shall not exceed a multiple of the Contract Price specified in the SCC or, if a multiple is not so specified, the total Contract Price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment, or to any obligation of the Contractor to indemnify the Employer with respect to patent infringement.

G. Risk Distribution

31. Transfer of Ownership

- 31.1 Ownership of the Plant (including spare parts) to be imported into the country where the Site is located shall be transferred to the Employer upon loading on to the mode of transport to be used to convey the Plant from the country of origin to that country.
- 31.2 Ownership of the Plant (including spare parts) procured in the country where the Site is located shall be transferred to the Employer when the Plant are brought on to the Site.
- 31.3 Ownership of the Contractor's Equipment used by the Contractor and its Subcontractors in connection with the Contract shall remain with the Contractor or its Subcontractors.
- 31.4 Ownership of any Plant in excess of the requirements for the Facilities shall revert to the Contractor upon Completion of the Facilities or at such earlier time when the Employer and the Contractor agree that the Plant in question are no longer required for the Facilities.
- 31.5 Notwithstanding the transfer of ownership of the Plant, the responsibility for care and custody thereof together with the risk of loss or damage thereto shall remain with the Contractor pursuant to GCC Clause 32 (Care of Facilities) hereof until Completion of the Facilities or the part thereof in which such Plant are incorporated.

32. Care of Facilities

- 32.1 The Contractor shall be responsible for the care and custody of the Facilities or any part thereof until the date of Completion of the Facilities pursuant to GCC Clause 24 or, where the Contract provides for Completion of the Facilities in parts, until the date of Completion of the relevant part, and shall make good at its own cost any loss or damage that may occur to the Facilities or the relevant part thereof from any cause whatsoever during such period. The Contractor shall also be responsible for any loss or damage to the Facilities caused by the Contractor or its Subcontractors in the course of any work carried out, pursuant to GCC Clause 27. Notwithstanding the foregoing, the Contractor shall not be liable for any loss or damage to the Facilities or that part thereof caused by reason of any of the matters specified or referred to in paragraphs

(a), (b) and (c) of GCC Sub-Clauses 32.2 and 38.1.

32.2 If any loss or damage occurs to the Facilities or any part thereof or to the Contractor's temporary facilities by reason of

- (a) insofar as they relate to the country where the Site is located, nuclear reaction, nuclear radiation, radioactive contamination, pressure wave caused by aircraft or other aerial objects, or any other occurrences that an experienced contractor could not reasonably foresee, or if reasonably foreseeable could not reasonably make provision for or insure against, insofar as such risks are not normally insurable on the insurance market and are mentioned in the general exclusions of the policy of insurance, including War Risks and Political Risks, taken out under GCC Clause 34 hereof; or
- (b) any use or occupation by the Employer or any third party other than a Subcontractor, authorized by the Employer of any part of the Facilities; or
- (c) any use of or reliance upon any design, data or specification provided or designated by or on behalf of the Employer, or any such matter for which the Contractor has disclaimed responsibility herein,

the Employer shall pay to the Contractor all sums payable in respect of the Facilities executed, notwithstanding that the same be lost, destroyed or damaged, and will pay to the Contractor the replacement value of all temporary facilities and all parts thereof lost, destroyed or damaged. If the Employer requests the Contractor in writing to make good any loss or damage to the Facilities thereby occasioned, the Contractor shall make good the same at the cost of the Employer in accordance with GCC Clause 39. If the Employer does not request the Contractor in writing to make good any loss or damage to the Facilities thereby occasioned, the Employer shall either request a change in accordance with GCC Clause 39, excluding the performance of that part of the Facilities thereby lost, destroyed or damaged, or, where the loss or damage affects a substantial part of the Facilities, the Employer shall terminate the Contract pursuant to GCC Sub-Clause 42.1 hereof.

32.3 The Contractor shall be liable for any loss of or damage to any Contractor's Equipment, or any other property of the Contractor used or intended to be used for purposes of the Facilities, except (i) as mentioned in GCC Sub-Clause 32.2 with respect to the Contractor's temporary facilities, and (ii) where such loss or damage arises by reason of any of the matters specified in GCC Sub-Clauses 32.2 (b) and (c) and 38.1.

32.4 With respect to any loss or damage caused to the Facilities or any part thereof or to the Contractor's Equipment by reason of any of the matters specified in GCC Sub-Clause 38.1, the provisions of GCC Sub-Clause 38.3 shall apply.

**33. Loss of or
Damage to
Property;
Accident or Injury
to Workers;
Indemnification**

33.1 Subject to GCC Sub-Clause 33.3, the Contractor shall indemnify and hold harmless the Employer and its employees and officers from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of whatsoever nature, including attorney's fees and expenses, in respect of the death or injury of any person or loss of or damage to any property other than the Facilities whether accepted or not, arising in connection with the supply and installation of the Facilities and by reason of the negligence of the

Contractor or its Subcontractors, or their employees, officers or agents, except any injury, death or property damage caused by the negligence of the Employer, its contractors, employees, officers or agents.

- 33.2 If any proceedings are brought or any claim is made against the Employer that might subject the Contractor to liability under GCC Sub-Clause 33.1, the Employer shall promptly give the Contractor a notice thereof and the Contractor may at its own expense and in the Employer's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim.

If the Contractor fails to notify the Employer within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Employer shall be free to conduct the same on its own behalf. Unless the Contractor has so failed to notify the Employer within the twenty-eight (28) day period, the Employer shall make no admission that may be prejudicial to the defense of any such proceedings or claim.

The Employer shall, at the Contractor's request, afford all available assistance to the Contractor in conducting such proceedings or claim, and shall be reimbursed by the Contractor for all reasonable expenses incurred in so doing.

- 33.3 The Employer shall indemnify and hold harmless the Contractor and its employees, officers and Subcontractors from any liability for loss of or damage to property of the Employer, other than the Facilities not yet taken over, that is caused by fire, explosion or any other perils, in excess of the amount recoverable from insurances procured under GCC Clause 34, provided that such fire, explosion or other perils were not caused by any act or failure of the Contractor.

- 33.4 The party entitled to the benefit of an indemnity under this GCC Clause 33 shall take all reasonable measures to mitigate any loss or damage which has occurred. If the party fails to take such measures, the other party's liabilities shall be correspondingly reduced.

34. Insurance

- 34.1 To the extent specified in the Appendix (Insurance Requirements) to the Contract Agreement, the Contractor shall at its expense take out and maintain in effect, or cause to be taken out and maintained in effect, during the performance of the Contract, the insurances set forth below in the sums and with the deductibles and other conditions specified in the said Appendix. The identity of the insurers and the form of the policies shall be subject to the approval of the Employer, who should not unreasonably withhold such approval.

(a) Cargo Insurance During Transport

Covering loss or damage occurring while in transit from the Contractor's or Subcontractor's works or stores until arrival at the Site, to the Plant (including spare parts therefore) and to the Contractor's Equipment.

(b) Installation All Risks Insurance

Covering physical loss or damage to the Facilities at the Site, occurring prior to Completion of the Facilities, with extended maintenance coverage for the Contractor's liability in respect of any loss or damage occurring during the Defect Liability Period while the Contractor is on the Site for the purpose of

performing its obligations during the Defect Liability Period.

(c) Third Party Liability Insurance

Covering bodily injury or death suffered by third parties including the Employer's personnel, and loss of or damage to property occurring in connection with the supply and installation of the Facilities.

(d) Automobile Liability Insurance

Covering use of all vehicles used by the Contractor or its Subcontractors, whether or not owned by them, in connection with the execution of the Contract.

(e) Workers' Compensation

In accordance with the statutory requirements applicable in any country where the Contract or any part thereof is executed.

(f) Employer's Liability

In accordance with the statutory requirements applicable in any country where the Contract or any part thereof is executed.

(g) Other Insurances

Such other insurances as may be specifically agreed upon by the parties hereto as listed in the Appendix (Insurance Requirements) to the Contract Agreement.

34.2 The Employer shall be named as co-insured under all insurance policies taken out by the Contractor pursuant to GCC Sub-Clause 34.1, except for the Third Party Liability, Workers' Compensation and Employer's Liability Insurances, and the Contractor's Subcontractors shall be named as co-insureds under all insurance policies taken out by the Contractor pursuant to GCC Sub-Clause 34.1 except for the Cargo Insurance During Transport, Workers' Compensation and Employer's Liability Insurances. All insurer's rights of subrogation against such co-insureds for losses or claims arising out of the performance of the Contract shall be waived under such policies.

34.3 The Contractor shall, in accordance with the provisions of the Appendix (Insurance Requirements) to the Contract Agreement, deliver to the Employer certificates of insurance or copies of the insurance policies as evidence that the required policies are in full force and effect. The certificates shall provide that no less than twenty-one (21) days' notice shall be given to the Employer by insurers prior to cancellation or material modification of a policy.

34.4 The Contractor shall ensure that, where applicable, its Subcontractor(s) shall take out and maintain in effect adequate insurance policies for their personnel and vehicles and for work executed by them under the Contract, unless such Subcontractors are covered by the policies taken out by the Contractor.

34.5 The Employer shall at its expense take out and maintain in effect during the performance of the Contract those insurances specified in the Appendix (Insurance Requirements) to the Contract Agreement, in the sums and with the deductibles and other conditions specified in the said Appendix. The Contractor and the Contractor's Subcontractors shall be named as co-insureds under all such policies. All insurers' rights of subrogation against such co-insureds

for losses or claims arising out of the performance of the Contract shall be waived under such policies. The Employer shall deliver to the Contractor satisfactory evidence that the required insurances are in full force and effect. The policies shall provide that not less than twenty-one (21) days' notice shall be given to the Contractor by all insurers prior to any cancellation or material modification of the policies. If so requested by the Contractor, the Employer shall provide copies of the policies taken out by the Employer under this GCC Sub-Clause 34.5.

34.6 If the Contractor fails to take out and/or maintain in effect the insurances referred to in GCC Sub-Clause 34.1, the Employer may take out and maintain in effect any such insurances and may from time to time deduct from any amount due the Contractor under the Contract any premium that the Employer shall have paid to the insurer, or may otherwise recover such amount as a debt due from the Contractor. If the Employer fails to take out and/or maintain in effect the insurances referred to in GCC 34.5, the Contractor may take out and maintain in effect any such insurances and may from time to time deduct from any amount due the Employer under the Contract any premium that the Contractor shall have paid to the insurer, or may otherwise recover such amount as a debt due from the Employer. If the Contractor fails to or is unable to take out and maintain in effect any such insurances, the Contractor shall nevertheless have no liability or responsibility towards the Employer, and the Contractor shall have full recourse against the Employer for any and all liabilities of the Employer herein.

34.7 Unless otherwise provided in the Contract, the Contractor shall prepare and conduct all and any claims made under the policies affected by it pursuant to this GCC Clause 34, and all monies payable by any insurers shall be paid to the Contractor. The Employer shall give to the Contractor all such reasonable assistance as may be required by the Contractor. With respect to insurance claims in which the Employer's interest is involved, the Contractor shall not give any release or make any compromise with the insurer without the prior written consent of the Employer. With respect to insurance claims in which the Contractor's interest is involved, the Employer shall not give any release or make any compromise with the insurer without the prior written consent of the Contractor.

35. Unforeseen Conditions

35.1 If, during the execution of the Contract, the Contractor shall encounter on the Site any physical conditions other than climatic conditions, or artificial obstructions that could not have been reasonably foreseen prior to the date of the Contract Agreement by an experienced contractor on the basis of reasonable examination of the data relating to the Facilities including any data as to boring tests, provided by the Employer, and on the basis of information that it could have obtained from a visual inspection of the Site if access thereto was available, or other data readily available to it relating to the Facilities, and if the Contractor determines that it will in consequence of such conditions or obstructions incur additional cost and expense or require additional time to perform its obligations under the Contract that would not have been required if such physical conditions or artificial obstructions had not been encountered, the Contractor shall promptly, and before performing additional work or using additional Plant or Contractor's Equipment, notify the Project Manager in writing of

(a) the physical conditions or artificial obstructions on the Site that

could not have been reasonably foreseen;

- (b) the additional work and/or Plant and/or Contractor's Equipment required, including the steps which the Contractor will or proposes to take to overcome such conditions or obstructions;
- (c) the extent of the anticipated delay; and
- (d) the additional cost and expense that the Contractor is likely to incur.

On receiving any notice from the Contractor under this GCC Sub-Clause 35.1, the Project Manager shall promptly consult with the Employer and Contractor and decide upon the actions to be taken to overcome the physical conditions or artificial obstructions encountered. Following such consultations, the Project Manager shall instruct the Contractor, with a copy to the Employer, of the actions to be taken.

35.2 Any reasonable additional cost and expense incurred by the Contractor in following the instructions from the Project Manager to overcome such physical conditions or artificial obstructions referred to in GCC Sub-Clause 35.1 shall be paid by the Employer to the Contractor as an addition to the Contract Price.

35.3 If the Contractor is delayed or impeded in the performance of the Contract because of any such physical conditions or artificial obstructions referred to in GCC Sub-Clause 35.1, the Time for Completion shall be extended in accordance with GCC Clause 40.

36. Change in Laws and Regulations

36.1 If, after the date twenty-eight (28) days prior to the date of Bid submission, in the country where the Site is located, any law, regulation, ordinance, order or by-law having the force of law is enacted, promulgated, abrogated or changed which shall be deemed to include any change in interpretation or application by the competent authorities, that subsequently affects the costs and expenses of the Contractor and/or the Time for Completion, the Contract Price shall be correspondingly increased or decreased, and/or the Time for Completion shall be reasonably adjusted to the extent that the Contractor has thereby been affected in the performance of any of its obligations under the Contract. Notwithstanding the foregoing, such additional or reduced costs shall not be separately paid or credited if the same has already been accounted for in the price adjustment provisions where applicable, in accordance with the SCC, pursuant to GCC Sub-Clause 11.2.

37. Force Majeure

37.1 "Force Majeure" shall mean any event beyond the reasonable control of the Employer or of the Contractor, as the case may be, and which is unavoidable notwithstanding the reasonable care of the party affected, and shall include, without limitation, the following:

- (a) war, hostilities or warlike operations whether a state of war be declared or not, invasion, act of foreign enemy and civil war
- (b) rebellion, revolution, insurrection, mutiny, usurpation of civil or military government, conspiracy, riot, civil commotion and terrorist acts
- (c) confiscation, nationalization, mobilization, commandeering or requisition by or under the order of any government or de jure or de facto authority or ruler or any other act or failure to act of any local state or national government authority
- (d) strike, sabotage, lockout, embargo, import restriction, port

congestion, lack of usual means of public transportation and communication, industrial dispute, shipwreck, shortage or restriction of power supply, epidemics, quarantine and plague

- (e) earthquake, landslide, volcanic activity, fire, flood or inundation, tidal wave, typhoon or cyclone, hurricane, storm, lightning, or other inclement weather condition, nuclear and pressure waves or other natural or physical disaster
- (f) shortage of labor, materials or utilities where caused by circumstances that are themselves Force Majeure.

37.2 If either party is prevented, hindered or delayed from or in performing any of its obligations under the Contract by an event of Force Majeure, then it shall notify the other in writing of the occurrence of such event and the circumstances thereof within fourteen (14) days after the occurrence of such event.

37.3 The party who has given such notice shall be excused from the performance or punctual performance of its obligations under the Contract for so long as the relevant event of Force Majeure continues and to the extent that such party's performance is prevented, hindered or delayed. The Time for Completion shall be extended in accordance with GCC Clause 40.

37.4 The party or parties affected by the event of Force Majeure shall use reasonable efforts to mitigate the effect thereof upon its or their performance of the Contract and to fulfill its or their obligations under the Contract, but without prejudice to either party's right to terminate the Contract under GCC Sub-Clauses 37.6 and 38.5.

37.5 No delay or nonperformance by either party hereto caused by the occurrence of any event of Force Majeure shall

- (a) constitute a default or breach of the Contract, or
- (b) give rise to any claim for damages or additional cost or expense occasioned thereby, subject to GCC Sub-Clauses 32.2, 38.3 and 38.4

if and to the extent that such delay or nonperformance is caused by the occurrence of an event of Force Majeure.

37.6 If the performance of the Contract is substantially prevented, hindered or delayed for a single period of more than sixty (60) days or an aggregate period of more than one hundred and twenty (120) days on account of one or more events of Force Majeure during the currency of the Contract, the parties will attempt to develop a mutually satisfactory solution, failing which either party may terminate the Contract by giving a notice to the other, but without prejudice to either party's right to terminate the Contract under GCC Sub-Clause 38.5.

37.7 In the event of termination pursuant to GCC Sub-Clause 37.6, the rights and obligations of the Employer and the Contractor shall be as specified in GCC Sub-Clauses 42.1.2 and 42.1.3.

37.8 Notwithstanding GCC Sub-Clause 37.5, Force Majeure shall not apply to any obligation of the Employer to make payments to the Contractor herein.

38. War Risks

38.1 "War Risks" shall mean any event specified in paragraphs (a) and (b) of GCC Sub-Clause 37.1 and any explosion or impact of any mine, bomb, shell, grenade or other projectile, missile, munitions or explosive of war, occurring or existing in or near the country (or

countries) where the Site is located.

38.2 Notwithstanding anything contained in the Contract, the Contractor shall have no liability whatsoever for or with respect to

- (a) destruction of or damage to Facilities, Plant, or any part thereof;
- (b) destruction of or damage to property of the Employer or any third party; or
- (c) injury or loss of life

if such destruction, damage, injury or loss of life is caused by any War Risks, and the Employer shall indemnify and hold the Contractor harmless from and against any and all claims, liabilities, actions, lawsuits, damages, costs, charges or expenses arising in consequence of or in connection with the same.

38.3 If the Facilities or any Plant or Contractor's Equipment or any other property of the Contractor used or intended to be used for the purposes of the Facilities shall sustain destruction or damage by reason of any War Risks, the Employer shall pay the Contractor for

- (a) any part of the Facilities or the Plant so destroyed or damaged to the extent not already paid for by the Employer and so far as may be required by the Employer, and as may be necessary for completion of the Facilities
- (b) replacing or making good any Contractor's Equipment or other property of the Contractor so destroyed or damaged
- (c) replacing or making good any such destruction or damage to the Facilities or the Plant or any part thereof.

If the Employer does not require the Contractor to replace or make good any such destruction or damage to the Facilities, the Employer shall either request a change in accordance with GCC Clause 39, excluding the performance of that part of the Facilities thereby destroyed or damaged or, where the loss, destruction or damage affects a substantial part of the Facilities, shall terminate the Contract, pursuant to GCC Sub-Clause 42.1.

If the Employer requires the Contractor to replace or make good on any such destruction or damage to the Facilities, the Time for Completion shall be extended in accordance with GCC 40.

38.4 Notwithstanding anything contained in the Contract, the Employer shall pay the Contractor for any increased costs or incidentals to the execution of the Contract that are in any way attributable to, consequent on, resulting from, or in any way connected with any War Risks, provided that the Contractor shall as soon as practicable notify the Employer in writing of any such increased cost.

38.5 If during the performance of the Contract any War Risks shall occur that financially or otherwise materially affect the execution of the Contract by the Contractor, the Contractor shall use its reasonable efforts to execute the Contract with due and proper consideration given to the safety of its and its Subcontractors' personnel engaged in the work on the Facilities, provided, however, that if the execution of the work on the Facilities becomes impossible or is substantially prevented for a single period of more than sixty (60) days or an aggregate period of more than one hundred and twenty (120) days on account of any War Risks, the parties will attempt to develop a mutually satisfactory solution, failing which either party may

terminate the Contract by giving a notice to the other.

- 38.6 In the event of termination pursuant to GCC Sub-Clauses 38.3 or 38.5, the rights and obligations of the Employer and the Contractor shall be specified in GCC Sub-Clauses 42.1.2 and 42.1.3.

H. Change in Contract Elements

39. Change in the Facilities

39.1 Introducing a Change

39.1.1 Subject to GCC Sub-Clauses 39.2.5 and 39.2.7, the Employer shall have the right to propose, and subsequently require, that the Project Manager order the Contractor from time to time during the performance of the Contract to make any change, modification, addition or deletion to, in or from the Facilities hereinafter called "Change", provided that such Change falls within the general scope of the Facilities and does not constitute unrelated work and that it is technically practicable, taking into account both the state of advancement of the Facilities and the technical compatibility of the Change envisaged with the nature of the Facilities as specified in the Contract.

39.1.2 The Contractor may from time to time during its performance of the Contract propose to the Employer with a copy to the Project Manager, any Change that the Contractor considers necessary or desirable to improve the quality, efficiency or safety of the Facilities. The Employer may at its discretion approve or reject any Change proposed by the Contractor, provided that the Employer shall approve any Change proposed by the Contractor to ensure the safety of the Facilities.

39.1.3 Notwithstanding GCC Sub-Clauses 39.1.1 and 39.1.2, no change made necessary because of any default of the Contractor in the performance of its obligations under the Contract shall be deemed to be a Change, and such change shall not result in any adjustment of the Contract Price or the Time for Completion.

39.1.4 The procedure on how to proceed with and execute Changes is specified in GCC Sub-Clauses 39.2 and 39.3, and further details and forms are provided in the Employer's Requirements (Forms and Procedures).

39.2 Changes Originating from Employer

39.2.1 If the Employer proposes a Change pursuant to GCC Sub-Clause 39.1.1, it shall send to the Contractor a "Request for Change Proposal," requiring the Contractor to prepare and furnish to the Project Manager as soon as reasonably practicable a "Change Proposal," which shall include the following:

- (a) brief description of the Change
- (b) effect on the Time for Completion
- (c) estimated cost of the Change
- (d) effect on Functional Guarantees (if any)
- (e) effect on the Facilities

(f) effect on any other provisions of the Contract.

39.2.2 Prior to preparing and submitting the "Change Proposal," the Contractor shall submit to the Project Manager an "Estimate for Change Proposal," which shall be an estimate of the cost of preparing and submitting the Change Proposal.

Upon receipt of the Contractor's Estimate for Change Proposal, the Employer shall do one of the following:

- (a) accept the Contractor's estimate with instructions to the Contractor to proceed with the preparation of the Change Proposal
- (b) advise the Contractor of any part of its Estimate for Change Proposal that is unacceptable and request the Contractor to review its estimate
- (c) advise the Contractor that the Employer does not intend to proceed with the Change.

39.2.3 Upon receipt of the Employer's instruction to proceed under GCC Sub-Clause 39.2.2 (a), the Contractor shall, with proper expedition, proceed with the preparation of the Change Proposal, in accordance with GCC Sub-Clause 39.2.1.

39.2.4 The pricing of any Change shall, as far as practicable, be calculated in accordance with the rates and prices included in the Contract. If such rates and prices are inequitable, the parties thereto shall agree on specific rates for the valuation of the Change.

39.2.5 If before or during the preparation of the Change Proposal it becomes apparent that the aggregate effect of compliance therewith and with all other Change Orders that have already become binding upon the Contractor under this GCC Clause 39 would be to increase or decrease the Contract Price as originally set forth in Article 2 (Contract Price) of the Contract Agreement by more than fifteen percent (15%), the Contractor may give a written notice of objection thereto prior to furnishing the Change Proposal as aforesaid. If the Employer accepts the Contractor's objection, the Employer shall withdraw the proposed Change and shall notify the Contractor in writing thereof.

The Contractor's failure to so object shall neither affect its right to object to any subsequent requested Changes or Change Orders herein, nor affect its right to take into account, when making such subsequent objection, the percentage increase or decrease in the Contract Price that any Change not objected to by the Contractor represents.

39.2.6 Upon receipt of the Change Proposal, the Employer and the Contractor shall mutually agree upon all matters therein contained. Within fourteen (14) days after such agreement, the Employer shall, if it intends to proceed with the Change, issue the Contractor with a Change Order.

If the Employer is unable to reach a decision within fourteen (14) days, it shall notify the Contractor with details of when the Contractor can expect a decision.

If the Employer decides not to proceed with the Change for

whatever reason, it shall, within the said period of fourteen (14) days, notify the Contractor accordingly. Under such circumstances, the Contractor shall be entitled to reimbursement of all costs reasonably incurred by it in the preparation of the Change Proposal, provided that these do not exceed the amount given by the Contractor in its Estimate for Change Proposal submitted in accordance with GCC Sub-Clause 39.2.2.

39.2.7 If the Employer and the Contractor cannot reach agreement on the price for the Change, an equitable adjustment to the Time for Completion, or any other matters identified in the Change Proposal, the Employer may nevertheless instruct the Contractor to proceed with the Change by issue of a "Pending Agreement Change Order."

Upon receipt of a Pending Agreement Change Order, the Contractor shall immediately proceed with effecting the Changes covered by such Order. The parties shall thereafter attempt to reach agreement on the outstanding issues under the Change Proposal.

If the parties cannot reach agreement within sixty (60) days from the date of issue of the Pending Agreement Change Order, then the matter may be referred to the Dispute Board in accordance with the provisions of GCC Sub-Clause 45.1.

39.3 Changes Originating from Contractor

39.3.1 If the Contractor proposes a Change pursuant to GCC Sub-Clause 39.1.2, the Contractor shall submit to the Project Manager a written "Application for Change Proposal," giving reasons for the proposed Change and including the information specified in GCC Sub-Clause 39.2.1.

Upon receipt of the Application for Change Proposal, the parties shall follow the procedures outlined in GCC Sub-Clauses 39.2.6 and 39.2.7. However, should the Employer choose not to proceed, the Contractor shall not be entitled to recover the costs of preparing the Application for Change Proposal.

40. Extension of Time for Completion

40.1 The Time(s) for Completion specified in the SCC shall be extended if the Contractor is delayed or impeded in the performance of any of its obligations under the Contract by reason of any of the following:

- (a) any Change in the Facilities as provided in GCC Clause 39
- (b) any occurrence of Force Majeure as provided in GCC Clause 37, unforeseen conditions as provided in GCC Clause 35, or other occurrence of any of the matters specified or referred to in paragraphs (a), (b) and (c) of GCC Sub-Clause 32.2
- (c) any suspension order given by the Employer under GCC Clause 41 hereof or reduction in the rate of progress pursuant to GCC Sub-Clause 41.2 or
- (d) any changes in laws and regulations as provided in GCC Clause 36 or
- (e) any default or breach of the Contract by the Employer, or any activity, act or omission of the Employer, or the Project Manager, or any other contractors employed by the

Employer or

- (f) any other matter specifically mentioned in the Contract
- (g) any delay on the part of a sub-contractor, provided such delay is due to a cause for which the Contractor himself would have been entitled to an extension of time under this sub-clause

by such period as shall be fair and reasonable in all the circumstances and as shall fairly reflect the delay or impediment sustained by the Contractor.

40.2 Except where otherwise specifically provided in the Contract, the Contractor shall submit to the Project Manager a notice of a claim for an extension of the Time for Completion, together with particulars of the event or circumstance justifying such extension as soon as reasonably practicable after the commencement of such event or circumstance. As soon as reasonably practicable after receipt of such notice and supporting particulars of the claim, the Employer and the Contractor shall agree upon the period of such extension. In the event that the Contractor does not accept the Employer's estimate of a fair and reasonable time extension, the Contractor shall be entitled to refer the matter to a Dispute Board, pursuant to GCC Clause 44

40.3 The Contractor shall at all times use its reasonable efforts to minimize any delay in the performance of its obligations under the Contract.

In all cases where the Contractor has given a notice of a claim for an extension of time under GCC 40.2, the Contractor shall consult with the Project Manager in order to determine the steps (if any) which can be taken to overcome or minimize the actual or anticipated delay. The Contractor shall there after comply with all reasonable instructions which the Project Manager shall give in order to minimize such delay. If compliance with such instructions shall cause the Contractor to incur extra costs and the Contractor is entitled to an extension of time under GCC Sub Clause 40.1, the amount of such extra costs shall be added to the Contract Price.

41. Suspension

41.1 The Employer may request the Project Manager, by notice to the Contractor, to order the Contractor to suspend performance of any or all of its obligations under the Contract. Such notice shall specify the obligation of which performance is to be suspended, the effective date of the suspension and the reasons therefor. The Contractor shall thereupon suspend performance of such obligation, except those obligations necessary for the care or preservation of the Facilities, until ordered in writing to resume such performance by the Project Manager.

If, by virtue of a suspension order given by the Project Manager, other than by reason of the Contractor's default or breach of the Contract, the Contractor's performance of any of its obligations is suspended for an aggregate period of more than ninety (90) days, then at any time thereafter and provided that at that time such performance is still suspended, the Contractor may give a notice to the Project Manager requiring that the Employer shall, within twenty-eight (28) days of receipt of the notice, order the resumption of such performance or request and subsequently order a change in accordance with GCC Clause 39, excluding the performance of the suspended obligations from the Contract.

If the Employer fails to do so within such period, the Contractor may, by a further notice to the Project Manager, elect to treat the suspension, where it affects a part only of the Facilities, as a deletion of such part in accordance with GCC Clause 39 or, where it affects the whole of the Facilities, as termination of the Contract under GCC Sub-Clause 42.1.

41.2 If

- (a) the Employer has failed to pay the Contractor any sum due under the Contract within the specified period, has failed to approve any invoice or supporting documents without just cause pursuant to the Appendix (Terms and Procedures of Payment) to the Contract Agreement, or commits a substantial breach of the Contract, the Contractor may give a notice to the Employer that requires payment of such sum, with interest thereon as stipulated in GCC Sub-Clause 12.3, requires approval of such invoice or supporting documents, or specifies the breach and requires the Employer to remedy the same, as the case may be. If the Employer fails to pay such sum together with such interest, fails to approve such invoice or supporting documents or give its reasons for withholding such approval, or fails to remedy the breach or take steps to remedy the breach within fourteen (14) days after receipt of the Contractor's notice or
- (b) the Contractor is unable to carry out any of its obligations under the Contract for any reason attributable to the Employer, including but not limited to the Employer's failure to provide possession of or access to the Site or other areas in accordance with GCC Sub-Clause 10.2, or failure to obtain any governmental permit necessary for the execution and/or completion of the Facilities,

then the Contractor may by fourteen (14) days' notice to the Employer suspend performance of all or any of its obligations under the Contract, or reduce the rate of progress.

41.3 If the Contractor's performance of its obligations is suspended or the rate of progress is reduced pursuant to this GCC Clause 41, then the Time for Completion shall be extended in accordance with GCC Sub-Clause 40.1, and any and all additional costs or expenses incurred by the Contractor as a result of such suspension or reduction shall be paid by the Employer to the Contractor in addition to the Contract Price, except in the case of suspension order or reduction in the rate of progress by reason of the Contractor's default or breach of the Contract.

41.4 During the period of suspension, the Contractor shall not remove from the Site any Plant, any part of the Facilities or any Contractor's Equipment, without the prior written consent of the Employer.

42. Termination

42.1 Termination for Employer's Convenience

42.1.1 The Employer may at any time terminate the Contract for any reason by giving the Contractor a notice of termination that refers to this GCC Sub-Clause 42.1.

42.1.2 Upon receipt of the notice of termination under GCC Sub-Clause 42.1.1, the Contractor shall either immediately or upon the date specified in the notice of termination

- (a) cease all further work, except for such work as the

Employer may specify in the notice of termination for the sole purpose of protecting that part of the Facilities already executed, or any work required to leave the Site in a clean and safe condition

- (b) terminate all subcontracts, except those to be assigned to the Employer pursuant to paragraph (d) (ii) below
- (c) remove all Contractor's Equipment from the Site, repatriate the Contractor's and its Subcontractors' personnel from the Site, remove from the Site any wreckage, rubbish and debris of any kind, and leave the whole of the Site in a clean and safe condition, and
- (d) subject to the payment specified in GCC Sub-Clause 42.1.3,
 - (i) deliver to the Employer the parts of the Facilities executed by the Contractor up to the date of termination
 - (ii) to the extent legally possible, assign to the Employer all right, title and benefit of the Contractor to the Facilities and to the Plant as of the date of termination, and, as may be required by the Employer, in any subcontracts concluded between the Contractor and its Subcontractors; and
 - (iii) deliver to the Employer all non-proprietary drawings, specifications and other documents prepared by the Contractor or its Subcontractors as at the date of termination in connection with the Facilities.

42.1.3 In the event of termination of the Contract under GCC Sub-Clause 42.1.1, the Employer shall pay to the Contractor the following amounts:

- (a) the Contract Price, properly attributable to the parts of the Facilities executed by the Contractor as of the date of termination
- (b) the costs reasonably incurred by the Contractor in the removal of the Contractor's Equipment from the Site and in the repatriation of the Contractor's and its Subcontractors' personnel
- (c) any amounts to be paid by the Contractor to its Subcontractors in connection with the termination of any subcontracts, including any cancellation charges
- (d) costs incurred by the Contractor in protecting the Facilities and leaving the Site in a clean and safe condition pursuant to paragraph (a) of GCC Sub-Clause 42.1.2
- (e) the cost of satisfying all other obligations, commitments and claims that the Contractor may in good faith have undertaken with third parties in connection with the Contract and that are not covered by paragraphs (a) through (d) above.

42.2 Termination for Contractor's Default

42.2.1 The Employer, without prejudice to any other rights or remedies it may possess, may terminate the Contract forthwith in the following circumstances by giving a notice of termination and its reasons therefore to the Contractor, referring to this GCC Sub-Clause 42.2:

- (a) if the Contractor becomes bankrupt or insolvent, has a receiving order issued against it, compounds with its creditors, or, if the Contractor is a corporation, a resolution is passed or order is made for its winding up, other than a voluntary liquidation for the purposes of amalgamation or reconstruction, a receiver is appointed over any part of its undertaking or assets, or if the Contractor takes or suffers any other analogous action in consequence of debt
- (b) if the Contractor assigns or transfers the Contract or any right or interest therein in violation of the provision of GCC Clause 43.
- (c) if the Contractor, in the judgment of the Employer has engaged in corrupt or fraudulent practices, as defined in GCC Clause 6, in competing for or in executing the Contract.

42.2.2 If the Contractor:

- (a) has abandoned or repudiated the Contract
- (b) has without valid reason failed to commence work on the Facilities promptly or has suspended, other than pursuant to GCC Sub-Clause 41.2, the progress of Contract performance for more than twenty-eight (28) days after receiving a written instruction from the Employer to proceed
- (c) persistently fails to execute the Contract in accordance with the Contract or persistently neglects to carry out its obligations under the Contract without just cause
- (d) refuses or is unable to provide sufficient materials, services or labor to execute and complete the Facilities in the manner specified in the program furnished under GCC Sub-Clause 18.2 at rates of progress that give reasonable assurance to the Employer that the Contractor can attain Completion of the Facilities by the Time for Completion as extended,

then the Employer may, without prejudice to any other rights it may possess under the Contract, give a notice to the Contractor stating the nature of the default and requiring the Contractor to remedy the same. If the Contractor fails to remedy or to take steps to remedy the same within fourteen (14) days of its receipt of such notice, then the Employer may terminate the Contract forthwith by giving a notice of termination to the Contractor that refers to this GCC Sub-Clause 42.2.

42.2.3 Upon receipt of the notice of termination under GCC Sub-Clauses 42.2.1 or 42.2.2, the Contractor shall, either immediately or upon such date as is specified in the notice

of termination,

- (a) cease all further work, except for such work as the Employer may specify in the notice of termination for the sole purpose of protecting that part of the Facilities already executed, or any work required to leave the Site in a clean and safe condition
- (b) terminate all subcontracts, except those to be assigned to the Employer pursuant to paragraph (d) below
- (c) deliver to the Employer the parts of the Facilities executed by the Contractor up to the date of termination
- (d) to the extent legally possible, assign to the Employer all right, title and benefit of the Contractor to the Facilities and to the Plant as of the date of termination, and, as may be required by the Employer, in any subcontracts concluded between the Contractor and its Subcontractors
- (e) deliver to the Employer all drawings, specifications and other documents prepared by the Contractor or its Subcontractors as of the date of termination in connection with the Facilities.

42.2.4 The Employer may enter upon the Site, expel the Contractor, and complete the Facilities itself or by employing any third party. The Employer may, to the exclusion of any right of the Contractor over the same, take over and use with the payment of a fair rental rate to the Contractor, with all the maintenance costs to the account of the Employer and with an indemnification by the Employer for all liability including damage or injury to persons arising out of the Employer's use of such equipment, any Contractor's Equipment owned by the Contractor and on the Site in connection with the Facilities for such reasonable period as the Employer considers expedient for the supply and installation of the Facilities.

Upon completion of the Facilities or at such earlier date as the Employer thinks appropriate, the Employer shall give notice to the Contractor that such Contractor's Equipment will be returned to the Contractor at or near the Site and shall return such Contractor's Equipment to the Contractor in accordance with such notice. The Contractor shall thereafter without delay and at its cost remove or arrange removal of the same from the Site.

42.2.5 Subject to GCC Sub-Clause 42.2.6, the Contractor shall be entitled to be paid the Contract Price attributable to the Facilities executed as of the date of termination, the value of any unused or partially used Plant on the Site, and the costs, if any, incurred in protecting the Facilities and in leaving the Site in a clean and safe condition pursuant to paragraph (a) of GCC Sub-Clause 42.2.3. Any sums due the Employer from the Contractor accruing prior to the date of termination shall be deducted from the amount to be paid to the Contractor under this Contract.

42.2.6 If the Employer completes the Facilities, the cost of

completing the Facilities by the Employer shall be determined.

If the sum that the Contractor is entitled to be paid, pursuant to GCC Sub-Clause 42.2.5, plus the reasonable costs incurred by the Employer in completing the Facilities, exceeds the Contract Price, the Contractor shall be liable for such excess.

If such excess is greater than the sums due the Contractor under GCC Sub-Clause 42.2.5, the Contractor shall pay the balance to the Employer, and if such excess is less than the sums due the Contractor under GCC Sub-Clause 42.2.5, the Employer shall pay the balance to the Contractor.

The Employer and the Contractor shall agree, in writing, on the computation described above and the manner in which any sums shall be paid.

42.3 Termination by Contractor

42.3.1 If

- (a) the Employer has failed to pay the Contractor any sum due under the Contract within the specified period, has failed to approve any invoice or supporting documents without just cause pursuant to the Appendix (Terms and Procedures of Payment) to the Contract Agreement, or commits a substantial breach of the Contract, the Contractor may give a notice to the Employer that requires payment of such sum, with interest thereon as stipulated in GCC Sub-Clause 12.3, requires approval of such invoice or supporting documents, or specifies the breach and requires the Employer to remedy the same, as the case may be. If the Employer fails to pay such sum together with such interest, fails to approve such invoice or supporting documents or give its reasons for withholding such approval, fails to remedy the breach or take steps to remedy the breach within fourteen (14) days after receipt of the Contractor's notice, or
- (b) the Contractor is unable to carry out any of its obligations under the Contract for any reason attributable to the Employer, including but not limited to the Employer's failure to provide possession of or access to the Site or other areas or failure to obtain any governmental permit necessary for the execution and/or completion of the Facilities,

then the Contractor may give a notice to the Employer thereof, and if the Employer has failed to pay the outstanding sum, to approve the invoice or supporting documents, to give its reasons for withholding such approval, or to remedy the breach within twenty-eight (28) days of such notice, or if the Contractor is still unable to carry out any of its obligations under the Contract for any reason attributable to the Employer within twenty-eight (28) days of the said notice, the Contractor may by a further notice to the Employer referring to this GCC Sub-Clause

42.3.1, forthwith terminate the Contract.

42.3.2 The Contractor may terminate the Contract forthwith by giving a notice to the Employer to that effect, referring to this GCC Sub-Clause 42.3.2, if the Employer becomes bankrupt or insolvent, has a receiving order issued against it, compounds with its creditors, or, being a corporation, if a resolution is passed or order is made for its winding up (other than a voluntary liquidation for the purposes of amalgamation or reconstruction), a receiver is appointed over any part of its undertaking or assets, or if the Employer takes or suffers any other analogous action in consequence of debt.

42.3.3 If the Contract is terminated under GCC Sub-Clauses 42.3.1 or 42.3.2, then the Contractor shall immediately

- (a) cease all further work, except for such work as may be necessary for the purpose of protecting that part of the Facilities already executed, or any work required to leave the Site in a clean and safe condition
- (b) terminate all subcontracts, except those to be assigned to the Employer pursuant to paragraph (d) (ii)
- (c) remove all Contractor's Equipment from the Site and repatriate the Contractor's and its Subcontractors' personnel from the Site, and
- (d) subject to the payment specified in GCC Sub-Clause 42.3.4,
 - (i) deliver to the Employer the parts of the Facilities executed by the Contractor up to the date of termination
 - (ii) to the extent legally possible, assign to the Employer all right, title and benefit of the Contractor to the Facilities and to the Plant as of the date of termination, and, as may be required by the Employer, in any subcontracts concluded between the Contractor and its Subcontractors, and
 - (iii) deliver to the Employer all drawings, specifications and other documents prepared by the Contractor or its Subcontractors as of the date of termination in connection with the Facilities.

42.3.4 If the Contract is terminated under GCC Sub-Clauses 42.3.1 or 42.3.2, the Employer shall pay to the Contractor all payments specified in GCC Sub-Clause 42.1.3 and reasonable compensation for all loss, except for loss of profit, or damage sustained by the Contractor arising out of, in connection with or in consequence of such termination.

42.3.5 Termination by the Contractor pursuant to this GCC Sub-Clause 42.3 is without prejudice to any other rights or remedies of the Contractor that may be exercised in lieu of or in addition to rights conferred by GCC Sub-Clause 42.3.

42.4 In this GCC Clause 42, the expression "Facilities executed" shall include all work executed, Installation Services provided, and all

Plant acquired, or subject to a legally binding obligation to purchase, by the Contractor and used or intended to be used for the purpose of the Facilities, up to and including the date of termination.

42.5 In this GCC Clause 42, in calculating any monies due from the Employer to the Contractor, account shall be taken of any sum previously paid by the Employer to the Contractor under the Contract, including any mobilization payment paid pursuant to the Appendix (Terms and Procedures of Payment) to the Contract Agreement.

43. Assignment

43.1 Neither the Employer nor the Contractor shall, without the express prior written consent of the other party which consent shall not be unreasonably withheld, assign to any third party the Contract or any part thereof, or any right, benefit, obligation or interest therein or thereunder, except that the Contractor shall be entitled to assign either absolutely or by way of charge any monies due and payable to it or that may become due and payable to it under the Contract.

I. Claims, Disputes and Arbitration

Any claims or disputes regarding this Contract shall be initiated, prepared, submitted and adjudicated in accordance with this Article of the Contract.

44. Contractor's Claims

44.1 If the Contractor considers himself to be entitled to any extension of the time for completing the Work and/or any additional payment, in connection with the Contract, the Contractor shall give notice to the Project Manager, describing the event or circumstance giving rise to the claim.

The notice shall be given as soon as practicable as and not later than thirty (30) days after the Contractor became aware, or should have become aware, of the event or circumstance.

If the Contractor fails to give notice of a claim within such period of thirty (30) days, the time for completing the Work shall not be extended, the Contractor shall not be entitled to additional payment, and the Owner shall be discharged and released from all liability in connection with the claim. The Contractor shall also submit any other notices which are required by the Contract, and supporting particulars for the claim, all as relevant to such event or circumstance.

The Contractor shall keep such contemporary records as may be necessary to substantiate any claim, either on the Site or at another location acceptable to the Project Manager. Without admitting the Employer's liability, the Project Manager may, after receiving any notice under this Article, monitor the record-keeping and/or instruct the Contractor to keep further contemporary records. The Contractor shall permit the Project Manager and the Third Party QA firm to inspect all these records, and shall (if instructed) submit copies to the Project Manager and the Third Party QA firm.

Within forty-five (45) days after the Contractor became aware (or should have become aware) of the event or circumstance giving rise to the claim, or within such other period as may be proposed by the Contractor and approved by the Project Manager, the Contractor shall send to the Project Manager and the Third Party

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QA firm a fully detailed claim which includes full supporting particulars of the basis of the claim and of the extension of time and/or additional payment claimed. If the event or circumstance giving rise to the claim has a continuing effect:

- (i) this fully detailed claim shall be considered as interim;
- (ii) the Contractor shall send further interim claims at monthly intervals, giving the accumulated delay and/or amount claimed, and such further particulars as the Project Manager may reasonably require; and
- (iii) the Contractor shall send a final claim within thirty (30) days after the end of the effects resulting from the event or circumstance, or within such other period as may be proposed by the Contractor and approved by the Project Manager.

Within thirty (60) days after receiving a claim or any further particulars supporting a previous claim, or within such other period as may be agreed by both the Project Manager and the Contractor, the Project Manager shall respond with:

- 1) a recommendation to the Employer for approval;
- or
- 2) recommendation to the Employer for disapproval with detailed comments.

The Project Manager may also request any necessary further particulars, but shall nevertheless give his recommendation response to the Employer on the principles of the claim within the above defined time period. The Project Manager shall consult with the Third Party QA firm during the development of his recommendation on any claim. Any recommendation for approval by the Project Manager shall include an evaluation of any additional time and/or additional payment, if such additional time and/or payment is justified. The Employer shall not be bound by the Project Manager's recommendation and shall provide a final decision on the claim to the Contractor within fifteen (15) days following the receipt of the Project Manager's recommendation. Each subsequent Payment Request shall include such additional payment for any claim that has been substantiated as due under the relevant provision of the Contract and approved by the Employer. Unless and until the particulars supplied are sufficient to substantiate the whole of the claim, the Contractor shall only be entitled to payment for such part of the claim as he has been able to substantiate to the satisfaction of the Project Manager and Employer. Any recommendation of the Project Manager or decision of the Employer concerning a claim, change request or dispute shall not obligate or otherwise transfer liability to the Provider of Funds.

If the Project Manager does not respond within the timeframe defined in this Article, either Party may consider that the claim is rejected by the Project Manager and any of the Parties may refer

it to the Dispute Board in accordance with the following provisions of this Article 44. The requirements of this Article are in addition to those of any other section or article of the Contract which may apply to a claim. If the Contractor fails to comply with this or another article in relation to any claim, any extension of time and/or additional payment shall take account of the extent (if any) to which the failure has prevented or prejudiced proper investigation of the claim.

44.2 Organization of the Dispute Board

Disputes shall be referred to a Dispute Board (DB) for decision in accordance with **Article 44.3 Obtaining Dispute Board's Decision**. The DB shall be comprised of three qualified persons ("the Members") and the On-Budget Monitor serving as a non-voting member, who are employees of the Provider of Funds. One of the three Members shall serve as the chairman of the DB. The On-Budget Monitor will manage and monitor the DB for the Provider of Funds and will assist in gathering information for the DB, support the DB Members and perform other tasks related to the DB operation as directed by the Provider of Funds.

The Provider of Funds shall:

- i. appoint the Members;
- ii. organize the DB;
- iii. provide the names of the Members and the On-Budget Monitor to the Contractor and Employer; and identify which member is to serve as chairman, all within thirty (30) days of the Notice to Proceed.

44.3 Obtaining Dispute Board's Decision

If the Contractor disagrees with the decision of the Project Manager or Employer regarding a claim or a dispute, the Contractor may refer the matter in writing to the DB (through the On-Budget Monitor) for its decision, with copies to the Employer and the Project Manager. The DB shall be deemed to have received such reference on the date when it is received by the On-Budget Monitor.

Both Parties shall promptly make available to the DB all such additional information, further access to the Site, and appropriate facilities, as the DB may require for the purposes of making a decision on such matters. The DB shall not act as, or take the place of, arbitrator(s). Within thirty (30) days after receiving such reference, or within such other period as may be proposed by the DB and approved by both Parties, the DB shall give its decision, which shall be in accordance with this provision of the Contract and the Dispute Board Procedural Rules included in **Article 44.5 Dispute Board Procedural Rules**. Parties shall use best efforts to give binding effect to the decision, without waiving any future rights to arbitration within the period described below. Unless the Contract has already been abandoned, repudiated or terminated,

the Contractor shall continue to proceed with the Works in accordance with the Contract during any dispute resolution proceeding.

If either Party is dissatisfied with the DB's decision, then either Party may, within thirty (30) days after receiving the decision, give notice to the other Party of its dissatisfaction and intention to commence arbitration. If the DB fails to give its decision within the period of thirty (30) days (or as otherwise approved) after receiving such reference, then either Party may, within thirty (30) days after this period has expired, give notice to the other Party of its dissatisfaction and intention to commence arbitration. In either event, this notice of dissatisfaction shall state that it is given under this provision of the Contract, and shall set out the matter in dispute and the reason(s) for dissatisfaction. Neither Party shall be entitled to commence arbitration of a dispute unless such notice of dissatisfaction has been given in accordance with this provision of the Contract. If the DB has given its decision as to a matter in dispute to both Parties, and no notice of dissatisfaction has been given by either Party within thirty (30) days after it has received the DB's decision, then the decision shall become final.

44.4. Arbitration

Any dispute not settled amicably and in respect of which the DB's decision (if any) has not become final and binding, shall be finally settled by arbitration. Unless otherwise agreed by both Parties:

- i. Arbitration shall be conducted in accordance with the rules of procedure for arbitration of the United Nations Commission on International Trade Law (UNCITRAL) as in force on the date of this Contract,
- ii. the place of arbitration shall be Dubai, UAE,
- iii. the arbitration shall be conducted in English.

The arbitrators shall have full power to open up, review and revise any certificate, determination, instruction, opinion or valuation of the Project Manager, and any decision of the DB, relevant to the dispute. Nothing shall disqualify representatives of the Parties and the Project Manager from being called as a witness and giving evidence before the arbitrator(s) on any matter whatsoever relevant to the dispute. Neither Party shall be limited in the proceedings before the arbitrator(s) to the evidence nor arguments previously put before the DB to obtain its decision, or to the reasons for dissatisfaction given in its notice of dissatisfaction. Any decision of the DB shall be admissible in evidence in the arbitration. Arbitration may be commenced prior to, or after, completion of the Works. The obligations of the Parties, the Project Manager and the DB shall not be altered by reason of any arbitration being conducted during the progress of the Works.

44.5 Dispute Board Procedural Rules

The Employer, Project Manager and the Contractor shall furnish to the DB one copy of all documents which the DB may request, including Contract documents, progress reports, variation instructions, certificates and other documents pertinent to the performance of the Contract and the matter under review. All communications between the DB and the Employer or the Contractor shall be copied to the other Party.

If any dispute is referred to the DB in accordance with the provisions of the Contract, the DB shall proceed in accordance with those provisions and these Rules. Subject to the time allowed to give notice of a decision and other relevant factors, the DB shall:

- i. act fairly and impartially as between the Employer and the Contractor, giving each of them a reasonable opportunity of presenting their case and responding to the other's case, and
- ii. adopt procedures suitable to the dispute, avoiding unnecessary delay or expense.

The DB, at its option, may conduct a hearing on the dispute, in which event it will decide on the date and place for the hearing and may request that written documentation and arguments from the Employer and the Contractor be presented to it prior to, or during, the hearing. The DB shall be under no obligation to conduct a hearing.

Except as otherwise agreed in writing by the Employer and the Contractor, the DB shall have power to adopt an inquisitorial procedure, to refuse admission to hearings or audience at hearings to any persons other than representatives of the Employer, the Contractor and the Project Manager, and to proceed in the absence of any party who the DB is satisfied received notice of the hearing; but shall have discretion to decide whether and to what extent this power may be exercised.

The Employer and the Contractor empower the DB, among other things, to:

- i. establish the procedure to be applied in deciding a dispute,
- ii. decide upon the DB's own jurisdiction, and as to the scope of any dispute referred to it,
- iii. conduct any hearing as it thinks fit, not being bound by any rules or procedures other than those contained in the Contract and these Rules,
- iv. take the initiative in ascertaining the facts and matters required for a decision,
- v. make use of its own specialist knowledge, if any,

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- vi. decide upon the payment of financing charges in accordance with the Contract,
- vii. decide upon any provisional relief such as interim or conservatory measures, and
- viii. open up, review and revise any certificate, decision, determination, instruction, opinion or valuation of the Project Manager, relevant to the dispute.

The DB shall not express any opinions during any hearing concerning the merits of any arguments advanced by the Parties. Thereafter, the DB shall make and give its decision in accordance with Article 44.3, or as otherwise agreed by the Employer and the Contractor in writing. The DB:

- i. shall convene in private after a hearing, in order to have discussions and prepare its decision;
- ii. shall endeavor to reach a unanimous decision: if this proves impossible the applicable decision shall be made by a majority of the Members, who may require the minority Member to prepare a written report for submission to the Employer and the Contractor; and
- iii. shall make every effort for its Members to attend all meetings or hearings. If a Member fails to attend a meeting or hearing, or to fulfil any required function, the other two Members may nevertheless proceed to make a decision, unless:
 - a) either the Employer or the Contractor do not agree that they do so, or
 - b) the absent Member is the chairman and he/she instructs the other members not to make a decision.
- iv. render its decision to the Parties in the most efficient manner possible, both in time and expense to the Parties and the project.

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Section 8 - Special Conditions of Contract

The following Special Conditions of Contract (SCC) shall supplement the General Conditions of Contract (GCC). Whenever there is a conflict, the provisions herein shall prevail over those in the GCC. The clause number of the SCC is the corresponding clause number of the GCC.

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1. Definitions

The Employer is: Da Afghanistan Breshna Sherkat (DABS)

The Project Manager is: To be determined by DABS

Country of Origin: Any of the eligible countries listed as per Section 5

5. Law and Language

5.1 The Contract shall be interpreted in accordance with the laws of: Islamic Republic of Afghanistan

5.2 The ruling language is: English

5.3 The language for communications is: English

7. Scope of Facilities

7.1 The Contractor agrees to supply spare parts for a period of years: 5

The Contractor shall carry sufficient inventories to ensure an ex-stock supply of consumable spares for the Plant. Other spare parts and components shall be supplied as promptly as possible, but at the most within 6 months of placing the order and payment will be based on Withdrawal Application (Direct Payment). In addition, in the event of termination of the production of spare parts, advance notification will be made to the Employer of the pending termination, with sufficient time to permit the Employer to procure the needed requirement. Following such termination, the Contractor will furnish to the extent possible and at no cost to the Employer the blueprints, drawings and specifications of the spare parts, if requested.

8. Time for Commencement and Completion

8.1 The Contractor shall commence work on the Facilities within fifteen (15) days from the Effective Date of the Contract Agreement, upon which the period until the Time of Completion shall be counted from.

8.2 The Time for Completion of the whole of the Facilities shall be as described in the Contract Agreement.

8.3 The Contractor shall not commence construction works until the updated Resettlement Plan (RP) has been approved by DABS, except for specific geographic areas or sections for which the construction works shall only commence after updated RP has been fully implemented by the Contractor to the satisfaction of DABS. The Contractor shall coordinate with the Project Manager on identifying geographic areas and sections where work can be commence.

13. Securities

13.3.1 The amount of performance security, as a percentage of the Contract Price for the Facility or for the part of the Facility for which a separate Time for Completion is provided, shall be: Ten (10%) percent of the Contract Price, denominated in the proportions of currencies which Contract Price is payable.

13.3.2 The performance security shall be in the form of the Bank Security as per form included in Section 9 (Employer's Requirements, Bank Guarantees and Certificates).

The format of the performance security shall be in the form of a bank guarantee, or cash deposit, in accordance with the standard bidding documents, and shall be issued by a

reputable bank or financial institution selected by the bidder. If the institution issuing the security is located outside the country of the borrower, it shall have a correspondent financial institution located in the country of the borrower to make it enforceable.

14. Tax & Duties

14.1 The grantor Requirements (Section 5) provides guidance on available tax exemptions for USAID-financed projects. Available tax exemptions include, in summary, an exemption for (1) taxes on the income, profits or property of all non-Afghan organizations, on non-afghan employees of both afghan and non-afghan organizations and on non-Afghan individual contractors and grantees, including social security taxes and taxes on the property, personal or real, owned by non-Afghan organizations or persons and (2) customs duties, import taxes and other levies on all goods and equipment imported by both Afghan and non-Afghan contractors for use on the project. The grantors requirements section also contains other important limitations on the goods and services that can be financed by USAID.

20. Design and Engineering

20.4 Construction Documents

- (a) Construction shall not commence until the Contractor receives from the Project Manager approval of the Construction Documents relevant to the design and construction of such parts.
- (b) The Contractor shall be responsible for any discrepancies, errors or omissions in the specifications, drawings and other technical documents that it has prepared, whether such specifications, drawings and other documents have been approved by the Employer's Representative or not. The Contractor bears full responsibility for the accuracy, completeness and consistency of all information it uses including, without limitation, information furnished to the Contractor by or on behalf of the Employer before and after execution of the Contract.
- (c) The Employer's Representative's approval, with or without modification of the document furnished by the Contractor, shall not relieve the Contractor of any responsibility or liability imposed upon it by any provisions of the Contract except to the extent that any subsequent failure results from modifications required by the Employer's Representative."

20.5 Installation, Operating, Service and Maintenance Manuals

- (a) Prior to the commencement of erection, the Contractor shall submit to the Employer's Representative three sets of fully detailed installation, operating, service and maintenance instructions for each Section of the Works, in sufficient detail for the Employer to operate, maintain, dismantle, reassemble, adjust, service and repair the Works.
- (b) Prior to taking over, the manuals shall be revised to as-built status and one original plus six copies shall be reproduced as a book or books of approximately A4 size and bound into strong durable imitation leather covers. A CD containing all the installation, operating, service and maintenance manuals documentation files shall also be handed over to the Employer.
- (c) The Works or if applicable the Section shall not be considered to be completed for the purposes of taking-over under Clause 24 until such as-built status installation, operation and maintenance manuals have been submitted to the Employer's Representative."

20.6 Commissioning and Completion Report

Prior to the issue of the Taking-Over Certificate the Contractor shall submit to the Employer's Representative one original paper copy, four electronic copies, and six paper copies of the following:

1. Commissioning Reports;
2. Inspection Reports; and,
3. Test Reports.

22. Installation

22.1.1 Labor Laws

- (e) The Contractor shall not make employment decisions based upon personal characteristics unrelated to job requirements. The Contractor shall base the employment relationship upon equal opportunity and fair treatment, and shall not discriminate with respect to aspect of the employment relationship, including recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment or retirement, and discipline.

The Contractor shall provide equal wages and benefits to men and women for work of equal value or type and shall use their best efforts to employ women and local people negatively affected by, or living in the vicinity of, the project.

22.2 Labor

22.2.16. Prohibition of Harmful Child labor

“Child” means a child below the age of 14 (as specified by the Islamic Republic of Afghanistan under the U.N. Minimum Age Convention of 1973) or such older age as may otherwise be applicable under relevant national, provincial or local laws.

22.9 Protection of the Environment and Social Safeguards

- (i) The Contractor shall comply and budget for the monitoring and mitigation measures set forth in the Initial Environmental Examination (IEE) prepared by the Employer, and notify the Employer in writing of any unanticipated environmental issues that arise and are not covered by the IEE.
- (ii) The Contractor shall comply and budget for the monitoring and mitigation measures set forth in the Power Transmission Expansion and Connectivity (PTEC) Environmental Impact Statement (EIS) prepared by USAID, and notify the Employer and USAID in writing of any unanticipated environmental issues that arise and are not covered by the PTEC Environmental Impact Statement.
- (iii) The Contractor shall comply and budget for the monitoring and mitigation measures set forth by Afghanistan’s National Environmental Protection Agency (NEPA) for this project, and notify the Employer and the NEPA in writing of any unanticipated environmental issues that arise and are not covered by the regulations and the rulings of the NEPA for this project.
- (iv) The Contractor shall ensure that all Project facilities are designed and constructed in compliance with applicable local laws and regulations of the Afghanistan concerning environmental protection, the initial environmental examination (IEE), the PTEC EIS and including an environmental management plan (EMP) as agreed by DABS.
- (v) Without limiting the generality of the foregoing, the Contractor shall ensure that all mitigation and monitoring measures identified in the EMP (a) are incorporated into the detailed design and implemented during design and construction of the Project facilities and (b) comply with all Project contract provisions requiring compliance with these requirements, and that information about the implementation of EMP is included in bi-annual environmental monitoring reports submitted to the Employer.

- (vi) The Contractor shall ensure that all its activities are carried out in full compliance with all applicable laws and regulations of Afghanistan with regard to resettlement and based upon a Contractor prepared Land Acquisition and Resettlement Plan (LARP) agreed to by DABS. The LARP shall be based upon the detailed technical design and in full consultation with affected people.
- (vii) The Contractor shall not act on any notice to proceed which lacks a compensation program as detailed in the updated Resettlement Plan and fully implemented to the satisfaction of DABS.
- (viii) Concerning the Afghan Component, under the heading "Environment and Social Safeguard Measures", the Contractor shall not proceed to undertake its contractual obligations until the demining agency selected under the Project has certified that the construction site has been cleared from any unexploded ordinance.

22.10 Landmines and Unexploded Ordinance

Demining of the transmission line route sites will be carried by UNAMACA (United Nations Mine Action Centre, Afghanistan).

The Contractor shall liaise with UNMACA regarding the areas to be cleared, sequence of work and for obtaining clearance before commencing work. The Contractor shall ensure that all site personnel are aware of the dangers of landmines and UXO.

The Contractor shall liaise with UNMACA on the technical details such as depth to be cleared for a particular kind of area (in right of way, under a pole, access roads, safety zone (guard band) around the cleared areas, etc.

The Contingency (reference Section 9 Contract Forms, Appendix 3 Terms and Procedures of Payments, Sub-Section (D) Contingency, page 9-22) is to meet the expenses for this Section.

22.11 Security

The Contractor is responsible for providing and implementing security (protection, watch and ward) for all construction activities in accordance with a Contractor written and DABS approved Security Plan. Security must be provided in accordance with Afghan Law and subject to approval by the Government of Afghanistan as represented by DABS.

The Contractor is responsible for proposing a legal and appropriate Security Plan, which DABS must evaluate and provide its approval. This Security Plan is in addition to the security described in the Bidder's Method Statement in the Bidder's bid package.

The agreed and finalized Security Plan is to be implemented in coordination with DABS, local communities, and other stakeholders in the project area. Thus, it is expected that the Contractor, through the Project Manager, will coordinate closely with DABS for security with respect to expected provision of services against the agreed Security Plan.

It is expected that local people will be deployed as a watch and ward security service and will be paid as per Afghan law, subject to approval of the Government of the Islamic Republic of Afghanistan as represented by DABS.

The Contractor shall include all the required security costs in their unit rate line items including transportation, storage of equipment, plant and material, construction, installation, testing and commissioning.

The Contractor's costs for physical security of personnel and materials is to be

included in each line item of all the Schedules. The Contractor's total security cost assigned to a Line item is to be in the same ratio (that is, pro-rated) as that Line item's cost is to the "Subtotal" of the "Price Sheet", Section 4, page 4-11.

25. Commissioning and Operational Acceptance

25.2.2 The Guarantee Test of the Facilities shall be successfully completed before turnover to DABS.

25.2.3 Tests and Inspections specified in Section VI, Schedule of Supply, shall be carried out at the following times or milestones, and places for material that is provided by the Contractor. This does not apply to government furnished equipment.

- **Transmission Line Poles**
 - At the manufacturer's works two months after contract signing for final approval of
 - a) the transmission line pole types,
 - b) manufacturing program
 - c) shipping and delivery program For each type of pole offered, at the pole testing station during pole tests.
- **110 kV Overhead Line Conductor and Hardware**
 - At the manufacturer's works during routine tests
- **110 kV Transmission Line Insulators and Hardware**
 - At the manufacturer's works during routine tests
- **OPGW Cable and Hardware**
 - At the manufacturer's works during routine tests
- **Transmission Line Earth Resistance and Geotechnical Tests**
 - On site prior to construction and after completion of the transmission line earthing
- **Transmission Line Commissioning**
 - On site for the commissioning of transmission line

26. Completion Time Guarantee

26.2 Applicable rate for liquidated damages: Zero point zero five to zero point one (0.05 to 0.1)% per day of the Contract Price in the proportions of currencies in which the Contract Price is payable or part thereof

Maximum deduction for liquidated damages: Ten (10) % of the Contract Price

26.3 An incentive will be paid for early completion of facilities at an applicable rate as follows: Zero point one (0.1) % of the contract price per day. The phrase "any part thereof" from Section 7 is not applicable to the early completion incentive.

For the purposes of this clause, the early completion time-period will be calculated as the integer number of calendar days prior to the contracted completion date the line was to be accepted by the Employer.

To qualify as completed for the purpose of this early completion incentive, the Contractor shall demonstrate the 110 kV transmission line shall have been successfully held at nominal 110kV three phase with continuous consecutive operation for a minimum of 72 hours without permanent or intermittent faults.

The definition of early completion for the purposes of this incentive has no bearing upon other definitions and uses of "completion", "period of performance", etc. in

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these bidding documents.

The maximum incentive payment will be no more than \$500,000.00 USD, total for all transmission lines. The maximum incentive payments are apportioned among the transmission lines as follows:

Nr.	Facility	Maximum Amount (USD)
1	Kajaki 110kV Switchyard to Sangin North 110kV Substation	\$125,000.00
2	Kandahar East to Kandahar Breshna	\$125,000.00
3	Kandahar Breshna Kot to Pushmul	\$125,000.00
4	Pushmul to Maiwand	\$125,000.00
8	Total	\$500,000.00

Early completion incentive focuses on the operation and use of the transmission lines as soon as possible. The contractor can continue to do other works (documentation, etc.), close out and contract completion can occur later.

The Contractor is eligible to invoice for the early completion incentive amount prior to contract closeout, and will be paid per the payment protocol contained in these bidding documents.

27. Defect Liability

27.10 There is no extended Defect Liability Period.

30. Limitation of Liability

30.1 (b) The multiplier of the Contract Price is: **One point zero (1.0)**

38. War Risks

38. Delete the entire article 38 war risk (**not applicable to this contract**)

45. Condition of Award of Contract

45.1 DABS will not award a contract for Works under any subproject until after the updated LARP with respect to such subproject has been approved by DABS.

45.2 The procedure of Withdrawal Application (Direct Payment) will be used for this contract under bidding.

Section 9 - Contract Forms

This Section contains the Letter of Acceptance, the Contract Agreement and Appendices to the Contract Agreement, which once completed, will form part of the Contract.

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Notification of Award

[Employer's letter head]

Letter of Acceptance

[Date]

To: [Name and address of the Contractor]

This is to notify you that your Bid consisting of the Technical and Price Bids dated [date] for execution of the [name of the Contract and identification number, as given in the Contract Data] for the Contract Price in the aggregate of [amounts in numbers and words] [name of currency], as corrected and modified in accordance with the Instructions to Bidders is hereby accepted by our Agency.

You are requested to furnish the Performance Security within 28 days in accordance with the Conditions of Contract, using for that purpose one of the Performance Security Forms included in Section 9 (Contract Forms) of the Bidding Document

[Authorized Signature]

[Name and Title of Signatory]

[Name of Agency]

Attachment: Contract Agreement

Contract Agreement

THIS AGREEMENT made the _____ day of _____, _____,

BETWEEN

(1) [*name of Employer*], a corporation incorporated under the laws of [*country of Employer*] and having its principal place of business at [*address of Employer*] (hereinafter called “the Employer”), and (2) [*name of Contractor*], a corporation incorporated under the laws of [*country of Contractor*] and having its principal place of business at [*address of Contractor*] (hereinafter called “the Contractor”).

WHEREAS the Employer desires to engage the Contractor to design, manufacture, test, deliver, install, complete and commission certain Facilities, viz. [*list of facilities*] (“the Facilities”) and the Contractor have agreed to such engagement upon and subject to the terms and conditions hereinafter appearing.

NOW IT IS HEREBY AGREED as follows:

Article.1 Contract Documents

1.1 Contract Documents (Reference GCC Clause 2)

The following documents shall constitute the Contract between the Employer and the Contractor, and each shall be read and construed as an integral part of the Contract:

- (a) This Contract Agreement and the Appendices hereto
- (b) Letter of Price Bid and Price Schedules submitted by the Contractor
- (c) Letter of Technical Bid and Technical Proposal submitted by the Contractor
- (d) Special Conditions of Contract
- (e) General Conditions of Contract
- (f) Specification
- (g) Drawings
- (h) Other completed Bidding Forms submitted with the Letters of Technical and Price Bids
- (i) Any other documents part of the Employer’s Requirements
- (j) Any other documents shall be added here

1.2 Order of Precedence (Reference GCC Clause 2)

In the event of any ambiguity or conflict between the Contract Documents listed above, the order of precedence shall be the order in which the Contract Documents are listed in Article 1.1 (Contract Documents) above.

1.3 Definitions (Reference GCC Clause 1)

Capitalized words and phrases used herein shall have the same meanings as are ascribed to them in the General Conditions.

Article.2 Contract Price and Terms of Payment

2.1 Contract Price (Reference GCC Clause 11)

The Employer hereby agrees to pay to the Contractor the Contract Price in consideration of the performance by the Contractor of its obligations hereunder. The Contract Price shall be the aggregate of: [. . . *amounts of foreign currency in words* . . .], [. . . *amounts in figures* . . .] as specified in Price Schedule No. 5 (Grand Summary), [. . . *amounts of local currency in words* . . .], [. . . *amounts in figures* . . .], or such other sums as may be determined in accordance with the terms and conditions of the Contract.

2.2 **Terms of Payment** (Reference GCC Clause 12)

The terms and procedures of payment according to which the Employer will reimburse the Contractor are given in the Appendix (Terms and Procedures of Payment) hereto.

**Article.3
Effective Date**

3.1 **Effective Date** (Reference GCC Clause 1)

The Effective Date upon which the period until the Time for Completion of the Facilities shall be counted from is the date when all of the following conditions have been fulfilled:

- (a) This Contract Agreement has been duly executed for and on behalf of the Employer and the Contractor;
- (b) The Contractor has submitted to the Employer the performance security and the mobilization payment guarantee;
- (c) The Employer has paid the Contractor the advance payment
- (d) The Contractor has been advised that the documentary credit referred to in Article 2.2 above has been issued in its favor.

Each party shall use its best efforts to fulfill the above conditions for which it is responsible as soon as practicable.

3.2 If the conditions listed under 3.1 are not fulfilled within 2 months from the date of this Contract notification because of reasons not attributable to the Contractor, the parties shall discuss and agree on an equitable adjustment to the Contract Price and the Time for Completion and/or other relevant conditions of the Contract.

**Article.4
Communications**

4.1 The address of the Employer for notice purposes, pursuant to GCC 4.1 is:

Attention: Ahmad Shah Sahil, Chief Financial Officer
Street Address: Chaman Houzouri,
Floor/Room number: CFO's Office
Da Afghanistan Breshna Sherkat (DABS), H.Q
City: Kabul
ZIP Code: N/A
Country: Afghanistan

4.2 The address of the Contractor for notice purposes, pursuant to GCC 4.1 is: [Contractor's **address**].

**Article.5
Appendices**

5.1 The Appendices listed in the attached List of Appendices shall be deemed to form an integral part of this Contract Agreement.

5.2 Reference in the Contract to any Appendix shall mean the Appendices attached hereto, and the Contract shall be read and construed accordingly.

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IN WITNESS WHEREOF the Employer and the Contractor have caused this Agreement to be duly executed by their duly authorized representatives the day and year first above written.

Signed by, for and on behalf of the Employer

[*Signature*]

[*Title*]

in the presence of

[*Signature*]

[*Title*]

Signed by, for and on behalf of the Contractor

[*Signature*]

[*Title*]

in the presence of

[*Signature*]

[*Title*]

APPENDICES

- Appendix 1- Bank Guarantees and Certificates
- Appendix 2- Change Orders
- Appendix 3 - Terms and Procedures of Payment
- Appendix 4 - Price Escalation
- Appendix 5 - Insurance Requirements
- Appendix 6 - Time Schedule
- Appendix 7 - List of Major Items of Plant and services and List of Approved Subcontractors
- Appendix 8 - Scope of Works and Supply by the Employer
- Appendix 9 - List of Documents for Approval or Review
- Appendix 10 - Functional Guarantees
- Appendix 11 - Environmental Documents

Appendix 1 - Bank Guarantees and Certificates

2. Form of Performance Security

Bank's Name, and Address of Issuing Branch or Office

Beneficiary: Name and Address of Employer

Date:

Performance Guarantee No.:

We have been informed that name of the Contractor. (hereinafter called "the Contractor") has entered into Contract No. reference number of the Contract. dated with you, for the execution of name of contract and brief description of Works. (hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, a performance guarantee is required.

At the request of the Contractor, we name of the Bank. hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of name of the currency and amount in figures*. (. amount in words.) such sum being payable in the types and proportions of currencies in which the Contract Price is payable, upon receipt by us of your first demand in writing accompanied by a written statement stating that the Contractor is in breach of its obligation(s) under the Contract, without your needing to prove or to show grounds for your demand or the sum specified therein.

This guarantee shall expire no later than the earlier of:

- (a) eighteen months after our receipt of:
 - (i) a copy of the Completion Certificate; or
 - (ii) a registered letter from the Contractor, attaching a copy of the notice to the project manager that the Facilities are ready for commissioning, and stating that fourteen days have elapsed from receipt of such notice (or seven days have elapsed if the notice was a repeated notice) and the project manager has failed to issue a Completion Certificate or inform the Contractor in writing of any defects or deficiencies; or
 - (iii) a registered letter from the Contractor stating that no Completion Certificate has been issued but the Employer is making use of the Facilities; or
- (b) the ____ day of _____, 2____.

Consequently, any demand for payment under this guarantee must be received by us at this office on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees, ICC Publication No. 758, except that the supporting statement under Article 15(a) is hereby excluded..

.....
Seal of Bank and Signature(s)

3. Form of Mobilization Payment Security

Bank's Name, and Address of Issuing Branch or Office

Beneficiary: Name and Address of Employer

Date:

Mobilization Payment Guarantee No.:

We have been informed that name of the Contractor. (hereinafter called "the Contractor") has entered into Contract No. reference number of the Contract. dated with you, for the execution of name of contract and brief description of Works. (hereinafter called "the Contract").

Furthermore, we understand that, according to the Conditions of the Contract, a mobilization payment in the sum (the Guarantor shall insert an amount representing the amount of the mobilization payment denominated either in the currency(ies) of the mobilization payment as specified in the Contract, or in a freely convertible currency acceptable to the Employer.) (. Amount in words.) is to be made against a mobilization payment guarantee.

At the request of the Contractor, we name of the Bank. hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of name of the currency and amount in figures*. (. amount in words.) upon receipt by us of your first demand in writing accompanied by a written statement stating that the Contractor is in breach of its obligation under the Contract because the Contractor used the mobilization payment for purposes other than the costs of mobilization in respect of the Works.

It is a condition for any claim and payment under this guarantee to be made that the mobilization payment referred to above must have been received by the Contractor on its account number Contractor's account number. at name and address of the Bank.

The maximum amount of this guarantee shall be progressively reduced by the amount of the mobilization payment repaid by the Contractor as indicated in copies of interim statements or payment certificates which shall be presented to us. This guarantee shall expire, at the latest, upon our receipt of a copy of the interim payment certificate indicating that eighty (80) percent of the Contract Price has been certified for payment, or on the . . . day of (insert the expected expiration date of the Time for Completion. The Employer should note that in the event of an extension of the time for completion of the Contract, the Employer would need to request an extension of this guarantee from the Guarantor. Such request must be in writing and must be made prior to the expiration date established in the guarantee. In preparing this guarantee, the Employer might consider adding the following text to the form, at the end of the penultimate paragraph: "The Guarantor agrees to a one-time extension of this guarantee for a period not to exceed [six months][one year], in response to the Employer's written request for such extension, such request to be presented to the Guarantor before the expiry of the guarantee". ,, whichever is earlier. Consequently, any demand for payment under this guarantee must be received by us at this office on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees, ICC Publication No.758, except that the supporting statement under Article 15(a) is hereby excluded.

Seal of Bank and Signature(s)

4. Form of Completion Certificate

Contract: [. . . .insert name of contract and contract identification details.]

Date:

Certificate No.:

To: [. . . .insert name and address of Contractor.]

Dear Ladies and/or Gentlemen,

Pursuant to GC Clause 24 (Completion of the Facilities) of the General Conditions of the Contract entered into between yourselves and the Employer dated [. . . .insert date.], relating to the [. . . .brief description of the Facilities], we hereby notify you that the following part(s) of the facilities was (were) complete on the date specified below, and that, in accordance with the terms of the Contract, the Employer hereby takes over the said part(s) of the Facilities, together with the responsibility for care and custody and the risk of loss thereof on the date mentioned below.

1. Description of the Facilities or part thereof: [. . . .description]
2. Date of Completion: [. . . .date]

However, you are required to complete the outstanding items listed in the attachment hereto as soon as practicable.

This letter does not relieve you of your obligation to complete the execution of the Facilities in accordance with the Contract nor of your obligations during the Defect Liability Period.

Very truly yours,

[. . . .Signature]
Project Manager

5. Form of Operational Acceptance Certificate

Contract: [. . . .insert name of contract and contract identification details.]

Date:

Certificate No.:

To: [. . . .insert name and address of Contractor.]

Pursuant to GC Sub-Clause 25.3 (Operational Acceptance) of the General Conditions of the Contract entered into between yourselves and the Employer dated [date], relating to the [brief description of the Facilities], we hereby notify you that the Functional Guarantees of the following part(s) of the Facilities were satisfactorily attained on the date specified below.

1. Description of the Facilities or part thereof: [description]
2. Date of Operational Acceptance: [date]

This letter does not relieve you of your obligation to complete the execution of the Facilities in accordance with the Contract nor of your obligations during the Defect Liability Period.

Very truly yours,

[. . . .Signature]
Project Manager

Appendix 2 - Change Orders

- 2.1 Change Order Procedure
 - 2.1.1 General
 - 2.1.2 Change Order Log
 - 2.1.3 References for Changes
- 2.2 Change Order Forms
 - 2.2.1 Request for Change Proposal
 - 2.2.2 Estimate for Change Proposal
 - 2.2.3 Acceptance of Estimate
 - 2.2.4 Change Proposal
 - 2.2.5 Change Order
 - 2.2.6 Pending Agreement Change Order
 - 2.2.7 Application for Change Proposal

2.1 Change Order Procedure

2.1.1 General

This section provides samples of procedures and forms for implementing changes in the Facilities during the performance of the Contract in accordance with GCC Clause 39 (Change in the Facilities) of the General Conditions.

2.1.2 Change Order Log

The Contractor shall keep an up-to-date Change Order Log to show the current status of Requests for Change and Changes authorized or pending, as Annex 8. Entries of the Changes in the Change Order Log shall be made to ensure that the log is up-to-date. The Contractor shall attach a copy of the current Change Order Log in the monthly progress report to be submitted to the Employer.

2.1.3 References for Changes

- (1) Request for Change as referred to in GC Clause 39 shall be serially numbered CR-X-nnn.
- (2) Estimate for Change Proposal as referred to in GC Clause 39 shall be serially numbered CN-X-nnn.
- (3) Acceptance of Estimate as referred to in GC Clause 39 shall be serially numbered CA-X-nnn.
- (4) Change Proposal as referred to in GC Clause 39 shall be serially numbered CP-X-nnn.
- (5) Change Order as referred to in GC Clause 39 shall be serially numbered CO-X-nnn.

Note:

- (a) Requests for Change issued from the Employer's Home Office and the Site representatives of the Employer shall have the following respective references:

Home Office	CR-H-nnn
Site	CR-S-nnn
- (b) The above number "nnn" is the same for Request for Change, Estimate for Change Proposal, Acceptance of Estimate, Change Proposal and Change Order.

2.2 Change Order Forms

2.2.1 Request for Change Proposal Form

[Employer's Letterhead]

To: [Contractor's name and address] Date:

Attention: [Name and title]

Contract Name: [Contract name]

Contract Number: [Contract number]

Dear Ladies and/or Gentlemen:

With reference to the captioned Contract, you are requested to prepare and submit a Change Proposal for the Change noted below in accordance with the following instructions within [number] days of the date of this letter [or on or before (date)].

1. Title of Change: [Title]
2. Change Request No./Rev.: [Number]
3. Originator of Change:
Employer: [Name]
Contractor (by Application for Change Proposal No. [Number Refer to Annex 2.2.7])
4. Brief Description of Change: [Description]
5. Facilities and/or Item No. of equipment related to the requested Change: [Description]
6. Reference drawings and/or technical documents for the request of Change:
Drawing No./Document No.[Description]
7. Detailed conditions or special requirements on the requested Change: [Description]
8. General Terms and Conditions:
 - (a) Please submit your estimate to us showing what effect the requested Change will have on the Contract Price.
 - (b) Your estimate shall include your claim for the additional time, if any, for completion of the requested Change.
 - (c) If you have any critical opinion regarding the adoption of the requested Change in connection with the conformability to the other provisions of the Contract or the safety of the Plant or Facilities, please inform us of your opinion in your proposal of revised provisions.
 - (d) Any increase or decrease in the work of the Contractor relating to the services of its personnel shall be calculated.
 - (e) You shall not proceed with the execution of the work for the requested Change until we have accepted and confirmed the amount and nature in writing.

[Employer's Name]

[Signature]

[Name of signatory]

[Title of signatory]

2.2.2 Estimate for Change Proposal Form

[Contractor's Letterhead]

To: [Employer's name and address] Date:

Attention: [Name and title]

Contract Name: [Contract name]

Contract Number: [Contract number]

Dear Ladies and/or Gentlemen:

With reference to your Request for Change Proposal, we are pleased to notify you of the approximate cost of preparing the below-referenced Change Proposal in accordance with GC Sub-Clause 39.2.1 of the General Conditions. We acknowledge that your agreement to the cost of preparing the Change Proposal, in accordance with GC Sub-Clause 39.2.2, is required before estimating the cost for change work.

1. Title of Change: [Title]
2. Change Request No./Rev.: [Number]
3. Brief Description of Change: [Description]
4. Scheduled Impact of Change: [Description]
5. Cost for Preparation of Change Proposal: [insert costs which shall be in the currencies of the Contract]

(a) Engineering (Amount)

(i) Engineer hrs x rate/hr =

(ii) Draftsperson hrs x rate/hr =

Sub-total hrs

Total Engineering Cost

(b) Other Cost

Total Cost (a) + (b)

[Contractor's Name]

[Signature]

[Name of signatory]

[Title of signatory]

2.2.3 Acceptance of Estimate Form

[Employer's Letterhead]

To: [Contractor's name and address] Date:

Attention: [Name and title]

Contract Name: [Contract name]

Contract Number: [Contract number]

Dear Ladies and/or Gentlemen:

We hereby accept your Estimate for Change Proposal and agree that you should proceed with the preparation of the Change Proposal.

1. Title of Change: [Title]
2. Change Request No./Rev.: [Request number/revision]
3. Estimate for Change Proposal No./Rev.: [Proposal number/revision]
4. Acceptance of Estimate No./Rev.: [Estimate number/revision]
5. Brief Description of Change: [Description]
6. Other Terms and Conditions: In the event that we decide not to order the Change accepted,

you shall be entitled to compensation for the cost of preparation of Change Proposal described in your Estimate for Change Proposal mentioned in para. 3 above in accordance with GC Clause 39 of the General Conditions.

[Employer's Name]

[Signature]

[Name of signatory]

[Title of signatory]

2.2.4 Change Proposal Form

[Contractor’s Letterhead]

To: [Employer's name and address] Date:

Attention: [Name and title]

Contract Name: [Contract name]

Contract Number: [Contract number]

Dear Ladies and/or Gentlemen:

In response to your Request for Change Proposal No. [Number], we hereby submit our proposal as follows:

- 1. Title of Change: [Name]
- 2. Change Proposal No./Rev.: [Proposal number / revision]
- 3. Originator of Change: Employer: [Name] / Contractor: [Name]
- 4. Brief Description of Change: [Description]
- 5. Reasons for Change: [Reason]
- 6. Facilities and/or Item No. of Equipment related to the requested Change:
[Facilities]
- 7. Reference drawings and/or technical documents for the requested Change:
[Drawing/Document No./Description]
- 8. Estimate of increase/decrease to the Contract Price resulting from Change

Proposal:

Amount
[insert amounts in the currencies of the Contract]

- (a) Direct material
- (b) Major construction equipment
- (c) Direct field labor (Total hrs.)
- (d) Subcontracts
- (e) Indirect material and labor
- (f) Site supervision
- (g) Head office technical staff salaries

Process engineer	hrs @	rate/hr
Project engineer	hrs @	rate/hr
Equipment engineer	hrs @	rate/hr
Procurement	hrs @	rate/hr
Draftsperson	hrs @	rate/hr
Total	hrs	

(h) Extraordinary costs (computer, travel, etc.)

(i) Fee for general administration, % of Items

(j) Taxes and customs duties

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Total lump sum cost of Change Proposal [Sum of items (a) to (j)]

Cost to prepare Estimate for Change Proposal [Amount payable if Change is not accepted]

9. Additional time for Completion required due to Change Proposal
10. Effect on the Functional Guarantees
11. Effect on the other terms and conditions of the Contract
12. Validity of this Proposal: within [Number] days after receipt of this Proposal by the Employer
13. Other terms and conditions of this Change Proposal:
 - (a) You are requested to notify us of your acceptance, comments or rejection of this detailed Change Proposal within [Number] days from your receipt of this Proposal.
 - (b) The amount of any increase and/or decrease shall be taken into account in the adjustment of the Contract Price.
 - (c) Contractor's cost for preparation of this Change Proposal: [insert amount]. This cost shall be reimbursed by the Employer in case of Employer's withdrawal or rejection of this Change Proposal without default of the Contractor in accordance with GC Clause 39 of the General Conditions]

[Contractor's Name]

[Signature]

[Name of signatory]

[Title of signatory]

2.2.5 Change Order Form

[Employer’s Letterhead]

To: [Contractor’s name and address]

Date:

Attention: [Name and title]

Contract Name: [Contract name]

Contract Number: [Contract number]

Dear Ladies and/or Gentlemen:

We approve the Change Order for the work specified in the Change Proposal (No. [number]), and agree to adjust the Contract Price, Time for Completion and/or other conditions of the Contract in accordance with GC Clause 39 of the General Conditions.

- 1. Title of Change: [Name]
- 2. Change Request No./Rev.: [Request number / revision]
- 3. Change Order No./Rev.: [Order number / revision]
- 4. Originator of Change: Employer: [Name] / Contractor: [Name]
- 5. Authorized Price:
Ref. No.: [Number] Date: [Date]
Foreign currency portion [Amount] plus Local currency portion [Amount]
- 6. Adjustment of Time for Completion
None Increase [Number] days Decrease [Number] days
- 7. Other effects, if any

Authorized by: Date:

Employer

Accepted by: Date:

Contractor

2.2.6 Pending Agreement Change Order Form

[Employer's Letterhead]

To: [Contractor's name and address] Date:

Attention: [Name and title]

Contract Name: [Contract name]

Contract Number: [Contract number]

Dear Ladies and/or Gentlemen:

We instruct you to carry out the work in the Change Order detailed below in accordance with GC Clause 39 of the General Conditions.

1. Title of Change: [Name]
2. Employer's Request for Change Proposal No./Rev.: [number/revision] dated:
[date]
3. Contractor's Change Proposal No./Rev.: [number / revision] dated: [date]
4. Brief Description of Change: [Description]
5. Facilities and/or Item No. of equipment related to the requested Change:
[Facilities]
6. Reference Drawings and/or technical documents for the requested Change:
[Drawing / Document No. / Description]
7. Adjustment of Time for Completion:
8. Other change in the Contract terms:
9. Other terms and conditions:

[Employer's Name]

[Signature]

[Name of signatory]

[Title of signatory]

2.2.7 Application for Change Proposal Form

[Contractor's Letterhead]

To: [Employer's name and address] Date:

Attention: [Name and title]

Contract Name: [Contract name]

Contract Number: [Contract number]

Dear Ladies and/or Gentlemen:

We hereby propose that the below-mentioned work be treated as a Change in the Facilities.

1. Title of Change: [Name]
2. Application for Change Proposal No./Rev.: [Number / revision] dated: [Date]
3. Brief Description of Change: [Description]
4. Reasons for Change:
5. Order of Magnitude Estimation (amount in the currencies of the Contract): [Amount]
6. Scheduled Impact of Change:
7. Effect on Functional Guarantees, if any:
8. Appendix:

[Contractor's Name]

[Signature]

[Name of signatory]

[Title of signatory]

Appendix 3 - Terms and Procedures of Payment

In accordance with the provisions of GCC Clause 12 (Terms of Payment), the Employer shall pay the Contractor in the following manner and at the following times, on the basis of the Price Breakdown given in the section on Price Schedules. Payments will be made in the currencies quoted by the Bidder unless otherwise agreed between the parties. Applications for payment in respect of part deliveries may be made by the Contractor as work proceeds.

On those Price Sheet Schedules where “Shipping, Handling and Inland Transportation” is a Line Item, the Contractor can enter a zero or leave the field blank if the Contractor includes the shipping, handling and inland transportation costs in the costs of the items of that Schedule. The Contractor is still responsible for shipping, handling, and inland transportation even if they leave this field zero or blank. If the Contractor puts a number in the field then this number is to be the Contractor’s cost of the shipping, handling and inland transportation for all of the items in that schedule, and this cost for shipping, handling and inland transportation will be treated as additional Line Item in the Schedule and will be paid as defined below.

(A) Terms of Payment

All approved payments exclusive of the Mobilization Payment shall be made within sixty (60) days of receipt of clear invoice.

The Terms of Payment below apply to each of the Schedules for each of the two transmission line segments (Kandahar East – Maiwand; and, Kajaki – Sangin North)

Schedule No. 1 – Transmission Line Design, Drawings and Documentation

One hundred percent (100%) of the total or Lump Sum (LS) amount upon acceptance of design by the Project Manager.

If the pro rata method is used, the Contractor is to provide for each of the two transmission line segments at the start of the project the master list of all drawings, documents and specifications that will be created and submitted for the project. Reviews of submittals (drawings, documents and specifications) must be of complete logical, functional, constructible packages. The packages are to be organized as follows:

For Items No. 1.1 and 1.2:

1. Geotechnical reports and recommendations, including borings and soil resistivity results
2. Topographic survey of right of way
3. Transmission line routing and profile
4. Specifications relative to loading conditions, that is, wind, ice, earthquake, lines
5. Foundation design
 - a. Drainage features, such as runoff diverting masonry walls
 - b. Specifications relative to geotechnical fill and backfill

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- c. Specifications relative to concrete
 - d. Calculations relative to foundation design
6. Pole design
 - a. Specifications relative to concrete poles
 - b. Calculations relative to concrete poles
7. Line hardware design, specifications, and calculations
8. OPGW design, specifications, and calculations
9. OPGW hardware design, specifications, and calculations
10. Conductor design, specifications, and calculations
11. Mobilization Plan
12. Haul routes
13. Health, Safety and Environmental Plan
14. Quality Assurance Plan and Quality Control Plan
15. Security Plan
16. Submittal Register
17. Submittals
18. Schedule of Values
19. Custom documents
20. Area Use Plan
21. Land Acquisition and Resettlement Plan

The Contractor is not to start construction or to finalize procurements until all of the drawing packages, including specifications, and manufacturer's submittals have been accepted by the Project Manager.

Schedule No. 2 – Plant and Mandatory Parts

All supply items are per INCOTERM 2010 DAP.

The lower of ten percent (10%) and the cost required for mobilization based on the mobilization schedule as mobilization payment against receipt of invoice and an irrevocable mobilization payment security for the equivalent amount made out in favor of the Employer. A proportionate amount shall

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be deducted from all Contractors' invoices until the mobilization payment has been fully repaid. The mobilization payment security may be reduced in proportion to the amount repaid and/or the value of the plant and equipment delivered to the site, as evidenced by delivery documents.

Thirty percent (30%) of the total or Item amount on *shipment* after receipt of invoice and shipping documents (negotiable bill of lading, a non-negotiable sea way bill, an airway bill, a railway consignment note, a road consignment note, insurance certificate, Manufacturer's or Supplier's warranty certificate, inspection certificate issued by nominated inspection agency, Supplier's factory shipping details, packing list, certificate of origin etc.).

Thirty percent (30%) of the total or pro rata amount after receipt of invoice and delivery of Plant & mandatory parts to the site as evidenced by delivery documents to the site. In the event that items are stored in the Contractor's secured warehouse located in Afghanistan but delivery to the site is delayed upon agreement with the Employer for security reasons, the Contractor may make application for this part of the payment against warehouse receipts, provided always that the plant and equipment are ready for delivery on the date shown in the said Program.

Thirty percent (30%) of the total or pro rata DAP amount upon installation of the site delivered Plant & Equipment by the Contractor in accordance with the approved design. The payment is expected to be effected, as identified in the Program of Performance during the preceding month as evidenced by the Employer's authorization of the Contractor's application, will be made monthly.

Five percent (5%) of the total or pro rata amount upon issuance of the Completion Certificate.

Five percent (5%) of the total or pro rata amount upon completion of the Defects Liability Period without defect(s) in accordance with GCC Sub-Clause 27.

Schedule No. 3 - Prototype of Pole Test

One hundred percent (100%) of the total Proto Type Pole Test amount upon acceptance of Proto Type Pole Test by the Project Manager.

The type tests and their cost can be avoided by the bidder if they submit type test certificates and associated type test reports that are acceptable to the Employer with the Technical Bid.

Schedule No. 4 - Construction, Installation, Testing and Commissioning

The lower of ten percent (10%) and the cost required for total installation and other services based on the construction and installation mobilization schedule as mobilization payment against receipt of invoice and an irrevocable mobilization payment security for the equivalent amount made out in favor of the Employer. A proportionate amount shall be deducted from all Contractors' invoices until the

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mobilization payment has been fully repaid. The mobilization payment security may be reduced in proportion to the amount repaid and/or the value of the plant and equipment delivered to the site, as evidenced by delivery documents.

Ninety percent (90%) of the Item *completed* by the Contractor, as identified in the Schedule, during the preceding month, as evidenced by the Employer's authorization of the Contractor's monthly invoice, will be made monthly.

Five percent (5%) of the Item completed by the Contractor as evidenced by the Employer's authorization of the Contractor's monthly invoices, upon *issuance* of the Completion Certificate.

Five percent (5%) of the Item completed by the Contractor as evidenced by the Employer's authorization of the Contractor's monthly invoices, upon completion of the Defects Liability Period without defect(s) in accordance with GCC Sub-Clause 27.

Schedule No. 5 - On the Job Training

One Hundred percent (100%) of the Item amount upon acceptance of On the Job Training by the Project Manager.

(B) Payment Procedures

The procedures to be followed in applying for certification and making payments shall be as follows and may be changed as agreed by and between the parties during contract negotiations.

1. The Contractor is to submit one package of invoices each month.
2. One of the invoices in the package is to be for construction (that is, labor, installation, testing, commissioning, etc.).
3. The other invoices in the package are to be for material received. The invoices for materials received are to be for groups of similar items (for example, concrete poles, conductors, OPGW, etc.)
4. The Contractor will be instructed by the Employer on the due date in the month when the package of invoices are to be received by the Employer. This date may not be at or near the first day of the month. Where the due date falls on a weekend or public holiday, the previous working day prior to the weekend or the public holiday is the effective due date
5. Invoices and packages of invoices will not be accepted other than on the directed date.

(C) Delayed Payment and Interest Rate

In the event that the Employer fails to make any payment on its respective due date per the Terms of Payment, the Employer shall pay to the Contractor interest on the amount of 1% (one percent) per year of such delayed payment for the period of delay until payment has been made in full.

Because the employer uses its Country Governments systems to process contractor payments, there is a likelihood that delays may occur in the last month of the employer's fiscal year or in the first three

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months the new fiscal year. These delays are necessary to enable the employer's country Government to smoothly close the preceding fiscal year as well as open the new fiscal year. While the employer will take all necessary steps to ensure timely payment to the contractor, during such periods, payment to the contractor may be delayed by more than the stipulated payment period. During such periods, the employer will not pay interest charges to the contractor for delayed payments

(D) Provisional Sum for Contingencies

The Provisional Sum is to be used for the following purposes:

1. Demining and UXO clearance; and,
2. Unforeseen Conditions and Change Orders

Unused portions of the Contingency Sum may be used for procurement by the Contractor who shall provide price quotes and delivery of items as approved and directed by DABS.

Appendix 4 - Price Escalation (Not Applicable)

Prices payable to the Contractor, in accordance with 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 following formula:

$$P_1 = P_0 \times \left(a + b \frac{L_1}{L_0} + c \frac{M_1}{M_0} \right) - P_0$$

in which:

- P_1 = adjustment amount payable to the Contractor
- P_0 = Contract price (base price)
- a = percentage of fixed element in Contract price ($a = _ \%$)
- b = percentage of labor component in Contract price ($b = _ \%$)
- c = percentage of material and equipment component in Contract price ($c = _ \%$)
- L_0, L_1 = labor indices applicable to the appropriate industry in the country of origin on the base date and the date for adjustment, respectively
- M_0, M_1 = material and equipment indices in the country of origin on the base date and the date for adjustment, respectively

Conditions Applicable To Price Adjustment

The Bidder shall indicate the source of labor and materials indices and the base date indices in its bid.

Item	Source of Indices Used	Base Date Indices

The base date shall be the date 30 days prior to the Bid closing date.

The date of adjustment shall be the mid-point of the period of manufacture or installation of component or Plant.

The following conditions shall apply:

- (a) No price increase will be allowed beyond the original delivery date unless covered by an extension of time awarded by the Employer under the terms of the Contract. No price increase will be allowed for periods of delay for which the Contractor is responsible. The Employer will, however, be entitled to any price decrease occurring during such periods of delay.
- (b) If the currency in which the Contract price, P_0 , is expressed is different from the currency of the country of origin of the labor and/or materials indices, a correction factor will be applied to avoid incorrect adjustments of the Contract price. The correction factor shall correspond to the ratio of exchange rates between the two currencies on the base date and the date for adjustment as defined above.

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- (c) No price adjustment shall be payable on the portion of the Contract price paid to the Contractor as an advance payment.

Appendix 5 - Insurance Requirements

(A) Insurances To Be Taken Out By The Contractor

In accordance with the provisions of GCC Clause 34, the Contractor shall at its expense take out and maintain in effect, or cause to be taken out and maintained in effect, during the performance of the Contract, the insurances set forth below in the sums and with the deductibles and other conditions specified. The identity of the insurers and the form of the policies shall be subject to the approval of the Employer, such approval not to be unreasonably withheld.

(a) Cargo Insurance

Covering loss or damage occurring, while in transit from the supplier’s or manufacturer’s works or stores until arrival at the Site, to the Facilities (including spare parts therefore) and to the construction equipment to be provided by the Contractor or its Subcontractors.

Amount [in currency(ies)]	Deductible limits [in currency(ies)]	Parties insured [names]	From [place]	To [place]
110% of the total value of Schedule 2 of both lines	Nil	Contractor & Employer	Ex-works point	DABS site

(b) Installation All Risks Insurance

Covering physical loss or damage to the Facilities at the Site, occurring prior to completion of the Facilities, with an extended maintenance coverage for the Contractor’s liability in respect of any loss or damage occurring during the defect liability period while the Contractor is on the Site for the purpose of performing its obligations during the defect liability period.

Amount [in currency(ies)]	Deductible limits [in currency(ies)]	Parties insured [names]	From [place]	To [place]
110% of Total value of Contract	Nil	Contractor and Employer	Effective Date	Operational Acceptance
50% of Total value of Contract	Nil	Contractor and Employer	Operational Acceptance	End of defects liability period

(c) Third Party Liability Insurance

Covering bodily injury or death suffered by third parties (including the Employer’s personnel) and loss of or damage to property (including the Employer’s property and any parts of the Facilities that have been accepted by the Employer) occurring in connection with the supply and installation of the Facilities.

Amount [in currency(ies)]	Deductible limits [in currency(ies)]	Parties insured [names]	From [place]	To [place]
USD 50,000.00	Nil	Contractor Employees	Commencement of Works	Defect Liability Period
USD 50,000.00	Nil	Third Party Personnel	Commence of Works	Defect Liability

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				Period
USD 50,000.00	Nil	Employers Property	Commence of Works	Defect Liability Period

(d) Automobile Liability Insurance

Covering use of all vehicles used by the Contractor or its Subcontractors (whether or not owned by them) in connection with the supply and installation of the Facilities. Comprehensive insurance in accordance with statutory requirements.

(e) Workers' Compensation

In accordance with the statutory requirements applicable in any country where the Facilities or any part thereof is executed.

(f) Employer's Liability

In accordance with the statutory requirements applicable in any country where the Facilities or any part thereof is executed.

(g) Other Insurances

The Contractor is also required to take out and maintain at its own cost the following insurances:

Details: Nil

Amount [in currency(ies)]	Deductible limits [in currency(ies)]	Parties insured [names]	From [place]	To [place]

The Employer shall be named as co-insured under all insurance policies taken out by the Contractor pursuant to GCC Sub-Clause 34.1, except for the Third Party Liability, Workers' Compensation and Employer's Liability Insurances, and the Contractor's Subcontractors shall be named as co-insureds under all insurance policies taken out by the Contractor pursuant to GCC Sub-Clause 34.1, except for the Cargo, Workers' Compensation and Employer's Liability Insurances. All insurer's rights of subrogation against such co-insureds for losses or claims arising out of the performance of the Contract shall be waived under such policies.

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(B) Insurances to Be Taken Out By the Employer

The Employer shall at its expense take out and maintain in effect during the performance of the Contract the following insurances.

Details: Not Applicable

Amount [in currency(ies)]	Deductible limits [in currency(ies)]	Parties insured [names]	From [place]	To [place]

Appendix 6 - Time Schedule

Appendix 7 - List of Major Items of Plant and Services and List of Approved Subcontractors

A list of major items of plant and services is provided below.

The following Subcontractors and/or manufacturers are approved for carrying out the item of the facilities indicated. Where more than one Subcontractor is listed, the Contractor is free to choose between them, but it must notify the Employer of its choice in good time prior to appointing any selected Subcontractor. In accordance with GCC Sub-Clause 19.1, the Contractor is free to submit proposals for Subcontractors for additional items from time to time. No Subcontracts shall be placed with any such Subcontractors for additional items until the Subcontractors have been approved in writing by the Employer and their names have been added to this list of Approved Subcontractors.

Major Items of Plant and Services	Approved Subcontractors/Manufacturers	Nationality

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Appendix 8 - Scope of Works and Supply by the Employer

The following personnel, facilities, works and supplies will be provided/supplied by the Employer, and the provisions of GCC Clauses 10, 21 and 24 shall apply as appropriate.

All personnel, facilities, works and supplies will be provided by the Employer in good time so as not to delay the performance of the Contractor, in accordance with the approved Time Schedule and Program of Performance pursuant to GCC Sub-Clause 18.2.

Unless otherwise indicated, all personnel, facilities, works and supplies will be provided free of charge to the Contractor.

Personnel	Charge to Contractor (if any)

Facilities	Charge to Contractor (if any)

Works	Charge to Contractor (if any)

Supplies	Charge to Contractor (if any)

Appendix 9 - List of Documents for Approval or Review

Pursuant to GCC Sub-Clause 20.3.1, the Contractor shall prepare, or cause its Subcontractor to prepare, and present to the Project Manager in accordance with the requirements of GCC Sub-Clause 18.2 (Program of Performance), the following documents for

(A) Approval

- 1.
- 2.
- 3.

(B) Review

- 1.
- 2.
- 3.

Appendix 10 - Functional Guarantees

1. General

This Appendix sets out

- (a) the functional guarantees referred to in GCC Clause 28 (Functional Guarantees)
- (b) the preconditions to the validity of the functional guarantees, either in production and/or consumption, set forth below
- (c) the minimum level of the functional guarantees
- (d) the formula for calculation of liquidated damages for failure to attain the functional guarantees.

2. Preconditions

The Contractor gives the functional guarantees (specified herein) for the facilities, subject to the following preconditions being fully satisfied:

3. Functional Guarantees

Subject to compliance with the foregoing preconditions, the Contractor guarantees as follows:

3.1 Production Capacity

3.2 Raw Materials and Utilities Consumption

4. Failure in Guarantees and Liquidated Damages

4.1 Failure to Attain Guaranteed Production Capacity

If the production capacity of the facilities attained in the guarantee test, pursuant to GCC Sub-Clause 25.2, is less than the guaranteed figure specified in para. 3.1 above, but the actual production capacity attained in the guarantee test is not less than the minimum level specified in para. 4.3 below, and the Contractor elects to pay liquidated damages to the Employer in lieu of making changes, modifications and/or additions to the Facilities, pursuant to GCC Sub-Clause 28.3, then the Contractor shall pay liquidated damages at the rate of 100 percent for every complete 1% of the deficiency in the production capacity of the Facilities, or at a proportionately reduced rate for any deficiency, or part thereof, of less than a complete 1%.

4.2 Raw Materials and Utilities Consumption in Excess of Guaranteed Level

If the actual measured figure of specified raw materials and utilities consumed per unit (or their average total cost of consumption) exceeds the guaranteed figure specified in para. 3.2 above (or their specified average total cost of consumption), but the actual consumption attained in the guarantee test, pursuant to GCC Sub-Clause 25.2, is not more than the maximum level specified in para. 4.3 below, and the Contractor elects to pay liquidated damages to the Employer in lieu of making changes, modifications and/or additions to the Facilities pursuant to GCC Sub-Clause 28.3, then the Contractor shall pay liquidated damages at the rate of 100 percent for every complete 1% of the excess consumption of the Facilities, or part thereof, of less than a complete 1%.

4.3 Minimum Levels

Notwithstanding the provisions of this paragraph, if as a result of the guarantee test(s), the following minimum levels of performance guarantees (and consumption guarantees) are not attained by the Contractor, the Contractor shall at its own cost make good any deficiencies until the Facilities reach any of such minimum performance levels, pursuant to GCC Sub-Clause 28.2:

- (a) production capacity of the Facilities attained in the guarantee test: 100% of the guaranteed production capacity

and/or

- (b) average total cost of consumption of all the raw materials and utilities of the Facilities: 105% of the guaranteed figures.

4.4 Limitation of Liability

Subject to para. 4.3 Above, the Contractor's aggregate liability to pay liquidated damages for failure to attain the functional guarantees shall not exceed one hundred percent (100%) of the Contract price

Appendix 11 - Environmental Documents

11a – PTEC IEE Amendment 6

11b - PTEC Environmental Impact Assessment

11c – EMMP Items for Transmission Lines

11d – EMMP Items for Substations

11e – EMMP Template