



REPÚBLICA DEMOCRÁTICA DE TIMOR-LESTE  
MINISTÉRIO DAS FINANÇAS  
DIRECÇÃO NACIONAL SERVIÇOS DE APROVISIONAMENTO -DNSA  
Edifício No. 5, Rés – do – Chão, Palácio do Governo, Dili – Timor Leste  
Telf. 3331204 – 3321871 – Fax. 3321882

**Invitation to Bid (ITB)**

**ITB No: 09348**

**Date: 17 April 2009**

1. The RDTL Ministry of Finance Procurement Services invites sealed proposal from invited Company for **Design, Supply and Installation of Aliambata Power Distribution Systems**. The resulting contract will be funded from budget appropriations of the RDTL Ministry of Infrastructure.
2. The bidding document and additional copies may be purchased for a non-refundable fee of **:USD20.00 (twenty USD dollar)** at address as specified in **ITB 23.1 of Bid Data Sheet** or can be downloaded freely from:  
<http://www.mof.gov.tl/en/ProcurementService/Procurement/CurrentTenders.htm>
3. Please acknowledge receipt of this invitation by email to : [fmartins@mof.gov.tl](mailto:fmartins@mof.gov.tl) and inform whether or not you intended to submit a proposal.
4. This tender shall be conducted as a **two envelopes procedure**, wherein the **Technical Proposal** and **Financial Proposal** shall be submitted together in **separate sealed envelope**. The bidders shall note carefully the instructions in the bidding documentation.
5. Pre-bid meeting will be convened for the purpose of this project. If the bidders are required additional information they can consult with Mr. Jose Mestre as specified in ITB 7.1 of BDS
6. Bid shall submitted to : Procurement Services, Ministry of Finance, Administration Office, Building No 5. Palacio do Governo, Dili, Timor-Leste **On of before 10:00 HTL, 8 May 2009** and the **technical proposal will be opened at 10:30 HTL at the same day** in the presence of bidders who wish to attend.
7. **IMPORTANTLY NOTE:** Bidder should consider the tender assessment criteria provided in tender documents. This assessment breakdown directly reflects the importance of each component of the proposal submissions.
8. If bidder are from outside of Timor-Leste, the bidders are strongly advised to hand-carry the original proposal document and required copy to the above named address, rather than relying on the International air courier services. If bidders wish to rely on air courier services it is recommended that the submission is planned earlier than the bid submission deadline.

  
**Francisco C. Soares**  
Director Procurement Services  
Ministry of Finance, Government of Timor-Leste





**REPUBLIC DEMOCRATIC OF TIMOR-LESTE  
MINISTRY OF FINANCE  
NATIONAL DIRECTORATE OF PROCUREMENT SERVICES**

**Bidding Document for  
Procurement of Plant Design, Supply, and Installation**

**Procurement of:**

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**DESIGN, SUPPLY AND INSTALL ALIAMBATA POWER  
DISTRIBUTION SYSTEM**

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**Issued on: 17 March-2009**

**ICB No: RDTL-09348**

**Employer: Ministry of Infrastructure**

**Country: Timor Leste**

# Section I. Instructions to Bidders

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## Section I. 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 Installation Services as specified in Section VI, 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 Bidding Document definitions and interpretations shall be as prescribed in the General Conditions, Section VII.
2. **Source of Funds**

Payments under the contract(s) for which this Bidding Document is issued will be funded from the current year budget appropriation of the Ministry of Infrastructure of the Government of Timor Leste (GoTL).
3. **Fraud and Corruption**
  - 3.1 The Contract requires Bidders, Suppliers, Contractors, and Consultants observe the highest standard of ethics during the procurement and execution of such contracts. In pursuit of this policy, the Contract:
    - (a) defines, for the purposes of this provision, the terms set forth below as follows:
      - (i) "corrupt practice"<sup>1</sup> is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
      - (ii) "fraudulent practice"<sup>2</sup> is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
      - (iii) "collusive practice"<sup>3</sup> is an arrangement between two or more parties designed to achieve an improper

<sup>1</sup> "another party" refers to a public official acting in relation to the procurement process or contract execution. In this context, "public official" includes World Bank staff and employees of other organizations taking or reviewing procurement decisions.

<sup>2</sup> a "party" refers to a public official; the terms "benefit" and "obligation" relate to the procurement process or contract execution; and the "act or omission" is intended to influence the procurement process or contract execution.

<sup>3</sup> "parties" refers to participants in the procurement process (including public officials) attempting to establish bid prices at artificial, non competitive levels.

purpose, including to influence improperly the actions of another party;

- (iv) “coercive practice”<sup>4</sup> is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
- (v) “obstructive practice” is
  - (aa) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede an Employer investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or
  - (bb) acts intended to materially impede the exercise of the Employer’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 a firm or individual, including declaring them ineligible, either indefinitely or for a stated period of time, to be awarded a contract if it at any time determines that they have, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a GoTL-financed contract; and
- (e) will have the right to require that a provision be included in the contract, requiring bidders, suppliers, contractors and consultants to permit the Employer 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 Employer.

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<sup>4</sup> a “party” refers to a participant in the procurement process or contract execution.

- 3.2 Furthermore, Bidders shall be aware of the provision stated in the General Conditions (GC 42.2.1(c)).
- 4. Eligible Bidders**
- 4.1 A Bidder may be a private entity or a government-owned entity—subject to ITB 4.5—or any combination of such entities in the form of a joint venture, or association (JVA) under an existing agreement or with the intent to enter into such an agreement supported by a letter of intent. In the case of a joint venture or association:
- (a) **unless otherwise specified in the BDS**, all partners shall be jointly and severally liable for the execution of the Contract in accordance with the Contract terms, and
  - (b) the JVA shall nominate a Representative who shall have the authority to conduct all business for and on behalf of any and all the partners of the JVA during the bidding process and, in the event the JVA is awarded the Contract, during contract execution.
- 4.2 A Bidder, and all partners constituting the Bidder, shall have a nationality of an eligible country as defined in *Guidelines: Procurement under IBRD Loans and IDA Credits*, October 2006, (hereinafter referred to as the Guidelines), in accordance with Section V, Eligible Countries. A Bidder shall be deemed to have the nationality of a country if the Bidder is a national 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 or suppliers for any part of the Contract including related services.
- 4.3 A Bidder shall not have a conflict of interest. All Bidders found to have a conflict of interest shall be disqualified. A Bidder may be considered to have a conflict of interest with one or more parties in this bidding process, if :
- (a) they have a controlling partner in common; or
  - (b) they receive or have received any direct or indirect subsidy from any of them; or
  - (c) they have the same legal representative for purposes of this bid; or
  - (d) they have a relationship with each other, directly or through common third parties, that puts them in a position to have access to information about or influence

- on the bid of another Bidder, or influence the decisions of the Employer regarding this bidding process; or
- (e) a Bidder participates in more than one bid in this bidding process. Participation by a Bidder in more than one Bid will result in the disqualification of all Bids in which it is involved. However, this does not limit the inclusion of the same subcontractor, not otherwise participating as a Bidder, in more than one bid; or
  - (f) a Bidder or any of its affiliates participated as a consultant in the preparation of the design or technical specifications of the Plant and Installation Services that are the subject of the bid.
  - (g) A Bidder or any of its affiliates has been hired (or is proposed to be hired) by the Employer as Project Manager for the contract.
- 4.4 A firm that is under a declaration of ineligibility by the Bank in accordance with ITB 3 or by the Employer in accordance with ITB 20.9, at the date of the deadline for bid submission or thereafter, shall be disqualified.
- 4.5 A firm that has been determined to be ineligible by the Bank in relation to the Bank Guidelines On Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants shall be not be eligible to be awarded a contract.
- 4.6 Government-owned entities in the Borrower's country shall be eligible only if they can establish that they (i) are legally and financially autonomous, (ii) operate under the principles of commercial law, and (iii) are not dependent agencies of the Employer or the Borrower.
- 4.7 Bidders shall provide such evidence of their continued eligibility satisfactory to the Employer, as the Employer shall reasonably request.
- 4.8 In case a prequalification process has been conducted prior to the bidding process, this bidding is open only to prequalified Bidders.
- 4.9 Firms shall be excluded if:
- (a) as a matter of law or official regulation, the Borrower's country prohibits commercial relations with that country, provided that the Bank is satisfied that such



exclusion does not preclude effective competition for the supply of goods or related services required; or

- (b) by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the Borrower's country prohibits any import of goods or contracting of works or services from that country or any payments to persons or entities in that country.

**5. Eligible Plant and Installation Services**

- 5.1 The Plant and Installation Services to be supplied under the Contract shall have their origin in eligible source countries as defined in ITB 4.2 above and all expenditures under the Contract will be limited to such Plant and Installation 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 Bidding Document**

**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 1 Bidding Procedures**

- Section I. Instructions to Bidders (ITB)
- Section II. Bid Data Sheet (BDS)
- Section III. Evaluation and Qualification Criteria
- Section IV. Bidding Forms
- Section V. Eligible Countries

**PART 2 Employer's Requirements**

- Section VI. Employer's Requirements

**PART 3 Conditions of Contract and Contract Forms**

- Section VII. General Conditions (GC)

- Section VIII. Particular Conditions (PC)
- Section IX. Contract Forms

- 6.2 The Invitation for Bids issued by the Employer is not part of the Bidding Document.
- 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 bid.

**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 enquiries 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-eight (28) 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 23.2.
- 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 Installation Services. The costs of visiting the site shall be at the Bidder's own expense.
- 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 will be responsible for 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 meeting, if **provided for in the BDS**. The purpose of the meeting will be to clarify issues and to answer questions on any matter that may be raised at that stage.
  - 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 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 addenda.
  - 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 take an addendum into account in preparing their bids, the Employer may, at its discretion, extend the deadline for the submission of bids, pursuant to ITB 23.2

### **C. Preparation of Bids**

- 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 language **specified in the BDS**. 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 in the language specified in the BDS, in which case, for purposes of interpretation of the Bid, such translation shall govern.

**11. Documents  
Comprising the  
Bid**

11.1 The Bid submitted by the Bidder shall comprise the following:

**TECHNICAL PROPOSAL**

- (a) Letter of Bid
- (b) Completed schedules as required, **but excluding** Price Schedules, in accordance with ITB 12 and 17;
- (c) Bid Security or Bid Securing Declaration, in accordance with ITB 20;
- (d) alternative bids, if permissible, in accordance with ITB 13;
- (e) written confirmation authorizing the signatory of the Bid to commit the Bidder, in accordance with ITB 21.2;
- (f) documentary evidence established in accordance with ITB 14.1 that the Plant and Installation Services offered by the Bidder in its bid or in any alternative bid, if permitted, are eligible;
- (g) documentary evidence in accordance with ITB 15 establishing the Bidder's eligibility and qualifications to perform the contract if its Bid is accepted;
- (h) documentary evidence established in accordance with ITB 16 that the Plant and Installation Services offered by the Bidder conform to the Bidding Document;
- (i) in the case of a bid submitted by a JVA, JVA agreement, or letter of intent to enter into a JVA 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 16.2;
- (k) Local Development Statement in accordance with ITB 34.1c, using Form-LDS provided in Section IV, Page IV-20; and
- (l) any other document **required in the BDS.**

## FINANCIAL PROPOSAL

(a) Price Schedules, in accordance with ITB 12 and 17;

- |                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| 12. Letter of Bid and Schedules                                                   | 12.1 The Bidder shall complete the Letter of Bid, including the appropriate Price Schedules, using the relevant forms furnished in Section IV, Bidding Forms. The forms must be completed as instructed in each form.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 13. Alternative Bids                                                              | <p>13.1 <b>The BDS indicates</b> whether alternative bids are allowed. If they are allowed, the BDS will also indicate whether they are permitted in accordance with ITB 13.3, <b>or</b> invited in accordance with ITB13.2 and/or ITB 13.4.</p> <p>13.2 When alternatives to the Time Schedule are explicitly invited, a statement to that effect will be <b>included in the BDS</b>, and the method of evaluating different time schedules will be described in Section III, Evaluation and Qualification Criteria.</p> <p>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.</p> <p>13.4 When bidders are <b>invited in the BDS</b> to submit alternative technical solutions for specified parts of the facilities, such parts shall be described in Section VI, Employer's Requirements. Technical alternatives that comply with the performance and technical criteria specified for the Plant and Installation Services shall be considered by the Employer on their own merits, pursuant to ITB 35.</p> |
| 14. Documents Establishing the Eligibility of the Plant and Installation Services | 14.1 To establish the eligibility of the Plant and Installation Services in accordance with ITB Clause 5, Bidders shall complete the country of origin declarations in the Price Schedule Forms, included in Section IV, Bidding Forms.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 15. Documents Establishing the Eligibility and                                    | 15.1 To establish its eligibility and qualifications to perform the Contract in accordance with Section III, Evaluation and Qualification Criteria, the Bidder shall provide the information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

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| <b>Qualifications of the Bidder</b> | requested in the corresponding information sheets included in Section IV, Bidding Forms. |
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| 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 34. |
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| <b>16. Documents establishing conformity of the Plant and Installation Services</b> | <p>16.1 The Bidder shall furnish the information stipulated in Section IV, in sufficient detail to demonstrate substantial responsiveness of the Bidders' proposal to the work requirements and the completion time.</p> <p>16.2 For major items of Plant and Installation Services as listed by the Employer in Section III, 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 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. 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.</p> <p>16.3 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</p> |
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| <b>17. Bid Prices and Discounts</b> | <p>17.1 Unless otherwise <b>specified in the BDS</b>, bidders shall quote for the entire Plant and Installation 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. 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</p> |
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by the prices for other items.

- 17.2 Bidders are required to quote the price for the commercial, contractual and technical obligations outlined in the bidding document.
- 17.3 Bidders shall give a breakdown of the prices in the manner and detail called for in the Price Schedules included in Section IV, Bidding Forms.
- 17.4 Depending on the scope of the Contract, the Price Schedules may comprise up to the six (6) schedules listed below. Separate numbered Schedules included in Section IV, Bidding Forms, from those numbered 1-4 below, shall be used for each of the elements of the Plant and Installation Services. The total amount from each Schedule corresponding to an element of the Plant and Installation Services shall be summarized in the schedule titled Grand Summary, (Schedule 5), giving the total bid price(s) to be entered in the Letter of Bid.

Schedule No. 1 Plant (including Mandatory Spare Parts)  
Supplied from Abroad

Schedule No. 2 Plant (including Mandatory Spare Parts)  
Supplied from within the Employer's Country

Schedule No. 3 Design Services

Schedule No. 4 Installation Services

Schedule No. 5 Grand Summary (Schedule Nos. 1 to 4)

Schedule No. 6 Recommended Spare Parts

Bidders shall note that the plant and equipment included in Schedule Nos. 1 and 2 above **exclude** materials used for civil, building and other construction works. All such materials shall be included and priced under Schedule No. 4, Installation Services.

- 17.5 In the Schedules, bidders shall give the required details and a breakdown of their prices as follows:
- (a) Plant to be supplied from abroad (Schedule No. 1):
- The price of the plant shall be quoted on CIP-named place of destination basis as **specified in the BDS**
- (b) Plant manufactured within the Employer's country (Schedule No. 2):

- (i) The price of the plant shall be quoted as per the Incoterms **specified in the BDS**,
    - (ii) Sales tax and all other taxes payable in the Purchaser's country on the plant if the contract is awarded to the Bidder, and
    - (iii) The total price for the item.
  - (c) Design Services (Schedule No. 3).
  - (d) Installation Services shall be quoted separately (Schedule No. 4) and shall include rates or prices for local transportation to named place of destination as **specified in the BDS**, insurance and other services incidental to delivery of the plant, all labor, contractor's equipment, temporary works, materials, consumables and all matters and things of whatsoever nature, including operations and maintenance services, the provision of operations and maintenance manuals, training, etc., where identified in the Bidding Document, as necessary for the proper execution of the installation and other services, including all taxes, duties, levies and charges payable in the Employer's country as of twenty-eight (28) days prior to the deadline for submission of bids.
  - (e) Recommended spare parts shall be quoted separately (Schedule 6) as specified in either subparagraph (a) or (b) above in accordance with the origin of the spare parts.
- 17.6 The current edition of Incoterms, published by the International Chamber of Commerce shall govern.
- 17.7 The prices shall be either fixed or adjustable as **specified in the BDS**.
- 17.8 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.
- 17.9 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 will not be rejected, but the price adjustment will be treated as zero. Bidders are required to indicate the source of labor and material indices in the corresponding Form in Section IV, Bidding Forms.

17.10 If so indicated in ITB 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 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.

17.11 Bidders wishing to offer any unconditional discount shall specify in their Letter of Bid the offered discounts and the manner in which price discounts will apply.

**18. Currencies of  
Bid and Payment**

18.1 The currency(ies) of the bid shall be, as **specified in the BDS**.

18.2 Bidders may be required by the Employer to justify, to the Employer's satisfaction, their local and foreign currency requirements.

**19. Period of  
Validity of Bids**

19.1 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.

19.2 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 20, the Bidder granting the request shall also extend the bid security for twenty-eight (28) days beyond the deadline of the extended validity 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, except as provided in ITB 19.3.

19.3 In the case of fixed price contracts, if the award is delayed by a period exceeding fifty-six (56) days beyond the expiry of the initial bid validity, the Contract price shall be adjusted by a factor or factors specified in the request for extension. Bid evaluation shall be based on the Bid Price without taking into consideration the above correction.

**20. Bid Security**

20.1 The Bidder shall furnish as part of its bid, either a Bid-Securing Declaration or a bid security as **specified in the**

**BDS**, in original form and in the amount **specified in the BDS**.

20.2 A Bid-Securing Declaration shall use the form included in Section IV Bidding Forms.

20.3 If a bid security is specified pursuant to ITB 20.1, the bid security shall be a demand guarantee in any of the following forms at the Bidder's option:

- (a) an unconditional guarantee issued by a bank or surety;
- (b) an irrevocable letter of credit;
- (c) a cashier's or Bank Cheque ; or
- (d) another security **indicated in the BDS**,

from a reputable source from an eligible country. If the unconditional guarantee is issued by an insurance company or a bonding company 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 IV, Bidding Forms or in another substantially similar format approved by the Employer prior to bid submission. In either case, 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 19.2.

20.4 If a bid security is specified pursuant to ITB 20.1, any bid not accompanied by a substantially responsive bid security or Bid-Securing Declaration shall be rejected by the Employer as non responsive.

20.5 If a bid security is specified pursuant to ITB 20.1, 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 42.

20.6 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.

20.7 The bid security may be forfeited or the Bid-Securing Declaration executed:

- (a) if a Bidder withdraws its bid during the period of bid validity specified by the Bidder on the Letter of Bid or
- (b) if the successful Bidder fails to:
  - (i) sign the Contract in accordance with ITB 41; or
  - (ii) furnish a performance security in accordance with ITB 42.

20.8 The Bid Security or the Bid Securing Declaration of a JVA shall be in the name of the JVA that submits the bid. If the JVA has not been legally constituted into a legally enforceable JVA at the time of bidding, the Bid Security or the Bid Securing Declaration shall be in the names of all future partners as named in the letter of intent referred to in ITB 4.1.

20.9 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.

20.10 If a bid security is not required in the BDS, and

- (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 19.2, or
- (b) if the successful Bidder fails to: sign the Contract in accordance with ITB 41; or furnish a performance security in accordance with ITB 42;

the Borrower may, **if provided for in the BDS**, declare the Bidder disqualified to be awarded a contract by the Employer for a period of time **as stated in the BDS**.

## 21. Format and Signing of Bid

21.1 The Bidder shall prepare one original of the documents comprising the bid as described in ITB 11 and clearly mark it "ORIGINAL." 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 them "COPY." In the event of any discrepancy between the original and the copies, the original shall prevail.

21.2 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.

21.3 A bid submitted by a JVA shall comply with the following requirements:

- (a) Unless not required in accordance with ITB 4.1 (a), be signed so as to be legally binding on all partners and
- (b) Include the Representative's authorization referred to in ITB 4.1 (b), consisting of a power of attorney signed by those legally authorized to sign on behalf of the JVA.

21.4 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**

##### **22. Submission, Sealing and Marking of Bids**

22.1 The Bid shall be submitted in two sealed envelopes procedures. The first envelope is to contain the Technical Proposal which shall be sealed and clearly marked "**Technical Proposal**". The Second envelope is to contain only the Financial Proposal, shall be sealed and clearly marked, "**Financial Proposal, not be opened until the Technical Evaluation in Completed**". The two separately sealed envelopes shall then be placed into an outer envelope and sealed. Bidders submit their bids by mail or by hand. When so **specified in the BDS (ITB 22.1)**, bidders shall have the option of submitting their bids electronically. Procedures for submission, sealing and marking are as follows:

- (a) Bidders submitting bids by mail or by hand shall enclose the original and each copy of the Bid, including alternative bids, if permitted in accordance with ITB 13, in separate sealed envelopes, duly marking the envelopes as "ORIGINAL" and "COPY1, COPY2, ETC." These envelopes containing the original and the copies shall then be enclosed in one outer envelope.

The rest of the procedure shall be in accordance with ITB sub-Clauses 22.2 and 22.3.

- (b) If the Bidders submitting bids electronically shall follow

the electronic bid submission procedures **specified in the BDS.**

22.2 The inner and outer envelopes shall:

- (a) bear the name and address of the Bidder;
- (b) be addressed to the Employer in accordance with ITB 24.1;
- (c) bear the specific identification of this bidding process indicated in accordance with ITB 1.1; and
- (d) bear a warning not to open before the time and date for bid opening.

22.3 If all envelopes are not sealed and marked as required, the Employer will assume no responsibility for the misplacement or premature opening of the bid.

**23. Deadline for Submission of Bids**

23.1 Bids must be received by the Employer at the address and no later than the date and time **indicated in the BDS (ITB23.1).**

23.2 The Employer may, at its discretion, extend the deadline for the submission of bids by amending the Bidding Document in accordance with ITB 8, in which case all rights and obligations of the Employer and Bidders previously subject to the deadline shall thereafter be subject to the deadline as extended.

**24. Late Bids**

24.1 The Employer shall not consider any bid that arrives after the deadline for submission of bids, in accordance with ITB 23. Any bid received by the Employer after the deadline for submission of bids shall be declared late, rejected, and returned unopened to the Bidder.

**25. Withdrawal, Substitution, and Modification of Bids**

25.1 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 21.2, (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 21 and ITB 22 (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 23.

25.2 Bids requested to be withdrawn in accordance with ITB 25.1 shall be returned unopened to the Bidders.

25.3 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 Bid or any extension thereof.

## 26. Bid Opening

26.1 The Employer shall conduct the bid opening in public, in the presence of Bidders' designated representatives and anyone who choose to attend, and at the address, date and time **specified in the BDS (ITB26.1)**. Any specific electronic bid opening procedures required if electronic bidding is permitted in accordance with ITB 22.1, shall be as **specified in the BDS**.

26.2 Only the envelope containing the Technical Proposal shall be opened. The envelope containing the Financial Proposal shall remain sealed and securely stored.

26.3 Bids opened one at a time, only reading out and recording: the name of the Bidder, the presence or absence of bid securities or any other details as the Employer may consider appropriate. 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. Evaluation and Comparison of Bids

### 27. Confidentiality

27.1 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 is communicated to all Bidders.

- 27.2 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.
- 27.3 Notwithstanding ITB 27.2, 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.
- 28. Clarification of Bids**
- 28.1 To assist in the examination, evaluation, and comparison of the 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 prices or substance of the 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 32.
- 28.2 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.
- 29. Deviations, Reservations, and Omissions**
- 29.1 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 Document; and
  - (c) "Omission" is the failure to submit part or all of the information or documentation required in the Bidding Document.
- 30. Determination of Responsiveness**
- 30.1 The Employer's determination of a bid's responsiveness is to be based on the contents of the bid itself, as defined in ITB11.
- 30.2 A substantially responsive 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 Installation Services

specified in the Contract; or

- (ii) limit in any substantial way, inconsistent with the Bidding 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.

30.3 The Employer shall examine the technical aspects of the bid in particular, to confirm that all requirements of Section VI, Employer's Requirements have been met without any material deviation, reservation, or omission.

30.4 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.

30.5 The Employer shall also check whether the Bidder satisfies the eligibility requirements as specified in Section III – Eligibility and Qualification Criteria; Item 2.2. Non-compliance to the eligibility requirements shall result in the rejection of the Bid.

**31. Nonmaterial  
Nonconformities**

31.1 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.

31.2 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 of the bid. Failure of the Bidder to comply with the request may result in the rejection of its bid.

31.3 Provided that a bid is substantially responsive, the Employer shall rectify quantifiable 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 III, Evaluation and Qualification Criteria.

**32. Correction of  
Arithmetical**

32.1 Provided that the bid is substantially responsive, the Employer



- Errors** 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 4 and the amount given in Schedule No. 5 (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 arithmetic error, in which case the amount in figures shall prevail subject to (a) and (b) above.
- 32.2 If the Bidder that submitted the lowest evaluated bid does not accept the correction of errors, its bid shall be declared non-responsive.
- 33. Conversion to Single Currency** 33.1 For evaluation and comparison purposes, the currency(ies) of the bid shall be a single currency as defined in ITB 33.1 in **specified in the BDS** .
- 34. Evaluation of Bids** 34.1 The Employer shall carry out a detailed technical evaluation of all bids not previously rejected as non-responsive in accordance with ITB 30. The Employer shall use the criteria and methodologies indicated in this Clause and those specified in Section III – Evaluation and Qualification Criteria. No other evaluation criteria or methodologies shall be permitted. Value for money requires a comparison of costs, benefits and alternative outcomes. An assessment of the best net overall outcome for government will take account of all relevant ‘whole of life’ costs and benefits, that is the full cost of each good, service, or construction over its expected useful life, not just at time of purchase. The standard criteria which will be considered when analyzing bids on the basis of value for money, are as follows:
- a) technical or professional analysis, that is, the suitability of the good or service to meet the functional and

performance requirements, taking into account factors such as

- soundness of the proposed work methodology;
- proposed resources including site organization, key personnel, manpower schedule, equipment schedule;
- quality assurance;
- bidder's work experience and track record; and
- sub-contractor's experience and track record.

b) commercial analysis, that is, the soundness of the tenderer's business and their ability to reduce the Government's risk, taking into account factors such as:

- financial strength of the business; and
- past record of the bidder in dealings with the Government

c) Industry or local development is also a standard key evaluation criterion as outlined above. As appropriate to supply requirements, the following impacts will also be considered in the bid and scored accordingly in the evaluation:

- Enhancement of industry and business capability in Timor Leste
- Supporting small to medium size Timor Leste businesses accessing the government marketplace and their provision of whole of life support for goods or services they are contracted to provide
- Proposed number of jobs that will be available to Timor Leste citizens
- Level of skills and technology transfer
- Local content which is the proportion of both goods and services sourced locally
- Regional and district development opportunities
- Training activities or programs supported by the tenderer

d) financial analysis for the entire life cycle, that is the full cost of each good, service or construction over its expected useful life, not just the purchase price. Where appropriate, this criteria includes:

- Capital costs, including purchase price, installation, commissioning and training costs
- Operating costs, including labour costs, maintenance and energy cost and license fees
- These 'whole of life' costs should be reduced to a set of common factors to allow rational comparison between tenders

3. For tenders with a value estimated in excess of \$100,000 a standard 'Local Development Statement' is to be completed by tenderers or bidders. This should outline their commitments to local job creation; skills and technology transfer to local workers and local content (the proportion of both goods and services sourced locally). This will become a formal attachment to the contract with the successful tenderer.

4. Numerical scores or points are to be attributed to each evaluation criteria. The financial analysis, outlining the cost, is not weighted (Outline attached).

5. Tenderers are to submit bids in two envelopes. Envelope One responds to the criteria on technical/ professional analysis; commercial analysis and industry or local development. Envelope Two details the firm's cost.

6. Bidders will be short listed based on their ability to meet or exceed preset threshold scores for Envelope One. Only then will the evaluation team consider the whole-of-life-cost of the bid in Envelope Two.

7. For the top two short listed bidders, Envelope Two will be opened.

8. The successful tenderer will be selected based on an evaluation of the bidder's scores for Envelope One, and the cost tendered in Envelope Two.

### **35. Employer's Right to Accept**

35.1 The Employer reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids at any time

**Any Bid, and to  
Reject Any or  
All Bids**

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. Award of Contract**

- 36. Award Criteria**      36.1 Subject to ITB 35.1, the Employer shall award the Contract to the Bidder whose offer has been determined to be the Best Value for Money 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.
- 37. Notification of Award**      37.1 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 Installation Services (hereinafter and in the Conditions of Contract and Contract Forms called "the Contract Price").
- 37.2 At the same time, the Employer shall also notify all other Bidders of the results of the bidding, and shall publish in UNDB online and in dgMarket the results identifying the bid and lot numbers and the following information: (i) 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.
- 37.3 Until a formal contract is prepared and executed, the notification of award shall constitute a binding Contract.
- 37.4 The Employer shall promptly respond in writing to any unsuccessful Bidder who, after notification of award in accordance with ITB 37.2, requests in writing the grounds on which its bid was not selected.

**38. Signing of Contract**

- 38.1 Promptly upon notification, the Employer shall send the successful Bidder the Contract Agreement.
- 38.2 Within three (3) days of receipt of the Contract Agreement, the successful Bidder shall sign, date, and return it to the Employer.
- 38.3 Notwithstanding ITB 38.2 above, in case signing of the Contract Agreement is prevented by any export restrictions attributable to the Employer, to the country of the Employer, or to the use of the Plant and Installation Services to be supplied, where such export restrictions arise from trade regulations from a country supplying those Plant and Installation Services, the Bidder shall not be bound by its bid, always provided, however, that the Bidder can demonstrate to the satisfaction of the Employer and of the Bank that signing of the Contract Agreement has not been prevented by any lack of diligence on the part of the Bidder in completing any formalities, including applying for permits, authorizations and licenses necessary for the export of the Plant and Installation Services under the terms of the Contract.

**39. Performance Security**

- 39.1 Within three (5) days of the receipt of notification of award from the Employer, the successful Bidder shall furnish the performance security in accordance with the General Conditions, using for that purpose the Performance Security Form included in Section IX, Contract Forms, or another form acceptable to the Employer. If the performance security furnished by the successful Bidder is in the form of a bond, it shall be issued by a bonding or insurance company that has been determined by the successful Bidder to be acceptable to the Employer. A foreign institution providing a performance security shall have a correspondent financial institution located in the Employer's Country.

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.

## Section II. Bid Data Sheet

| <b>A. Introduction</b>        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ITB 1.1                       | The number of the Invitation for Bids is : <b>ITB No.: 09348</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| ITB 1.1                       | The Employer is: <b>The Ministry of Infrastructure</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| ITB 1.1                       | The name of the ICB is:<br><b>Design, Supply, and Install Aliambata Power Distribution System</b><br>The identification number of the ICB is:<br><b>P3/GSHP/NDCS/2008</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| ITB 2.1                       | The Borrower is: <b><u>Government of Timor Leste</u></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| ITB 2.1                       | The name of the Project is: <b>Aliambata Power Distribution Systems</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| ITB 4.1 (a)                   | The individuals or firms in a joint venture, consortium or association jointly and severally liable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>B. Bidding Document</b>    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| ITB 7.1                       | For <b><u>clarification purposes</u></b> only, the Employer's address is:<br>Attention: <b><u>National Directorate of Corporate Services, Ministry of Infrastructure</u></b><br>Street Address: <b><u>Balide Street, Caicoli</u></b><br>Floor/Room number: <b><u>(N/A)</u></b><br>City: <b><u>Dili</u></b><br>ZIP Code: <b><u>(N/A)</u></b><br>Country: <b><u>Timor Leste</u></b><br>Telephone: <b><u>+ 670 3331088</u></b><br>Facsimile number: <b><u>+670 3331249</u></b><br>Electronic mail address: <b><u>josemstr@yahoo.com ; sonny_spw@yahoo.com</u></b><br>and always cc to: <b><u>tfernandes@mof.gov.tl; ddsantos@mof.gov.tl</u></b> |
| ITB 7.4                       | A site visit shall be conducted on <b>22-23 April 2009</b> .<br>A Pre-Bid meeting <b><u>will</u></b> take place at the following date, time and place:<br>Date: <b><u>24 April 2009</u></b><br>Time: <b><u>09:00 AM Timor Leste Standard Time</u></b><br>Place: <b><u>Administration Office of Procurement Services</u></b><br><b><u>Ministry of Finance, Palacio do Governo, Dili</u></b>                                                                                                                                                                                                                                                   |
| <b>C. Preparation of Bids</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| ITB 10.1                      | The language of the bid is: <b><u>English</u></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

|                                          |                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ITB 11.1 (k)                             | The Bidder shall submit with its bid the following additional documents:<br><b>None.</b>                                                                                                                                                                                                                                                |
| ITB 13.1                                 | <b>Alternative bids are not permitted.</b>                                                                                                                                                                                                                                                                                              |
| ITB 13.2                                 | Alternatives to the Time Schedule <b>shall not be permitted.</b>                                                                                                                                                                                                                                                                        |
| ITB 13.4                                 | Alternative technical solutions shall be permitted for the following parts of the Plant and Installation Services: <b>(None applicable)</b>                                                                                                                                                                                             |
| ITB 17.1                                 | Bidders shall quote for the entire plant and services on a single responsibility basis.                                                                                                                                                                                                                                                 |
| ITB 17.5(a)                              | Named place of destination is: <i>Dili, Timor-Leste</i>                                                                                                                                                                                                                                                                                 |
| ITB 17.5(b)(i)                           | The Incoterm for quoting plant manufactured within the Employer's country is: <b>EXW</b>                                                                                                                                                                                                                                                |
| ITB 17.5(d)                              | Named place of destination is: <b>Aliambata, Viqueque District</b>                                                                                                                                                                                                                                                                      |
| ITB 17.7                                 | The prices quoted by the Bidder shall be: <b><u>fixed</u></b>                                                                                                                                                                                                                                                                           |
| ITB 18.1                                 | The currency(ies) of the bid shall be as follows: <b>United States Dollar</b>                                                                                                                                                                                                                                                           |
| ITB 19.1                                 | The bid validity period shall be <b>Sixty (60) days</b> after Bid Opening                                                                                                                                                                                                                                                               |
| ITB 20.1                                 | Bid shall include a bid security (issued by bank or surety).<br>The amount of the bid security shall be <b>US\$ 30,000.00 (Thirty thousand USD)</b>                                                                                                                                                                                     |
| ITB 20.3 (d)                             | Other types of acceptable securities:<br><b><u>None</u></b>                                                                                                                                                                                                                                                                             |
| ITB 20.10                                | If the Bidder incurs any of the actions prescribed in subparagraphs (a) or (b) of this provision, the Borrower will declare the Bidder ineligible to be awarded contracts by the Employer for a period of <b>three (3) years</b> .                                                                                                      |
| ITB 21.1                                 | In addition to the original of the bid, the number of copies is: <b><u>two (2)</u></b>                                                                                                                                                                                                                                                  |
| ITB 21.2                                 | The written confirmation of authorization to sign on behalf of the Bidder shall consist of: <b><u>Letter of Attorney/Power of Attorney</u></b>                                                                                                                                                                                          |
| <b>D. Submission and Opening of Bids</b> |                                                                                                                                                                                                                                                                                                                                         |
| ITB 22.1                                 | Bidders <i>shall not</i> have the option of submitting their bids electronically.                                                                                                                                                                                                                                                       |
| ITB 23.1                                 | Hard Copy <b><u>bid submission purposes</u></b> only, the Employer's address is :<br><b>Administration Office - Procurement Service, Ministry of Finance,</b><br><b>Building No.5, Palacio do Governo, Avenida Nicolau Lobato</b><br>City: <b><u>Dili</u></b><br>Telephone: <b><u>+670-3331277</u></b><br>ZIP Code: <b><u>(N/A)</u></b> |

|                                              |                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                              | Country: <u>Timor Leste</u><br><b>The deadline for bid submission is:</b><br>Date: <u>08 May 2009</u><br>Time: <u>10.00 AM Timor Leste Standard Time</u>                                                                                                                                             |
| <b>ITB 26.1</b>                              | The bid opening shall take place at:<br>Street Address: <b><i>Kobe House, Procurement Service, Building No.5, Palacio do Governo, Avenida Nicolau Lobato</i></b><br>City : <u>Dili</u><br>Country: <u>Timor Leste</u><br>Date: <u>08 May 2009</u><br>Time: <u>10.30 AM Timor Leste Standard Time</u> |
| <b>E. Evaluation, and Comparison of Bids</b> |                                                                                                                                                                                                                                                                                                      |
| <b>ITB 33.1</b>                              | The currency(ies) of the Bid shall be single currency in: <b>United States Dollar (US\$)</b>                                                                                                                                                                                                         |



## **Section III. 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 35 and ITB 37, no other factors, methods or criteria shall be used. The Bidder shall provide all the information requested in the forms included in Section IV, Bidding Forms.

## 1. Evaluation

The aim of the tender evaluation is to select the bid that offered the best value for money proposal for this project. This means not simply selecting the lowest-priced bid but also making an assessment of the level of risk associated with selection of a particular Bidder. All of the Bidders cannot be considered equal as they offer different resources, management systems and methodologies that need to be assessed. The lowest priced tender submission may not offer the best value for money solution if the Bidder is offering inadequate resources, poor supervisory staff or management practices or a schedule that is incomplete or sequenced incorrectly.

The evaluation criteria to be considered for this project and the relative importance of each criterion are provided below:

| Evaluation Criteria                                                                                                                                                                                                                                                                      | Weight<br>(A) | Compliance<br>Score<br>(B) | Weighted<br>Score<br>(A x B) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------------------|------------------------------|
| <b>1. TECHNICAL/PROFESSIONAL</b>                                                                                                                                                                                                                                                         |               |                            |                              |
| 1.1 Appreciation of the nature of the works, the key issues involved and clear understanding of the project objectives                                                                                                                                                                   | 5%            |                            |                              |
| 1.2 Well-planned Construction Programme <ul style="list-style-type: none"> <li>- completeness (covers all the works/activities under the contract)</li> <li>- workability and realistic time frames</li> <li>- completion within the prescribed contract duration</li> </ul>             | 12%           |                            |                              |
| 1.3 Track Record <ul style="list-style-type: none"> <li>- No history of non-performance in contracts for the last 3 years</li> <li>- Pending litigation in total not exceeding 20% of bidder's net worth</li> <li>- Experience in projects of similar nature and magnitude</li> </ul>    | 10%           |                            |                              |
| 1.4 Bidder's General Contracting Experience <ul style="list-style-type: none"> <li>- 5 years experience as contractor</li> <li>- Construction activity in at least 9 months each year over the last 5 years</li> </ul>                                                                   | 5%            |                            |                              |
| 1.5 Experience working in Timor Leste                                                                                                                                                                                                                                                    | 8%            |                            |                              |
| 1.6 Experience and competence of nominated sub-contractors                                                                                                                                                                                                                               | 5%            |                            |                              |
| 1.7 Proposed Site Organisation <ul style="list-style-type: none"> <li>- well defined structure appropriateness to project requirements</li> <li>- well defined task delegation</li> <li>- home office support is clearly defined and appropriate for the project requirements</li> </ul> | 5%            |                            |                              |

| Evaluation Criteria                                                                                                                                               | Weight<br>(A) | Compliance<br>Score<br>(B) | Weighted<br>Score<br>(A x B) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------------------|------------------------------|
| <b>1. TECHNICAL/PROFESSIONAL</b>                                                                                                                                  |               |                            |                              |
| 1.8 Key Site Personnel<br>- Number and type of key site personnel is adequate for the project requirements<br>- Experience and competence of nominated personnel  | 10%           |                            |                              |
| 1.9 Equipment Schedule<br>- Number and type of key equipment proposed is adequate for the project requirements                                                    | 5%            |                            |                              |
| <b>2. COMMERCIAL</b>                                                                                                                                              |               |                            |                              |
| 2.1 Average annual gross turnover of \$1,000,000 within the last three years                                                                                      | 10%           |                            |                              |
| 2.2 Audited balance sheets demonstrating soundness of the bidder's financial position and long-term profitability                                                 | 10%           |                            |                              |
| 2.3 Access to, or availability of financial resources such as liquid assets, lines of credit or other financial means, to meet the project cash flow requirements | 5%            |                            |                              |
| <b>3. LOCAL DEVELOPMENT</b>                                                                                                                                       |               |                            |                              |
| 3.1 Enhancement of industry and business capability in Timor Leste                                                                                                | 5%            |                            |                              |
| 3.2 Regional and district development opportunities                                                                                                               | 5%            |                            |                              |
| <b>TOTAL FINAL SCORE</b>                                                                                                                                          | <b>100%</b>   |                            |                              |

The scoring shall be in accordance with the following scoring table:

| Quality      | Criteria                                                                                                                            | Score |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------|-------|
| Excellent    | Substantially exceeds the specified requirements and the excess is useful.                                                          | 5     |
| Very Good    | Exceeds the specified requirements and the excess is useful.                                                                        | 4     |
| Good         | Fully meets the specified requirements.                                                                                             | 3     |
| Acceptable   | Meets the specified requirements but there are minor deficiencies and further clarification may be needed.                          | 2     |
| Marginal     | Significant deficiencies against the specified requirements that may impact negatively on the implementation of the project.        | 1     |
| Unacceptable | Proposal does not comply with the specified requirements or the Bidder did not provide supporting documents to allow an evaluation. | 0     |

**1.3 Technical alternatives**

Technical alternatives, if invited in accordance with ITB 13.4, will be evaluated as follows:

**NOT APPLICABLE**

## 2. Qualification

| 2.1 Eligibility                                                                    |                                                                                                                                                                                         |                       |                                          |                                                |                       |                        |                                         |
|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------------------------|------------------------------------------------|-----------------------|------------------------|-----------------------------------------|
| Factor                                                                             | Criteria                                                                                                                                                                                |                       |                                          |                                                |                       |                        |                                         |
| Sub-Factor                                                                         | Requirement                                                                                                                                                                             | Single Entity         | Bidder                                   |                                                |                       | Documentation Required |                                         |
|                                                                                    |                                                                                                                                                                                         |                       | Joint Venture, Consortium or Association | Each partner                                   | At least one partner  |                        |                                         |
| 2.1.1 Nationality                                                                  | Nationality in accordance with ITB 4.2.                                                                                                                                                 | Must meet requirement | All partners combined                    | Existing or intended JVA must meet requirement | Must meet requirement | N / A                  | Form ELI –1.1 and 1.2, with attachments |
| 2.1.2 Conflict of Interest                                                         | No- conflicts of interests as described in ITB 4.3.                                                                                                                                     | Must meet requirement |                                          | Existing or intended JVA must meet requirement | Must meet requirement | N / A                  | Letter of Bid                           |
| 2.1.3 Bank Ineligibility                                                           | Not having been declared ineligible by the Bank as described in ITB 4.4.                                                                                                                | Must meet requirement |                                          | Existing JVA must meet requirement             | Must meet requirement | N / A                  | Letter of Bid                           |
| 2.1.4 Government Owned Entity                                                      | Compliance with conditions of ITB 4.5                                                                                                                                                   | Must meet requirement |                                          | Must meet requirement                          | Must meet requirement | N / A                  | Form ELI –1.1 and 1.2, with attachments |
| 2.1.5 Ineligibility based on a United Nations resolution or Borrower's country law | Not having been excluded as a result of the Borrower's country laws or official regulations, or by an act of compliance with UN Security Council resolution, in accordance with ITB 4.8 | Must meet requirement |                                          | Existing JVA must meet requirement             | Must meet requirement | N / A                  | Letter of Bid                           |

| 2.2 Historical Contract Non-Performance   |                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                       |                                          |                                                                       |                      |                        |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------------------------|----------------------|------------------------|
| Factor                                    | Criteria                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                       |                                          |                                                                       |                      | Documentation Required |
| Sub-Factor                                | Requirement                                                                                                                                                                                                                                                                                                                                                                                                                | Bidder                                                                |                                          |                                                                       | At least one partner |                        |
|                                           |                                                                                                                                                                                                                                                                                                                                                                                                                            | Single Entity                                                         | Joint Venture, Consortium or Association | Each partner                                                          |                      |                        |
| 2.2.1 History of non-performing contracts | Non-performance of a contract did not occur within the last three (3) years prior to the deadline for bid submission, based on all information on fully settled disputes or litigation. A fully settled dispute or litigation is one that has been resolved in accordance with the Dispute Resolution Mechanism under the respective contract, and where all appeal instances available to the bidder have been exhausted. | Must meet requirement by itself or as partner to past or existing JVA | N / A                                    | Must meet requirement by itself or as partner to past or existing JVA | N / A                | Form CON - 2           |
| 2.2.2 Pending Litigation                  | All pending litigation shall in total not represent more than twenty percent ( 20%) of the Bidder's net worth and shall be treated as resolved against the Bidder.                                                                                                                                                                                                                                                         | Must meet requirement by itself or as partner to past or existing JVA | N / A                                    | Must meet requirement by itself or as partner to past or existing JVA | N / A                | Form CON - 2           |

| 2.3 Financial Situation                |                                                                                                                                                                                                                                                                                                     |                       |                                           |                                                   |                                                   |                                 |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------------------------|---------------------------------------------------|---------------------------------------------------|---------------------------------|
| Factor                                 | Criteria                                                                                                                                                                                                                                                                                            |                       |                                           |                                                   |                                                   | Documentation Required          |
| Sub-Factor                             | Requirement                                                                                                                                                                                                                                                                                         | Single Entity         | Bidder                                    |                                                   |                                                   |                                 |
|                                        |                                                                                                                                                                                                                                                                                                     |                       | Joint Ventures, Consortium or Association | At least one partner                              |                                                   |                                 |
|                                        |                                                                                                                                                                                                                                                                                                     |                       | 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 (3) years to demonstrate the current soundness of the bidders financial position and its prospective long term profitability. | Must meet requirement | N / A                                     | Must meet requirement                             | N / A                                             | Form FIN – 3.1 with attachments |
| 2.3.2 Average Annual Turnover          | Minimum average annual turnover of US\$ 1,000,000.00 calculated as total certified payments received for contracts in progress or completed, within the last three (3) years                                                                                                                        | Must meet requirement | Must meet requirement                     | Must meet forty percent (40 %) of the requirement | Must meet sixty percent (60 %) of the requirement | Form FIN –3.2                   |

| 2.3 Financial Situation   |            |                                                                                                                                                                                                                                                                                                                                  |                       |                                                                   |                                                   |
|---------------------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------|---------------------------------------------------|
| Factor                    | Sub-Factor | Requirement                                                                                                                                                                                                                                                                                                                      | Criteria              |                                                                   |                                                   |
|                           |            |                                                                                                                                                                                                                                                                                                                                  | Single Entity         | Bidder                                                            |                                                   |
|                           |            |                                                                                                                                                                                                                                                                                                                                  |                       | Joint Venture, Consortium or Association<br>All partners combined | At least one partner                              |
| 2.3.3 Financial Resources |            | <p>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 advance payments to meet:</p> <p>The overall cash flow requirements for this contract and its current commitments.</p> | Must meet requirement | Must meet requirement                                             | Must meet eighty percent (80%) of the requirement |
|                           |            |                                                                                                                                                                                                                                                                                                                                  |                       |                                                                   |                                                   |
|                           |            |                                                                                                                                                                                                                                                                                                                                  |                       |                                                                   | Form FIN -3.3                                     |



| Factor                       | 2.4 Experience                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                          |                                                      |                          |                                                       |                           | Documentation<br>Required |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|------------------------------------------------------|--------------------------|-------------------------------------------------------|---------------------------|---------------------------|
| Sub-Factor                   | Requirement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Criteria                 |                                                      |                          |                                                       | Documentation<br>Required |                           |
|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Single Entity            | Bidder                                               |                          |                                                       |                           |                           |
|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                          | All partners<br>combined                             | Each<br>partner          | Association<br>At least one<br>partner                |                           |                           |
| 2.4.1 General<br>Experience  | Experience under contracts in the role of contractor, subcontractor, or management contractor for at least the last <u>five</u> <u>5</u> years prior to the bid submission deadline, and with activity in at least nine (9) months in each year.                                                                                                                                                                                                                                                                                | Must meet<br>requirement | N / A                                                | Must meet<br>requirement | N / A                                                 | Form EXP-4.1              |                           |
| 2.4.2 Specific<br>Experience | (a) Participation as contractor, management contractor, or subcontractor, in at least <u>three</u> ( <u>3</u> ) contracts within the last <u>five</u> ( <u>5</u> ) years , each with a value of at least <u>One</u> Million USD, that have been successfully and substantially completed and that are similar to the proposed Plant and Installation Services. The similarity shall be based on the physical size, complexity, methods/technology or other characteristics as described in Section VI, Employer's Requirements. | Must meet<br>requirement | Must meet<br>requirements for<br>all characteristics | N / A                    | Must meet<br>requirement for<br>one<br>characteristic | Form EXP 2.4.2(a)         |                           |

## 2.5 Personnel

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

| No. | Position            | Total Work<br>Similar<br>Experience<br>(years) | In Similar<br>Works<br>Experience<br>(years) |
|-----|---------------------|------------------------------------------------|----------------------------------------------|
| 1   | Project Manager     | Five (5)                                       | Eight (8)                                    |
| 2   | Procurement Manager | Three (3)                                      | Ten (10)                                     |

The Bidder shall provide details of the proposed personnel and their experience records in the relevant Forms included in Section IV, Bidding Forms.

## 2.6 Equipment

The Bidder shall provide details of proposed items of equipment using the relevant Form in Section IV.

## Section IV. Bidding Forms

### Table of Forms

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## **Letter of Bid**

Date: \_\_\_\_\_  
ICB No.: RDTL 812767  
Invitation for Bid No.: ITB 812767

To: \_\_\_\_\_

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) \_\_\_\_\_;
- (b) We offer to \_\_\_\_\_, in conformity with the Bidding Document, the following Plant and Installation Services: \_\_\_\_\_
- (c) The price of our Bid, is provided in the separately sealed Financial Proposal;
- (d) Our bid shall be valid for a period of \_\_\_\_\_ days from the date fixed for the bid submission deadline in accordance with the Bidding Document, and it shall remain binding upon us and may be accepted at any time before the expiration of that period;
- (e) If our bid is accepted, we commit to obtain a performance security in accordance with the Bidding Document;
- (f) We, including any subcontractors or manufacturers for any part of the contract, have or will have nationalities from eligible countries, in accordance with ITB-4.2;
- (g) We, including any subcontractors or manufacturers for any part of the contract, do not have any conflict of interest in accordance with ITB-4.3;
- (h) We are not participating, as a Bidder or as a subcontractor, in more than one bid in this bidding process in accordance with ITB-4.3, other than alternative bids submitted in accordance with ITB-13;
- (i) We, including any of our subcontractors or manufacturers for any part of the contract, have not been declared ineligible by the World Bank, under the Employer's country laws or official regulations or by an act of compliance with a decision of the United Nations Security Council;

- (j) We are not a government owned entity/ We are a government owned entity but meet the requirements of ITB-4.5;<sup>1</sup>
- (k) We have paid, or will pay the following commissions, gratuities, or fees with respect to the bidding process or execution of the Contract:

| Name of Recipient | Address | Reason | Amount |
|-------------------|---------|--------|--------|
| _____             | _____   | _____  | _____  |
| _____             | _____   | _____  | _____  |
| _____             | _____   | _____  | _____  |
| _____             | _____   | _____  | _____  |

(If none has been paid or is to be paid, indicate "none.")

- (l) We understand that this bid, together with your written acceptance thereof included in your notification of award, shall constitute a binding contract between us, until a formal contract is prepared and executed; and
- (m) We understand that you are not bound to accept the lowest evaluated bid or any other bid that you may receive.

Name \_\_\_\_\_ In the capacity of \_\_\_\_\_

Signed \_\_\_\_\_

Duly authorized to sign the bid for and on behalf of \_\_\_\_\_

Dated on \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_

<sup>1</sup> Bidder to use as appropriate

## Schedules of Rates and Prices

### Schedule No. 1. Plant and Mandatory Spare Parts Supplied from Abroad

| Item                                     | Description | Code <sup>1</sup> | Qty.<br>(1) | Unit Price <sup>2</sup>                               |            | Total Price <sup>2</sup><br>(1) x (3) |
|------------------------------------------|-------------|-------------------|-------------|-------------------------------------------------------|------------|---------------------------------------|
|                                          |             |                   |             | (2)                                                   | CIP<br>(3) |                                       |
|                                          |             |                   |             |                                                       |            |                                       |
| TOTAL (to Schedule No. 5. Grand Summary) |             |                   |             |                                                       |            |                                       |
|                                          |             |                   |             | Name of Bidder _____<br><br>Signature of Bidder _____ |            |                                       |

<sup>1</sup> Bidders shall enter a code representing the country of origin of all imported plant and equipment.

<sup>2</sup> Specify currency. Create and use as many columns for Unit Price and Total Price as there are currencies.

#### Country of Origin Declaration Form

| Item | Description | Code | Country |
|------|-------------|------|---------|
|      |             |      |         |

**Schedule No. 2. Plant and Mandatory Spare Parts Supplied  
from Within the Employer's Country**

| Item                                     | Description | Qty.<br>(1) | EXW Unit Price <sup>1</sup><br>(2) | EXW Total Price <sup>1</sup><br>(1) x (2) |
|------------------------------------------|-------------|-------------|------------------------------------|-------------------------------------------|
|                                          |             |             |                                    |                                           |
| TOTAL (to Schedule No. 5. Grand Summary) |             |             |                                    |                                           |

Name of Bidder \_\_\_\_\_

Signature of Bidder \_\_\_\_\_

<sup>1</sup> Specify currency in accordance with specifications in Bid Data Sheet under ITB 18.1 in Single Stage Bid, or ITB 30.1 in Two Stage Bid.



### Schedule No. 3. Design Services

| Item                                     | Description | Qty.<br><br>(1) | Unit Price <sup>1</sup>          |                                           | Total Price <sup>1</sup><br><br>(1) x (2) |
|------------------------------------------|-------------|-----------------|----------------------------------|-------------------------------------------|-------------------------------------------|
|                                          |             |                 | Local Currency<br>Portion<br>(2) | Foreign Currency<br>Portion<br>(optional) |                                           |
|                                          |             |                 |                                  |                                           |                                           |
| TOTAL (to Schedule No. 5. Grand Summary) |             |                 |                                  |                                           |                                           |
|                                          |             |                 | Name of Bidder _____             |                                           |                                           |
|                                          |             |                 | Signature of Bidder _____        |                                           |                                           |

<sup>1</sup> Specify currency in accordance with specifications in Bid Data Sheet under ITB 18.1 in Single Stage Bid, or ITB 30.1 in Two Stage Bid.

### Schedule No. 4. Installation and Other Services

[illegible]

<sup>1</sup> Specify currency in accordance with specifications in Bid Data Sheet under ITB 18.1 in Single Stage Bid, or ITB 30.1 in Two Stage Bid.

### Schedule No. 5. Grand Summary

| Item | Description                                                                                        | Total Price <sup>1</sup> |       |
|------|----------------------------------------------------------------------------------------------------|--------------------------|-------|
|      |                                                                                                    | Foreign                  | Local |
|      |                                                                                                    |                          |       |
|      | Total Schedule No. 1. Plant, and Mandatory Spare Parts Supplied from Abroad                        |                          |       |
|      | Total Schedule No. 2. Plant, and Mandatory Spare Parts Supplied from Within the Employer's Country |                          |       |
|      | Total Schedule No. 3. Design Services                                                              |                          |       |
|      | Total Schedule No. 4. Installation and Other Services                                              |                          |       |
|      |                                                                                                    |                          |       |
|      | TOTAL (to Bid Form)                                                                                |                          |       |

Name of Bidder \_\_\_\_\_

Signature of Bidder \_\_\_\_\_

<sup>1</sup> Specify currency in accordance with specifications in Bid Data Sheet under ITB 18.1 in Single Stage Bid, or ITB 30.1 in Two Stage Bid. Create and use as many columns for Foreign Currency requirement as there are foreign currencies

### Schedule No. 6. Recommended Spare Parts

[illegible]

Name of Bidder \_\_\_\_\_

Signature of Bidder \_\_\_\_\_

## **Price Adjustment**

|                                                                       |
|-----------------------------------------------------------------------|
| Prices are to remain firm and fixed for the duration of the Contract. |
|-----------------------------------------------------------------------|

## **Technical Proposal**

- Site Organization
- Method Statement
- Mobilization Schedule
- Construction Schedule
- Plant
- Contractor's Equipment
- Personnel
- Proposed Subcontractors for Major Items of Plant and Installation Services
- Local Development Statement
- Others

## **Site Organization**

## **Method Statement**



## **Mobilization Schedule**

## **Construction Schedule**

## **Plant**

## Contractor's Equipment

### Form EQU

The Bidder shall provide adequate information to demonstrate clearly that it has the capability to meet the requirements for the key Contractor's equipment listed in Section III, 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                                                                                                                                                               | Model and power rating |
|                       | Capacity                                                                                                                                                                           | Year of manufacture    |
| Current status        | Current location                                                                                                                                                                   |                        |
|                       | Details of current commitments                                                                                                                                                     |                        |
| Source                | Indicate source of the equipment<br><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 |                        |
|            |                                                                            |                        |
|            |                                                                            |                        |

## Personnel

### Form PER -1

### Proposed Personnel

Bidders should provide the names of suitably qualified personnel to meet the specified requirements stated in Section III. The data on their experience should be supplied using the Form below for each candidate.

|    |                    |
|----|--------------------|
| 1. | Title of position* |
|    | Name               |
| 2. | Title of position* |
|    | Name               |
| 3. | Title of position* |
|    | Name               |
| 4. | Title of position* |
|    | Name               |

\*As listed in Section III.

**Form PER-2**

## Resume of Proposed Personnel

| Name of Bidder |
|----------------|
|                |

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

Summarize professional experience over the last 20 years, in reverse chronological order. Indicate particular technical and managerial experience relevant to the project.

[illegible]

## **Proposed Subcontractors for Major Items of Plant and Installation Services**

A list of major items of Plant and Installation Services is provided below.

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

| <b>Major Items of Plant and Installation Services</b> | <b>Proposed Subcontractors/Manufacturers</b> | <b>Nationality</b> |
|-------------------------------------------------------|----------------------------------------------|--------------------|
|                                                       |                                              |                    |
|                                                       |                                              |                    |
|                                                       |                                              |                    |

FORM – LDS

**LOCAL DEVELOPMENT STATEMENT**

- **Impact on Viqueque/Aliambata and District development in Timor-Leste**
  
- **Small and medium size enterprise participation (Including opportunities for regional supplier participation.**
  
- **Extend of Job Creation for Timor-Leste National**
  
- **Bidder Sponsored Mentoring/Coaching/Training**



## **Others - Time Schedule**

No alternative Time for **Completion**

## Form ELI 1.1

**Bidder Information Sheet**

Date: \_\_\_\_\_

ICB No.: \_\_\_\_\_

Invitation for Bid No.: \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_ pages

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Bidder's Legal Name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 2. In case of JVA, legal name of each party:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 3. Bidder's actual or intended Country of Registration:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 4. Bidder's Year of Registration:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 5. Bidder's Legal Address in Country of Registration:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 6. Bidder's Authorized Representative Information<br>Name:<br>Address:<br>Telephone/Fax numbers:<br>Email Address:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 7. Attached are copies of original documents of:<br><input type="checkbox"/> Articles of Incorporation or Registration of firm named in 1, above, in accordance with ITB Sub-Clauses 4.1 and 4.2.<br><input type="checkbox"/> In case of JVA, letter of intent to form JVA including a draft agreement, or JVA agreement, in accordance with ITB Sub-Clauses 4.1 and 11.1(i) Single Stage Bidding or 11.1(g) Two Stage Bidding.<br><input type="checkbox"/> In case of government owned entity from the Employer's country, documents establishing legal and financial autonomy and compliance with the principles of commercial law, in accordance with ITB Sub-Clause 4.5. |

Please note that a written authorization needs to be attached to this sheet as required by ITB 21.2 Single Stage Bidding) or ITB 17.2 Two Stage Bidding

## Form ELI 1.2

**Party to JVA Information Sheet**

Date: \_\_\_\_\_  
ICB No.: \_\_\_\_\_  
Invitation for Bid No.: \_\_\_\_\_  
Page \_\_\_\_\_ of \_\_\_\_\_ pages

|                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Bidder's Legal Name:                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 2. JVA's Party legal name:                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 3. JVA's Party Country of Registration:                                                                                                                                                                                                                                                                                                                                                                                                         |
| 4. JVA's Party Year of Registration:                                                                                                                                                                                                                                                                                                                                                                                                            |
| 5. JVA's Party Legal Address in Country of Registration:                                                                                                                                                                                                                                                                                                                                                                                        |
| 6. JVA's Party Authorized Representative Information<br>Name:<br>Address:<br>Telephone/Fax numbers:<br>Email Address:                                                                                                                                                                                                                                                                                                                           |
| 7. Attached are copies of original documents of:<br><input type="checkbox"/> Articles of Incorporation or Registration of firm named in 1, above, in accordance with ITB Sub-Clauses 4.1 and 4.2.<br><input type="checkbox"/> In case of government owned entity from the Purchaser's country, documents establishing legal and financial autonomy and compliance with the principles of commercial law, in accordance with ITB Sub-Clause 4.5. |

## Form CON – 2

### Historical Contract Non-Performance

**In case a prequalification process was conducted this form should be used only if the information submitted at the time of prequalification requires updating**

Bidder's Legal Name: \_\_\_\_\_ Date: \_\_\_\_\_

JVA Partner Legal Name: \_\_\_\_\_

ICB No.: \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_ pages

| Non-Performing Contracts in accordance with Section III, Evaluation Criteria                                                                                          |                                    |                                                                                             |                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|---------------------------------------------------------------------------------------------|--------------------------------------------------------|
| <input type="checkbox"/> Contract non-performance did not occur during the stipulated period, in accordance with Sub-Factor 2.2.1 of Section III, Evaluation Criteria |                                    |                                                                                             |                                                        |
|                                                                                                                                                                       |                                    |                                                                                             |                                                        |
|                                                                                                                                                                       |                                    |                                                                                             |                                                        |
|                                                                                                                                                                       |                                    |                                                                                             |                                                        |
| Pending Litigation, in accordance with Section III, Evaluation Criteria                                                                                               |                                    |                                                                                             |                                                        |
| <input type="checkbox"/> No pending litigation in accordance with Sub-Factor 2.2.2 of Section III, Evaluation Criteria                                                |                                    |                                                                                             |                                                        |
| <input type="checkbox"/> Pending litigation in accordance with Sub-Factor 2.2.2 of Section III, Evaluation Criteria, as indicated below                               |                                    |                                                                                             |                                                        |
| Year                                                                                                                                                                  | Outcome as Percent of Total Assets | Contract Identification                                                                     | Total Contract Amount (current value, US\$ equivalent) |
| _____                                                                                                                                                                 | _____                              | Contract Identification:<br>Name of Employer:<br>Address of Employer:<br>Matter in dispute: | _____                                                  |
| _____                                                                                                                                                                 | _____                              | Contract Identification:<br>Name of Employer:<br>Address of Employer:<br>Matter in dispute: | _____                                                  |

## Form CCC

**Current Contract Commitments / Works in Progress**

Bidders and each partner to a JVA 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.

| Name of contract | Employer,<br>contact<br>address/tel/fax | Value of<br>outstanding<br>work (current<br>US\$ equivalent) | Estimated<br>completion date | Average<br>monthly<br>invoicing over<br>last six months<br>(US\$/month) |
|------------------|-----------------------------------------|--------------------------------------------------------------|------------------------------|-------------------------------------------------------------------------|
| 1.               |                                         |                                                              |                              |                                                                         |
| 2.               |                                         |                                                              |                              |                                                                         |
| 3.               |                                         |                                                              |                              |                                                                         |
| 4.               |                                         |                                                              |                              |                                                                         |
| 5.               |                                         |                                                              |                              |                                                                         |
| etc.             |                                         |                                                              |                              |                                                                         |

## Financial Situation

### Historical Financial Performance

Bidder's Legal Name: \_\_\_\_\_ Date: \_\_\_\_\_  
 JVA Partner Legal Name: \_\_\_\_\_ ICB No.: \_\_\_\_\_  
 Page \_\_\_\_\_ of \_\_\_\_\_ pages

To be completed by the Bidder and, if JVA, by each partner

| Financial<br>information<br>in US\$<br>equivalent | Historic information for previous _____ ( ) years<br>(US\$ equivalent in 000s) |        |        |          |        |      |               |
|---------------------------------------------------|--------------------------------------------------------------------------------|--------|--------|----------|--------|------|---------------|
|                                                   | Year 1                                                                         | Year 2 | Year 3 | Year ... | Year n | Avg. | Avg.<br>Ratio |
| <b>Information from Balance Sheet</b>             |                                                                                |        |        |          |        |      |               |
| Total Assets (TA)                                 |                                                                                |        |        |          |        |      |               |
| Total Liabilities (TL)                            |                                                                                |        |        |          |        |      |               |
| Net Worth (NW)                                    |                                                                                |        |        |          |        |      |               |
| Current Assets (CA)                               |                                                                                |        |        |          |        |      |               |
| Current Liabilities (CL)                          |                                                                                |        |        |          |        |      |               |
| <b>Information from Income Statement</b>          |                                                                                |        |        |          |        |      |               |
| Total Revenue (TR)                                |                                                                                |        |        |          |        |      |               |
| Profits Before Taxes (PBT)                        |                                                                                |        |        |          |        |      |               |
|                                                   |                                                                                |        |        |          |        |      |               |

|  |
|--|
|  |
|  |
|  |

- ☐ Attached are copies of financial statements (balance sheets, including all related notes, and income statements) for the years required above complying with the following conditions:
- (a) Must reflect the financial situation of the Bidder or partner to a JVA, and not sister or parent companies
  - (b) Historic financial statements must be audited by a certified accountant
  - (c) Historic financial statements must be complete, including all notes to the financial statements
  - (d) Historic financial statements must correspond to accounting periods already completed and audited (no statements for partial periods shall be requested or accepted)

## Form FIN – 3.2

**Average Annual Turnover**

Bidder's Legal Name: \_\_\_\_\_ Date: \_\_\_\_\_  
 JVA Partner Legal Name: \_\_\_\_\_ ICB No.: \_\_\_\_\_  
 Page \_\_\_\_\_ of \_\_\_\_\_ pages

| <b>Annual turnover data (construction only)</b> |                     |                 |
|-------------------------------------------------|---------------------|-----------------|
| Year                                            | Amount and Currency | US\$ equivalent |
|                                                 | _____               | _____           |
|                                                 | _____               | _____           |
|                                                 | _____               | _____           |
|                                                 | _____               | _____           |
|                                                 | _____               | _____           |
| *Average Annual Construction Turnover           | _____               | _____           |

\*Average annual turnover calculated as total certified payments received for work in progress or completed, divided by the number of years specified in Section III, Evaluation Criteria, Sub-Factor 2.3.2.



## Form FIN 3.3

**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 III, Evaluation and Qualification Criteria

| Source of financing | Amount (US\$ equivalent) |
|---------------------|--------------------------|
| 1.                  |                          |
| 2.                  |                          |
| 3.                  |                          |
| 4.                  |                          |

## Form EXP 2.4

**Experience - General Experience**

Bidder's Legal Name: \_\_\_\_\_ Date: \_\_\_\_\_  
 JVA Partner Legal Name: \_\_\_\_\_ ICB No.: \_\_\_\_\_  
 Page \_\_\_\_\_ of \_\_\_\_\_ pages

| Starting Month / Year | Ending Month / Year | Years * | Contract Identification                                                                                    | Role of Bidder |
|-----------------------|---------------------|---------|------------------------------------------------------------------------------------------------------------|----------------|
| _____                 | _____               | _____   | Contract name:<br>Brief Description of the Works performed by the Bidder:<br>Name of Employer:<br>Address: | _____          |
| _____                 | _____               | _____   | Contract name:<br>Brief Description of the Works performed by the Bidder:<br>Name of Employer:<br>Address: | _____          |
| _____                 | _____               | _____   | Contract name:<br>Brief Description of the Works performed by the Bidder:<br>Name of Employer:<br>Address: | _____          |
| _____                 | _____               | _____   | Contract name:<br>Brief Description of the Works performed by the Bidder:<br>Name of Employer:<br>Address: | _____          |
| _____                 | _____               | _____   | Contract name:<br>Brief Description of the Works performed by the Bidder:<br>Name of Employer:<br>Address: | _____          |
| _____                 | _____               | _____   | Contract name:<br>Brief Description of the Works performed by the Bidder:<br>Name of Employer:<br>Address: | _____          |

\*List calendar year for years with contracts with at least nine (9) months activity per year starting with the earliest year

**Form EXP – 2.4.2(a)**  
**Specific Experience**

Bidder's Legal Name: \_\_\_\_\_  
 JVA Partner Legal Name: \_\_\_\_\_

Date: \_\_\_\_\_  
 ICB No.: \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_ pages

|                                                                                      |                                        |                                                   |                                           |
|--------------------------------------------------------------------------------------|----------------------------------------|---------------------------------------------------|-------------------------------------------|
| <b>Similar Contract Number: ____ of ____ required.</b>                               | <b>Information</b>                     |                                                   |                                           |
| Contract Identification                                                              | _____                                  |                                                   |                                           |
| Award date                                                                           | _____                                  |                                                   |                                           |
| Completion date                                                                      | _____                                  |                                                   |                                           |
| Role in Contract                                                                     | <input type="checkbox"/><br>Contractor | <input type="checkbox"/><br>Management Contractor | <input type="checkbox"/><br>Subcontractor |
| Total contract amount                                                                | _____                                  |                                                   | US\$ _____                                |
| If partner in a JVA or subcontractor, specify participation of total contract amount | _____ %                                | _____                                             | US\$ _____                                |
| Employer's Name:                                                                     | _____                                  |                                                   |                                           |
| Address:                                                                             | _____<br>_____<br>_____                |                                                   |                                           |
| Telephone/fax number:                                                                | _____                                  |                                                   |                                           |
| E-mail:                                                                              | _____                                  |                                                   |                                           |

**Form EXP – 2.4.2(a) (cont.)**  
**Specific Experience (cont.)**

Bidder's Legal Name: \_\_\_\_\_ Page \_\_\_\_\_ of \_\_\_\_\_ pages  
JVA Partner Legal Name: \_\_\_\_\_

| <b>Similar Contract No. __[insert specific number] of [total number of contracts] required</b> | <b>Information</b> |
|------------------------------------------------------------------------------------------------|--------------------|
| Description of the similarity in accordance with Sub-Factor 2.4.2a) of Section III:            |                    |
| Amount                                                                                         | _____              |
| Physical size                                                                                  | _____              |
| Complexity                                                                                     | _____              |
| Methods/Technology                                                                             | _____              |
| Physical Production Rate                                                                       | _____              |

## Form EXP – 2.4.2(b)

**Specific Experience in Key Activities**

Bidder's Legal Name: \_\_\_\_\_

Date: \_\_\_\_\_

JVA Partner Legal Name: \_\_\_\_\_

ICB No.: \_\_\_\_\_

Subcontractor's Legal Name: \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_ pages

|                                                                                      | Information                            |                                                   |                                           |
|--------------------------------------------------------------------------------------|----------------------------------------|---------------------------------------------------|-------------------------------------------|
| Contract Identification                                                              | _____                                  |                                                   |                                           |
| Award date                                                                           | _____                                  |                                                   |                                           |
| Completion date                                                                      | _____                                  |                                                   |                                           |
| Role in Contract                                                                     | <input type="checkbox"/><br>Contractor | <input type="checkbox"/><br>Management Contractor | <input type="checkbox"/><br>Subcontractor |
| Total contract amount                                                                | _____                                  |                                                   | US\$ _____                                |
| If partner in a JVA or subcontractor, specify participation of total contract amount | _____ %                                | _____                                             | US\$ _____                                |
| Employer's Name:                                                                     | _____                                  |                                                   |                                           |
| Address:                                                                             | _____                                  |                                                   |                                           |
| Telephone/fax number:                                                                | _____                                  |                                                   |                                           |
| E-mail:                                                                              | _____                                  |                                                   |                                           |

## Form EXP – 2.4.2 (b)(cont.)

**Specific Experience in Key Activities (cont.)**

Bidder's Legal Name: \_\_\_\_\_ Page \_\_\_\_\_ of \_\_\_\_\_ pages

JVA Partner Legal Name: \_\_\_\_\_

Subcontractor's Legal Name: \_\_\_\_\_

|                                                                                         | Information |
|-----------------------------------------------------------------------------------------|-------------|
| Description of the key activities in accordance with Sub-Factor 2.4.2b) of Section III: |             |
|                                                                                         |             |
|                                                                                         |             |
|                                                                                         |             |
|                                                                                         |             |
|                                                                                         |             |

## Form of Bid Security (Bank Guarantee)

Beneficiary: \_\_\_\_\_

Date: \_\_\_\_\_

BID GUARANTEE No.: \_\_\_\_\_

We have been informed that \_\_\_\_\_ (hereinafter called "the Bidder") has submitted to you its bid dated \_\_\_\_\_ (hereinafter called "the Bid") for the execution of \_\_\_\_\_ under Invitation for Bids No. \_\_\_\_\_ ("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 \_\_\_\_\_ hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of \_\_\_\_\_ (\_\_\_\_\_) 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) 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 Form, if required, 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 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) twenty-eight 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. 458.

\_\_\_\_\_  
[signature(s)]

## Form of Bid Security (Bid Bond)

BOND NO. \_\_\_\_\_

BY THIS BOND \_\_\_\_\_ as Principal (hereinafter called "the Principal"), and \_\_\_\_\_, **authorized to transact business in** \_\_\_\_\_, as Surety (hereinafter called "the Surety"), are held and firmly bound unto \_\_\_\_\_ as Obligee (hereinafter called "the Employer") in the sum of \_\_\_\_\_<sup>2</sup> (\_\_\_\_\_), for the payment of which sum, well and truly to be made, we, the said Principal and Surety, bind ourselves, our successors and assigns, jointly and severally, firmly by these presents.

WHEREAS the Principal has submitted a written Bid to the Employer dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, for the construction of \_\_\_\_\_ (hereinafter called the "Bid").

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that if the Principal:

- (a) withdraws its Bid during the period of bid validity specified in the Form of Bid; or
- (b) 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 Form, if required; or (ii) fails or refuses to furnish the Performance Security in accordance with the Instructions to Bidders;

then the Surety undertakes to immediately pay to the Employer up to the above amount upon receipt of the Employer's first written demand, without the Employer having to substantiate its demand, provided that in its demand the Employer shall state that the demand arises from the occurrence of any of the above events, specifying which event(s) has occurred.

The Surety hereby agrees that its obligation will remain in full force and effect up to and including the date 28 days after the date of expiration of the Bid validity as stated in the Invitation to Bid or extended by the Employer at any time prior to this date, notice of which extension(s) to the Surety being hereby waived.

IN TESTIMONY WHEREOF, the Principal and the Surety have caused these presents to be executed in their respective names this \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

Principal: \_\_\_\_\_

Surety: \_\_\_\_\_  
Corporate Seal (where appropriate)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed name and title)

\_\_\_\_\_  
(Printed name and title)

<sup>2</sup> The amount of the Bond shall be denominated in the currency of the Employer's country or the equivalent amount in a freely convertible currency.



## Form of Bid-Securing Declaration

Date: \_\_\_\_\_

Bid No.: \_\_\_\_\_

Alternative No.: \_\_\_\_\_

To: \_\_\_\_\_

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 \_\_\_\_\_, starting on \_\_\_\_\_, 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 Letter 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) twenty-eight days after the expiration of our Bid.

Signed: \_\_\_\_\_

In the capacity of \_\_\_\_\_

Name: \_\_\_\_\_

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

Dated on \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

Corporate Seal (where appropriate)

## Manufacturer's Authorization

Date: \_\_\_\_\_  
ICB No.: \_\_\_\_\_

To: \_\_\_\_\_

### WHEREAS

We \_\_\_\_\_, who are official manufacturers of \_\_\_\_\_, having factories at \_\_\_\_\_, do hereby authorize \_\_\_\_\_ to submit a bid the purpose of which is to provide the following goods, manufactured by us \_\_\_\_\_, 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, with respect to the goods offered by the above firm.

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Duly authorized to sign this Authorization on behalf of:

\_\_\_\_\_

Dated on \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

## **PART 2 –Employer’s Requirements**

## **TECHNICAL SPECIFICATIONS AND SCOPE OF WORK FOR DISTRIBUTION SYSTEM**

### **General Information**

Timor-Leste has a number of natural gas seeps where gas, likely to be of biogenic origin, is emitted at the surface at a sufficient rate to support combustion. The government of Timor-Leste intends to harness this resource to support electrical generation for rural communities without electricity or for those where the cost of diesel fuel is a constraint on delivery of electricity.

A pilot development, the Gas Seep Harvesting Project (GSHP), is planned near the Aliambata kampong, in the Uatolari Sub-District of the Viqueque District on the southern coast of Timor-Leste. The proposed power plant will consist of one gas-fuelled engine-generator set and two dual-fuelled (gas-diesel) engine-generator sets, each rated at about 150 KVA. The project will also provide a permanent seep gas collection facility together with a piping system, a gas flare and gas regulation that will supply the gas to the power plant.

The outgoing electrical cables from the proposed power plant will connect to a proposed new 20 kV electrical distribution system servicing several local communities and interconnection to the 20 kV distribution systems of Uatolari and Uatocarabau. The proposed development will extend to supply and installation of transformers and the 220 V domestic and commercial connections.

Pre-paid electrical meters for all connections are to be a part of the development, but the supply and installation of these meters will be the responsibility of others.

### **Description of Works**

The scope of work for this project comprises the design, supply, fabrication, installation, testing and commissioning of a new 20 kV distribution line that will extend from a proposed power plant located close to the kampong of Aliambata, on the main road between Borolalo to the west and Vessuro to north-east, and from Borolalo to Babulo to the north. The distribution line will interconnect the existing distribution lines that service the Uatolari and Uatocarabau communities, both of which have diesel-fuelled generating plants.

The number of domestic connections in the Uatolari and Uatocarabau communities is believed to be around 1,000. The proposed contract for electrical distribution is to allow for the interconnection of 3,000 domestic and commercial consumers.

Civil works will involve survey of the route, identification of pole sites, site and vegetation clearance, excavations etc. The Contractor will be responsible for obtaining all necessary geotechnical information for the design of pole foundations etc.

The Contractor shall assume responsibility for the installation work at site, including the co-ordination of work with all vendors and other sub-contracting agencies operating at the Aliambata site. The Contractor will liaise with the Engineer to ensure that all works are executed to the total satisfaction of the clients and Timor-Leste statutory agencies.

### **SITE CONDITIONS**

|               |                              |
|---------------|------------------------------|
| Temperature   | Maximum 40°C<br>Minimum 20°C |
| Humidity      | 30 ~ 95%                     |
| Rainfall      | 500 mm per annum             |
| Site altitude | 15 to 50 m amsl              |

### **ELECTRICAL SUPPLY SPECIFICATIONS**

|                            |                  |
|----------------------------|------------------|
| Nominal generation voltage | 400 V $\pm$ 10%  |
| No. of Phases              | 3 + Neutral      |
| Frequency                  | 50 Hz $\pm$ 3%   |
| Neutral earthing           | Solidly Grounded |
| Control supply             | 24 V, 2-wire DC  |
| Distribution voltage       | 20 kV            |

### **Requirement for Works**

The marginal cost of electrical generation at the proposed Aliambata gas-fuelled power plant will be substantially lower than the cost of diesel-fuelled generation at either Uatolari or Uatocarabau, where the cost of diesel fuel results in very limited operation of their gen-sets. Interconnection of the existing distribution lines that service the Uatolari and Uatocarabao communities will allow generation from the Aliambata power plant to be accessed throughout a large section of the coastal region of Viqueque Province.

### **Workmanship**

Competent supervisors, tradesmen and labourers experienced in this type of work, shall carry out all works.

**Works Included**

The contractor shall supply all necessary tools, equipment, personnel, supervision, plant, equipment, materials, safety management, and vehicles, whether specifically listed or implied, to undertake the whole of the works to the Client's satisfaction. The Contractor shall also ensure that temporary works and all materials and construction plant are secure and works are protected, in all weather conditions.

Work to be performed by the contractor includes, but is not limited by the following:

- All design, calculations, drawings, and route surveys, including earthing design.
- Surveying and pegging of line route pole locations.
- Clearing along the pole route and provision of access.
- Notification of, and negotiation with, the relevant community authorities.
- Mobilization, site establishment, staff inductions and safety management systems.
- Accommodation for engineering, management and trades personnel in the Viqueque Province.
- Daily transportation from accommodation to the work sites.
- Obtaining all necessary work permits, in consultation with EDTL personnel and community authorities.
- Procurement, delivery and erection of required number of concrete, wooden and/or steel poles.
- Supply, delivery and installation of all necessary line hardware including insulators, tension terminations, cable terminations, surge arresters, trifurcating brackets, stay wires and anchors.
- Supply, deliver, string, tension and terminate approximately 20 km (route length) of new phase and earthing conductors.
- Supply, deliver and install all earthing conductors, jointing, terminations, electrode drilling, earth electrodes and enhancement products.
- Supply, deliver and erect pole signage and nameplates.
- Perform all testing and commission the installation.
- Provide all operating and maintenance manuals.
- Clean up, site and route restoration, removal of redundant hardware and demobilization of personnel.

**Documentation**

All material, equipment and workmanship to be furnished by the Contractor shall conform to the requirements of the following documents and they shall form part of the Contract. The contractor should note that if there is any doubt, the hierarchy of the documents is indicated below:

- 1) The Contract Agreement
- 2) This Scope of Works Document.
- 3) All relevant drawings and subsidiary scopes of work
- 4) All Statutory Authorities having jurisdiction over the works.
- 5) The latest editions of relevant EDTL Standards and Specifications.
- 6) All other relevant publications and regulations.

Where EDTL does not publish Standards and Specification applicable to the work, then relevant International Standards shall apply subject to the approval of the Engineer / Employer's Representative.

### Reference Drawings

None applicable

However some drawings are attached to this Section for Information Only.

### Government Acts, By-Laws and Regulations

The Contractor shall be responsible for the compliance of all works with Government Acts, By-Laws and Regulations including but not limited to:

### Standard Specifications

All works shall be performed in accordance with the following EDTL Standard Specifications:

| Specification     | Date | Description                                                |
|-------------------|------|------------------------------------------------------------|
| EDTL-TS-GN-01     | 2007 | General technical requirements                             |
| EDTL-TS-GN-09     | 2007 | Distribution system earthing requirements                  |
| EDTL-TS-GN-10     | 2007 | Documentation requirements, project control, drawings, O&M |
| EDTL-TS-CO-03     | 2007 | ABC cables and accessories                                 |
| EDTL-TS-CO-10     | 2007 | OHS pole top equipment                                     |
| EDTL-TS-CO-11     | 2007 | Distribution network installation                          |
| EDTL-TS-CO-13     | 2007 | Spun concrete poles                                        |
| EDTL-TS-CO-15     | 2007 | Staywire and accessories                                   |
| EDTL SPLN-10-4C   | 1997 | Pin insulator for 20 kV                                    |
| EDTL-SPLN-41-8-E  | 1981 | All aluminium alloy conductors                             |
| EDTL-SPLN 50      | 1997 | Distribution transformers                                  |
| EDTL SPLN-54      | 1983 | Steel poles                                                |
| EDTL SPLN 007     | 1978 | Insulation coordination                                    |
| EDTL-SPLN-118-3-1 | 1996 | LV distribution pillars                                    |
|                   |      |                                                            |

### Additional International Standards

Where Timor-Leste standards or design codes are not available or not applicable, the relevant Australian standards, including but not limited to those below, may be used.

| Standard    | Title                                                                                                        |
|-------------|--------------------------------------------------------------------------------------------------------------|
| AS 1137     | Insulators – Porcelain and glass indoor and outdoor station post insulators – Voltages greater than 1000 VAC |
| AS 1154     | Insulator and conductor fittings for overhead power lines                                                    |
| AS1170      | SAA loading code                                                                                             |
| AS 1222     | Steel conductors and stays-bare overhead                                                                     |
| AS 1250     | SAA steel structures code                                                                                    |
| AS 1554     | Structural steel welding                                                                                     |
| AS 1307     | Surge Arresters                                                                                              |
| AS 1319     | Safety signs for the occupational environment                                                                |
| AS 1429     | Electric cables – Polymeric insulated – For working voltages 1.9/3.3(3.6)kV up to and including 19/33(36)kV  |
| AS/NZS 1252 | High Strength Steel Bolts with Associated Nuts and Washers for Structural Engineering                        |
| AS 2067     | Switchgear assemblies and ancillary equipment for alternating voltages above 1kV.                            |
| AS 2947     | Insulators-Porcelain and glass for overhead power lines – Voltages greater than 1000VAC                      |
| AS/NZS 3000 | SAA Wiring rules                                                                                             |
| AS 3007     | Electrical installations – Surface mines and associated processing plant                                     |
| AS 3607     | Conductors – bare overhead, aluminium and aluminium alloy-steel reinforced                                   |



|          |                                                                                            |
|----------|--------------------------------------------------------------------------------------------|
| AS 3679  | Structural steel                                                                           |
| AS 4100  | Steel structures                                                                           |
| AS 4680  | Hot dipped galvanised coatings on ferrous articles                                         |
| HB C(b)1 | Guidelines for the Design and Maintenance of Overhead Distribution and Transmission Lines. |
| D(b)5    | Current Rating of Bare Overhead Line Conductors                                            |

### Contractor Requirements

The Contractor shall comply with all relevant local and statutory health and safety guidelines and standards. In particular the contractor shall prepare and submit the documents listed below, and obtain their approval by the Engineer prior to commencement of any works:

- Detailed Environmental, Health and Safety Plan
- Risk assessment
- Construction Methodology
- Construction Programme
- Quality Plan
- Inspection and Testing Plan.

### Environment, Health and Safety

During the course of the Contract, the Contractor shall be responsible for:

- 1) Participation in safety meetings as specified in the Environmental, Health and Safety Plan
- 2) Attendance at Site Safety Meetings, preparation of minutes and the circulation and posting of Safety Bulletins and notices
- 3) Preparation of Job Safety Analysis and Site Work Procedure for each task in each work location
- 4) Holding of daily toolbox meetings as appropriate
- 5) Scheduling Shut Planning meetings, as and when required
- 6) Provision of a Safety Adviser on site during the progress of the site activities.

All Contractor personnel are required to complete a Contractor Hire form to allow personnel details to be entered in the Company's systems for safety purposes.

### Execution of Works

The Contractor shall comply with all Client and Timor-Leste government regulations regarding the operation of plant and equipment. All works shall be executed in a safe and efficient manner.

**Co-operation and Co-ordination with Others**

The contractor shall co-operate where necessary with other contractors and with Client's personnel to ensure continuity of work and a safe working environment.

**Contractor to be Informed**

The Contractor shall make allowances to inspect the work area to ensure that it has adequate information to supplement that given in the Scope of Works to enable them to correctly tender this project. No changes in the contract sum will be allowed for items not included by the tenderer, but which are nominated or implied in the Scope of Works.

**Site Facilities and Pre-Award Works**

The Client shall nominate suitable sites for temporary facilities and lay down areas for use by the Contractor. The Contractor shall provide the following:

- All potable water
- Construction power and fuels supplies
- Suitable ablutions facilities at all work-sites
- All construction materials and equipment
- All Personal Protection Equipment (PPE)
- Accommodation, meals and transport requirements for Contractor's personnel.

**Execution and Sequence of Work**

The Contractor shall prepare and maintain a detailed works programme including weekly progress reporting and construction programme updates at a frequency to be agreed with the Engineer.

**Design, Drafting and Technical Requirements**

Construction drawings shall be prepared by the Contractor and submitted to the Engineer / Employer's Representative for review and acceptance as appropriate before being issued for construction. As-Built drawings shall be created by marking-up and revising a set of Issued-for-Construction drawings.

Reference drawings may be used as a guide only and not relied upon for dimensions. The Contractor shall be responsible for all necessary site measurements. The drawings shall be in accordance with EDTL standards for drawings.

**Work programme and design deliverables**

The Contractor shall submit the following designs and drawings for approval within two weeks of Contract award:

Conductor, cable and earth wire rating calculations

Earthing system calculations

Route plan and profile drawing(s)

Pole top arrangements detailing conductor attachments

Material lists for each pole type, detailing manufacturer

Foundation and stay arrangements

Earthing arrangements for each pole type

Sag tension figures, chart or tables

The Contractor shall submit sufficient calculations to enable the Employer's Representative to check that all specified design criteria are being complied with, and to justify the selection of all equipment.

All calculations submitted shall be signed and checked by an engineer with corporate membership of an appropriate and internationally-recognized engineering institution, or equivalent body approved by the Engineer / Employer's Representative prior to submission. Calculations shall not be prepared and checked by the same person.

### **Technical Requirements**

#### **Design life**

Design and construction of the equipment shall be such that it will provide reliable service for a design life of 25 years, with a minimum of maintenance.

#### **Insulation Level**

The installation shall be designed for the following voltages:

|                                      |             |
|--------------------------------------|-------------|
| Operating Voltage:                   | 20 kV rms   |
| System Highest Voltage:              | 36 kV rms   |
| Lightning Impulse Withstand Voltage: | 200 kV peak |
| Power Frequency Withstand Voltage:   | 50 kV peak  |

#### **Fault Level**

#### **Site Conditions**

The Contractor shall ensure, through consideration of these conditions for design and construction, that the overhead line will operate satisfactorily and in accordance with the Client's requirements:

|                             |              |
|-----------------------------|--------------|
| Elevation                   | 5 to 50 masl |
| Maximum Ambient Temperature | 40°C         |

---

|                             |                        |
|-----------------------------|------------------------|
| Minimum Ambient Temperature | 10°C                   |
| Highest Maximum Humidity    | 100%                   |
| Rainfall                    | Intense tropical type  |
| Atmosphere                  | Marine wind conditions |

**Aerial Conductors**

Following detailed design, the Contractor will provide the Engineer / Employer's Representative with the following details for phase and earth wire conductors for the 20 kV system as well as aerial bundled conductor and individual domestic and commercial connections:

Conduction code name:

Stranding and wire diameter

Overall diameter

Approximate mass

Calculated breaking load (CBL)

Structure Phase-to-Earth Clearance

Supports shall be designed so that under all swing angle conditions an electrical clearance of at least 380 mm is maintained between line metal and any part of the support including stays and any other protrusions.

**Conductor Sag and Tension**

Sag-profile drawings, locating each support on a route profile, and showing conductor sag shall be provided for the following conditions:

Still air, ambient temperature 40°C (for minimum ground clearance)

Still air, ambient temperature 25°C (everyday load condition)

Still air, ambient temperature 15°C (possible uplift condition)

Drawings shall be provided to clearly indicate any locations at which uplift may occur. Conductor sag and tension calculations shall be carried out in accordance with recognised catenary equations.

**Maximum Wind Conditions**

The basic wind speed (permissible) shall be 45 m/s and terrain category 2, in accordance with AS 1170. The lowest temperature likely to coexist with maximum wind conditions shall be 15°C.

Forces on poles, conductors and components shall be calculated using appropriate drag force coefficients derived from AS 1170.

Forces on conductors shall be based on a wind angle of 90° to the conductors and span reduction factor SRF = 1. The transverse wind load on supports shall be based on a conductor length of 1.1 times the span distance

### Conductor Spacing

The overhead line shall be designed to have a phase-to-phase clearance at the supports that is not less than the greater of either of the distances calculated by methods (a) and (b) below:

$$S_v = 0.65\sqrt{D} + \frac{V}{150}$$

Minimum vertical separation

$$S_h = 0.65\sqrt{D} + \frac{V}{150}$$

Minimum horizontal separation

Where: S = separation (m)

D = conductor sag at conductor operating temperature of 50°C (m)

V = system (phase-to-phase) voltage (kV)

Or

S = 0.38 m + 0.01 m for each 1 kV in excess of 11kV.

### Ground Clearances

The support heights shall be determined so that in still air and with 75°C maximum conductor temperature, the conductor shall have the following minimum ground clearances:

Over roads and other areas accessible by vehicle 6.7 m

Over land not accessible by vehicle 5.5 m

The minimum horizontal distance between any support and heavy vehicle access road reserve boundaries shall be the height of the pole above ground level.

## **Materials and Equipment**

### **Quality of Materials**

All materials supplied by the Contractor shall be new, and of the quality and class most suitable for the purpose specified. Particular attention shall be given to the high ambient temperature, temperature range and tropical-marine environment encountered at site.

### **Poles and Cross-arms**

Poles shall be either concrete or hot dipped galvanized steel. If steel poles are indicated they shall be galvanized in accordance with AS 1650 with minimum average coating weight of 600 g/m<sup>2</sup>.

Where poles exceed 12 m in height, step bolts or ladders shall be provided to give access to the top.

Special care shall be taken to avoid damage to coated surfaces during transport, handling, fabrication and installation. The Contractor shall be responsible for the field repair of any damage sustained during delivery and installation to the satisfaction of the Engineer.

Preference shall be given to the specification of poles that are fabricated off-site by a reputable pole supplier.

### **Stays**

Support stays shall be manufactured from zinc-coated steel wires conforming to EDTL-TS-CO-15, or AS 1222.1, as appropriate and only wire free from kinks shall be used.

### **Conductors**

Design and specification of phase conductors shall conform to EDTL-SPLN-41-8-E, or alternative specification such as AS 3607. The steel cores (if appropriate) and innermost layer of aluminum wires shall be protected from corrosion by a coating of high-drop-point grease suitable over the temperature range of 0°C – 180°C

### **Dead End Clamps and Joints**

All dead end clamps and joints shall be of an approved type.

The design of clamps and joints shall ensure that sharp corners and projections are avoided and shall ensure that faulty assembly and fitting cannot occur. Any external units shall be locked in a manner approved by the Engineer.

Each joint or clamp shall have an electrical resistance not more than 75%, and current carrying capacity of not less than 100%, of an equivalent length of earth wire or conductor of which it forms an integral part.

Tension joints and clamps shall be designed to avoid slippage of, or damage to, the earth wire or phase conductors.

Where full type tests have been carried out and equipment has been certified in full compliance with the Australian Standard requirements, the Company Representative may waive the requirements for further type testing provided that copies of these certificates have been submitted by the Contractor and approved by the Company Representative.

Where a certificate of type test in compliance with EDTL-TS-CO-10, EDTL-TS-CO-11 or AS 1154 is not available, the Contractor shall arrange full electrical and mechanical type testing, in accordance with EDTL-TS-CO-10 or AS 1154 and submit the results to the Company Representative for approval.

### **Danger Notices**

Danger notices shall be positioned to give warning to the public of the presence of MV conductors and shall nominate, on the notice, the voltage of the line that the structure is supporting. The danger notices shall be written in Tetun, English and Portuguese languages.

### **Phase Identification**

Red, white and blue markers shall be fitted to each terminal pole, tee-off pole, transition pole, transposition point or deviation pole and shall be orientated so as to clearly indicate the phase of each conductor.

### **Surge Arresters**

Surge arresters shall be of an appropriate type from a recognized manufacturer, with a 10 kA nominal discharge current or an equivalent approved by the Engineer. Final selection shall be by the Contractor with accompanying calculations.

Surge arresters may be used as stand-off insulators where the applied forces are negligible.

### **Construction and Installation**

#### **Clearing, Access and Restoration**

All work and activities arising from this Scope of Works shall be performed in a way to minimize damage to the existing environment. Wherever possible, the Contractor shall use existing access tracks and roads, and proposed routes shall be agreed with the Engineer prior to the start of construction.

All fences, roads, culvert ditches, drains and levees or similar facilities shall be restored to the condition that existed before the commencement of the work.

All clearing of the line route shall be kept to a minimum and the top layer of ground shall, as far as possible, be left undisturbed. Clearing shall be kept to a minimum but vegetation clearing (which shall include trees and shrubs) shall achieve a side clearance of 5 m on each side of the line.

**Centre Line and Ground Profile Survey**

The Contractor shall have a centre line and ground profile survey carried out by a licensed surveyor and the survey shall identify all crossing and relevant features within 10 m each side of the route centre line.

Pegs shall be set along the overhead line route at all changes of direction as well as at rivers, streams, roads, tracks, pipelines, power lines etc. The route shall also be pegged at all fences, both boundary and subdivisional, or at approximate intervals of 100 m where no feature pegs have been placed.

The Contractor shall be responsible for locating final support positions and the preparation of support schedules and all necessary setting out for construction to the approval of the Engineer.

The Contractor shall position by survey, all resultant and in-line stays and shall use offset pegs or other means approved by the Company Representative, to preserve the accurate locations of pegs removed to enable excavation of pole and stay poles.

**Poles and Stays****Excavation**

Foundations shall be excavated with minimum disturbance to the ground. If steps are required, they shall be excavated in the direction of the line where practicable.

The Contractor shall cover, effectively guard and illuminate, where necessary, all pole holes and other excavations to prevent risk of injury to personnel or livestock. It shall be the responsibility of the Contractor to ensure that the pole holes and excavations do not become filled with water as a result of rain or surface run-off due to rain; during the time the holes are dug and before the poles are erected.

Should the excavations be sunk too deep, they shall be backfilled with crushed rock, 20 mm maximum size, to the correct depth. Clay or soil shall not be used for this purpose.

**Installation of Stays**

All stays shall be located so as not to interfere with water pipelines, access tracks, or roads. Each stay shall have adjustable bows or turnbuckles.

**Erection of Poles**

Poles shall not be dragged along the ground. When being moved poles shall be carried on a pole jinker or other transport approved by the Employer's Representative.

Following completion of the compaction process around the pole foundation, excess earth remaining after the pole foundation is completed shall be mounded around the pole and compacted to a maximum height of 150 mm above surrounding ground level and extending approximately 1 meter from the pole.



**Pole Identification**

Danger plates and support identification plates shall be supplied and installed on all poles by the Contractor.

**Running Out and Tensioning Conductors**

Pulley sheaves shall be free running on ball or roller bearings, to reduce friction to a minimum at each pole position and to assist in maintaining the required constant tension throughout the section length.

Bolted type clamps or automatic "come-along" clamps shall be fitted with liners of soft aluminum or other approved material and shall not pinch or deform the outer strands of the conductors.

When the conductors are held under tension prior to making the permanent attachments to the support cross-arms, the clamps shall be supplemented by securing the loose conductor tails to the cross-arm of the tension support in an approved manner.

The Contractor shall provide all temporary anchorages and tackle capable of withstanding the maximum working loads to be met during the erection of the line and shall be responsible for applying any additional factor of safety to these loads in designing the plant to be used in erecting the line, for the safety of the Works and personnel.

The Contractor shall maintain efficient continuous communication by radio or telephone for the whole of the running out operations. Radio or telephone communication shall also be used when sagging.

When the running out of line conductors has been completed in each section, earthing connections of 70 mm<sup>2</sup> copper equivalent minimum cross section shall be provided by the Contractor and used to temporarily earth the conductors.

The Contractor shall be responsible for recording the position of each construction earth installed so that all such earths are removed by the Contractor prior to the line being available for testing.

The Contractor is warned of the danger of working on the line during thunderstorms and shall ensure that all personnel are cleared from the line if a thunderstorm is imminent.

**Earthing**

A pole mounted copper earth bar shall be provided to each pole, mounted 1,500 mm above ground level for the termination of all pole-related earth conductors.

A separate PVC insulated copper cable shall be installed where required to provide continuity to the earth system, sized as follows:

- A wire of 120 mm<sup>2</sup> between each section of overhead earth wire separated by an underground cable section, or between the overhead earth wire and the pad mounted transformer earth bar, connected in parallel to the cable armour and screen.

- A wire of 70 mm<sup>2</sup> (minimum) down each pole and each transformer pole to connect the overhead earth wire to the pole earth bar.
- A grading ring of 120 mm<sup>2</sup> bare copper conductor shall be installed at a depth of 500 mm and a distance of 1 m around each pole and connected to the pole earth bar using a connection of 70 mm<sup>2</sup> green/yellow insulated conductor.

These connections together with the overhead earth wires and earth conductors at poles and substations shall solidly connect together every earth bar on the entire high voltage reticulation system, including the earth bars of the pad mounted transformer substations.

Where surge arresters are present a 10 m deep electrode shall be installed and connected to the pole earth bar. The maximum allowable resistance for an earth electrode shall be 30 Ω. Bentonite earthing enhancement compound maybe used as required.

## **Testing and Commissioning**

### **Tests at Manufacturer's Works**

#### **Tension Clamps, Joints and Insulator Fittings**

Where full type tests have been carried out and certified in full compliance with the requirements of EDTL-TS-GN-09 and AS 1154.1, the Company Representative will waive the requirement for further testing provided that copies of test certificates are supplied to the Company Representative by the Contractor.

Where no certificate of type test in accordance with EDTL-TS-GN-09 and AS 1154 is available, the Contractor shall arrange full electrical and mechanical type testing at his own expense.

#### **Insulators and Fittings**

Type tests carried out and certified in accordance with AS 1137 will be accepted on presentation of copies of the certificates.

Batch and routine tests shall be carried out in accordance with the requirements of AS 1137.

#### **Supports and Metal Fittings for Supports**

Test shall be to the ultimate design load obtained by applying the factor of safety specified in the Schedules, to the working loads defined in the Schedules. Tests shall be carried out in an approved manner on all or any of the supports submitted for test.

#### **Conductors and Stays**

Conductors shall be tested to the requirements of AS 1220.1 (ACSR/GZ conductors) and AS 1222.1 (SC/GZ conductors and stays).

#### **Zinc Coatings**

Samples selected by the Engineer of all zinc-coated material shall, unless otherwise approved, be subjected to the following tests.

- For material other than wires, the tests specified in AS 1650
- For wires galvanized by the hot dip process, the tests specified in AS K53.

**On-Site Tests**

In addition to the above, the Contractor shall carry out the following visual inspection and test procedures to ensure that:

- Construction earths are removed and permanent earthing connected
- Sags are balanced between spans
- Poles are vertical and stays taut
- Danger plates and phase identification markers are fitted and correct
- There is no subsidence of backfill
- Conductor clearance to vegetation is adequate
- Rubbish is removed and restoration complete
- Continuity and ductor tests are complete
- Individual pole, transformer and switch footing resistances are tested and recorded
- Phasing is checked, send and receive ends of line

Equipment identification and traceability requirements shall be in accordance with EDTL standards.

**Spares**

The Contractor shall provide an estimate of the life-cycle operating cost for the supplied equipment. This shall include an assessment of the anticipated spares and frequency of replacement, including labour and material costs.

The Contractor shall supply a list of recommended spares and prices for the following categories of spare parts. The pricing shall be held for the duration of the contract.

**Commissioning Spares**

Spares required as part of the commissioning period to bring the plant into operation.

**Operating Spares**

Operating spares anticipated for one year's operation when operating at the nominated plant design capacity.

**Warranty and Maintenance Manuals**

The Contractor shall guarantee to repair or replace, free of charge any defect in the equipment for a period of 12 months.

The Contractor shall pay the costs incurred by EDTL in effecting emergency repairs deemed necessary by EDTL as a result of defective or improper materials, workmanship or design for which the Contractor is responsible under the contract. For the purpose of this paragraph, emergency repairs shall be defined as work deemed necessary by EDTL to restore the work in service in the shortest possible time after a failure occurs in a case

where it is not expedient, in the Engineer's opinion, to call upon the Contractor to carry out such repairs.

Operation and Maintenance manuals shall be provided in duplicate at the date of Practical Completion. The manuals shall contain all technical information pertaining to the equipment installed including wiring diagrams and parts identification numbers. Manual format shall conform to EDTL Standards.

## EQUIPMENT SPECIFICATION SCHEDULES

### Generator transformer specification

|    |                             |                                                                                                                                                                                                                              |
|----|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) | Specification of compliance | IEC 76 (or equivalent)                                                                                                                                                                                                       |
| b) | Kind of transformer         | Two winding transformer                                                                                                                                                                                                      |
| c) | Single or three phase       | Three phase unit                                                                                                                                                                                                             |
| d) | Number of phases            | Three                                                                                                                                                                                                                        |
| e) | Frequency                   | 50 Hz                                                                                                                                                                                                                        |
| f) | Dry type or oil             | Mineral oil                                                                                                                                                                                                                  |
| g) | Indoor or outdoor           | Outdoor                                                                                                                                                                                                                      |
| h) | Type of cooling             | ONAN with capability of being uprated to ONAF                                                                                                                                                                                |
| i) | Rated power, 20 kV          | 400 kVA                                                                                                                                                                                                                      |
|    | Rated power, 0.4 kV         | 400 kVA                                                                                                                                                                                                                      |
| j) | Rated voltages              | HV= 20 kV and LV = 0.4 kV                                                                                                                                                                                                    |
| k) | Tappings required           | HV winding tapped at 2.5% intervals.<br>Tapping range TBA<br>Off-load tap changer.<br>Suitable for operation on all taps at rated power and operating temperature.<br>Supplier to offer a matching tap changer make and type |
| l) | Highest voltages            | In accordance with IEC 76<br>Highest = 24 kV, short time = 50 kV, Impulse = 125 kV (150kV)                                                                                                                                   |
| m) | System earthing             | HV neutral solidly earthed at site.                                                                                                                                                                                          |
| n) | Insulation level            | 125 kV (150 kV)                                                                                                                                                                                                              |
| o) | Connection symbol           | Ynd 11                                                                                                                                                                                                                       |
| p) | Transport & Installation    | Installation to be included on provided concrete pad.<br>Core and internal components firmly secured to withstand transport impacts and handling on site                                                                     |
| q) | Auxiliary voltage           | Applicable auxiliary supply for selected tap –changer.                                                                                                                                                                       |
| r) | Fitting required            | Name plate and oil sight glasses clearly visible from ground level.                                                                                                                                                          |
| s) | Oil preservation            | Sealed tank                                                                                                                                                                                                                  |
| t) | Multi winding power         | Two windings of same power as in i) above                                                                                                                                                                                    |

## **ELECTRICAL DISTRIBUTION SYSTEM EQUIPMENT SPECIFICATIONS**

**20 kV overhead conductor** - Construction to AS1531 (or approved equivalent).

- Aluminium aerial conductor, aluminium alloy conductor with cross – sectional area typically 28mm<sup>2</sup>, (or greater) An equivalent conductor may (approved) may be selected but must be illustrated to provide suitable protection for the installed environment.

**LV overhead conductor** – constructed to AS3560 (or approved equivalent).

*LV distribution system.*

- 95mm<sup>2</sup>, 2 – core compacted 0.6/1 kV, XLPE, low voltage hard drawn aluminium aerial bundled conductor (ABC)

*Service main cables*

- 35mm<sup>2</sup>, 2 – core compacted 0.6/1kV, XLPE, low voltage hard drawn aluminium aerial bundled conductor (ABC)

**400 V switchgear at power station**

Withdrawable air circuit breaker suitable for generator synchronizing. Merlin Gerin

Masterpact

NT06 or approved equivalent.

**20 kV cut out fuses for transformers**

S&C XS cut out fuse Cat No. 89052 R10 or approved equivalent.

**20 kV line disconnectors**

Schneider Electric (NZ) rocking post type IRW-DA8 400 amp or approved equivalent.

**20 kV surge arresters**

Cooper power systems UltraSIL<sup>TM</sup> Housed VariGAP® Heavy Duty (UHG) surge arrester 21 kV rms or approved equivalent.

## LV Transformer Specification

### Description

A single phase two winding oil immersed naturally cooled pole mounted transformers with rating of 15 kVA for pole top installation supplied from a 20 kV, 3-wire AC, 50 Hz system.

### Standards

The transformers shall conform to the following (or approved equivalent) specifications listed in the table below.

|                                                        |         |
|--------------------------------------------------------|---------|
| ▪ General design and testing.                          | IEC 76  |
| ▪ Bushings for alternating voltages above 1000V.       | IEC 137 |
| ▪ Loading guide for oil immersed power transformers.   | IEC 354 |
| ▪ Radio interference test on high voltage insulators.  | IEC 437 |
| ▪ Artificial pollution tests on high voltage bushings. | IEC 507 |
| ▪ Determination of transformer sound level.            | IEC 551 |
| ▪ Fluids for electro-technical applications.           | IEC 296 |

### Rating

The transformer shall be capable of supplying 15 kVA, under the following conditions:

- 60°C average winding temperature rise.
- Maximum winding hot spot temperature of 98°C
- Operate in accordance with the loading guide of IEC 354 without exceeding the normal daily use of life
- 125 kV<sub>p</sub> BIL
- 50 kV<sub>rms</sub> power-frequency withstand

### Voltage ratio and tapping range

- Number of phases: 1 phase
- Ratio: 20 kV/230 V
- Tolerance on the voltage ratio shall be as specified in IEC 76
- An external off load tap changer with three taps shall be provided on the HV winding
- Each tapping should represent a step of + and - 2.5% at no load primary voltage.

**Operating conditions**

Transformers should be designed and protected to operate in a marine environment with excessive rain, humidity and salt spray.

The local conditions typical require:

- Altitude: sea level
- Maximum ambient temperature: 45° C
- Minimum ambient temperature: 15° C
- Relative Humidity: 75 – 95%

**Oil**

The transformer shall be supplied filled with mineral oil conforming to IEC 296.

**Short circuit rating**

The unit shall be capable of withstanding the thermal and dynamic effects of short circuit (as specified in IEC 76-5 or equivalent)

- The short circuit current shall be 25 times the full load current for all units.
- The X/R ratio shall conform to IEC 76-5
- The short circuit duration shall 0.5 seconds.

**Winding insulation**

The insulation levels of the bushings, terminations and windings shall be suitable as to meet the requirements of the appropriate insulation class as specified in IEC 76-1.

**Tank design**

The transformer shall:

- Be of sealed construction
- Not leak
- Be fabricated from mild or stainless steel
- Be of rigid construction and capable of withstanding the required internal pressures without permanent deformation
- Be able to be lifted and transported without deformation or oil leakage
- Be hot dip galvanized (unless offered in stainless steel) to the standard set out in BS 729 and painted with a weatherproof paint



**Tank fittings**

Each transformer shall be fitted with the following fittings and attachments:

- Rating plate of weatherproof material fitted in a visible position containing unit information as specified in IEC 76-1
- Pressure relief device to operate when internal pressure reaches the manufactures designated safe level
- Standard prismatic oil level gauge
- Supplied with brackets/attachments suitable to enable outdoor pole top mounting
- Earthing terminal

**HV & LV bushings**

Bushings shall be outdoor porcelain type, and be easily replaceable. The bushings shall have an applied voltage level and a dry impulse level voltage to comply with IEC 137 and IEC 507.

Minimum creepage distance shall be based on 25 mm/kV.

**Tests**

The routine and type tests carried out are as outlined in IEC 76-1.

Type tests may be carried out on a representative sample.

**Supplied information**

As a minimum the following shall be provided:

- Drawing containing the transformer dimensions
- Drawing containing the location of fittings
- Completed data sheet.

## Inspections, Testing and Commissioning

### Performance test procedures

## SCHEDULE OF TECHNICAL PARTICULARS

All the installation shall fully conform to the requirement stipulated and the tests shall be carried out as stipulated. Deviations if any shall be clearly brought out in the tender. No change in make and model may be changed after submission of tender.

| S. No. | Description                 | Bidder's Compliance |
|--------|-----------------------------|---------------------|
|        | Poles                       |                     |
| 1      | Source country              |                     |
| 2      | Manufacturer's company name |                     |
| 3      | Materials                   |                     |
| 3.1    | Pole length                 |                     |
| 3.2    | Diameter at base            |                     |
| 3.3    | Diameter at top             |                     |
|        |                             |                     |
|        |                             |                     |
| 4      | GENERAL                     |                     |
| 4.1    | Erection                    |                     |
| 4.2    | After sales service         |                     |
| 4.3    | Annual maintenance charge   |                     |
| 5.4    | Spares availability         |                     |

# 1. LIST OF GOODS AND DELIVERIES SCHEDULE

| Description                                     |                                                          | Quantity | Unit  | Delivery Point | Latest | Delivery Date Bidder's offered |
|-------------------------------------------------|----------------------------------------------------------|----------|-------|----------------|--------|--------------------------------|
| <b>Overhead Conductors</b>                      |                                                          |          |       |                |        |                                |
|                                                 | 20KV Conductor and Accessories                           | 20,000   | set-m | ↑              |        |                                |
|                                                 | Aerial Bundled Cable for under built LV system           | 7,500    | set-m |                |        |                                |
|                                                 | Service main cable (LV ABC - to household)               | 7,500    | set-m |                |        |                                |
|                                                 |                                                          |          |       |                |        |                                |
|                                                 |                                                          |          |       |                |        |                                |
| <b>Pole Structure</b>                           |                                                          |          |       |                |        |                                |
|                                                 | 20KV pole 11 metre                                       | 264      | set   |                |        |                                |
|                                                 | Termination pole                                         | 6        | set   |                |        |                                |
|                                                 | 20KV disconnector                                        | 5        | set   |                |        |                                |
|                                                 | Poletop accessories ( insulators, cross arms)            | 264      | set   |                |        |                                |
|                                                 | Surge arrestors                                          | 9        | set   |                |        |                                |
|                                                 | Guy assemblies                                           | 22       | set   | Aliambata      |        |                                |
|                                                 | LV poles                                                 | 60       | set   | Gas Seep       |        |                                |
|                                                 | LV poletop accessories                                   | 60       | set   | Harvesting     |        |                                |
|                                                 |                                                          |          |       | Project Site,  |        |                                |
| <b>Generator and MV overhead line equipment</b> |                                                          |          |       | Viqueque,      |        |                                |
|                                                 | 0.38/20KV, 400kVA generator transformer (ground mounted) | 1        | set   | Timor Leste    |        |                                |
|                                                 | Surge arrestors                                          | 3        | set   |                |        |                                |
|                                                 | 415V ABC                                                 | 3        | set   |                |        |                                |
|                                                 | Phase CTs                                                | 9        | set   |                |        |                                |
|                                                 | Earthing switch                                          | 3        | set   |                |        |                                |
|                                                 | Switch fuses                                             | 3        | set   |                |        |                                |
|                                                 | Metering                                                 | 1        | set   |                |        |                                |
|                                                 | Protection                                               | 1        | set   |                |        |                                |
|                                                 |                                                          |          |       |                |        |                                |
| <b>LV equipment</b>                             |                                                          |          |       |                |        |                                |
|                                                 | 20/0.22KVA transformer                                   | 10       |       |                |        |                                |
|                                                 | HV drop out fuses                                        | 10       |       |                |        |                                |
|                                                 | LV pole fuses                                            | 500      |       |                |        |                                |
|                                                 | LV consumer circuit breaker                              | 2,000    |       | ↑              |        |                                |

"in accordance with the Contractor's work program as approved by the Employer

## 2. LIST OF RELATED SERVICES AND COMPLETION SCHEDULE

| Service | Description of Service                                                                | Quantity <sup>1</sup>                        | Physical Unit | Place where Services shall be performed                                                        | Final Completion Date(s) of Services                                                |
|---------|---------------------------------------------------------------------------------------|----------------------------------------------|---------------|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| 1       | Provide Project Site Temporary Facilities for Employer and Employer's Representatives | In accordance with Temporary Facilities List | N/A           | Aliambata Gas Seep Premises                                                                    | <i>in accordance with the Contractor's work program as approved by the Employer</i> |
| 2       | Route survey, vegetation clearance and preparation, access road etc.                  | As required for installation of 20 kV lines  | N/A           | Aliambata to Borolalo to Uatolari end-line and to Babulo.<br>Aliambata to Uatocarabau end-line | <i>in accordance with the Contractor's work program as approved by the Employer</i> |
| 3       | Route civil works, excavation and installation of poles                               | As required for stringing of MV cables       | N/A           | Aliambata to Borolalo to Uatolari end-line and to Babulo.<br>Aliambata to Uatocarabau end-line | <i>in accordance with the Contractor's work program as approved by the Employer</i> |

|   |                                                                            |                                                             |     |                                                                                                |                                                                              |
|---|----------------------------------------------------------------------------|-------------------------------------------------------------|-----|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| 4 | Stringing of 20 KV lines, earthing cables, etc.                            | As required for stringing of MV cables                      | N/A | Aliambata to Borolalo to Uatolari end-line and to Babulo.<br>Aliambata to Uatocarabau end-line | in accordance with the Contractor's work program as approved by the Employer |
| 5 | Installation of pole equipment - pole transformers, breakers etc           | As required for installation of cables.                     | N/A | Aliambata to Borolalo to Uatolari end-line and to Babulo.<br>Aliambata to Uatocarabau end-line | in accordance with the Contractor's work program as approved by the Employer |
| 6 | Installation of LV ABC cables for domestic supply and Customer Connections | As required for provision of LV supply                      | N/A | Aliambata to Borolalo to Uatolari end-line and to Babulo.<br>Aliambata to Uatocarabau end-line | in accordance with the Contractor's work program as approved by the Employer |
| 7 | Testing and commissioning of MV and LV lines and associated equipments.    | As required for commercial operation of distribution system | N/A | Aliambata to Borolalo to Uatolari end-line and to Babulo.<br>Aliambata to Uatocarabau end-line | in accordance with the Contractor's work program as approved by the Employer |

---

1. If applicable

### **3. TEMPORARY FACILITIES REQUIREMENT FOR EMPLOYER AND REPRESENTATIVE(S)**

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| <b>5.0</b> | <b>OFFICE EQUIPMENT AND OFFICE SUPPLIES</b> |
| <b>6.0</b> | <b>LIVING ACCOMMODATION</b>                 |

## **7.0 SITE TRANSPORTATION**

### **1.0 GENERAL**

This document provides the Temporary Facilities Requirement for Employer Representative(s) during construction of Gas Seep Harvesting Project.  
The Temporary Facilities are parts of the Contractor's Scope of Work and their delivery time and / or completion time shall be in conformance with the Time Schedule specified in other Section (s) of Bid Documents.

### **2.0 DEFINITIONS**

The following words shall have the meaning indicated when used herein:

|          |                                                                                                                          |
|----------|--------------------------------------------------------------------------------------------------------------------------|
| EMPLOYER | Ministry of Infrastructure and its Agencies including but shall not be limited to Gas Seep Harvesting Project Personnel. |
|----------|--------------------------------------------------------------------------------------------------------------------------|

|            |                                                                                                  |
|------------|--------------------------------------------------------------------------------------------------|
| CONTRACTOR | Company selected by EMPLOYER to perform the design, supply and installation under this Contract. |
|------------|--------------------------------------------------------------------------------------------------|

### **3.0 TEMPORARY FACILITIES REQUIREMENT**

TEMPORARY FACILITIES consist of CONSTRUCTION OFFICE, OFFICE EQUIPMENT AND SUPPLIES, LIVING ACCOMMODATION and SITE TRANSPORTATION during construction periods referring below.

TEMPORARY FACILITIES will be used by EMPLOYER and Employer's representative(s) to monitor all construction activities on work sites until completion of work.

Employer's representative(s) are as follow:

- Construction Advisor
- QA/QC Advisor
- Engineers
- Staffs

- Inspectors
- Drivers, supplied by CONTRACTOR

EMPLOYER will not accept ignorance of these requirements as cause for delaying the work or as basis for claim against EMPLOYER.

#### **4.0 CONSTRUCTION OFFICE**

Contractor shall provide Site Office for EMPLOYER during construction periods until completion of work.

Site Office shall be provided with safety equipments, lockable and adequate size with the following facilities:

- Office Room:
  - lighting
  - air conditioning
  - desk and chair
  - chair for visitors
  - filing cabinet
  - mid size, white board with markers and eraser
  - wall clock
  - in/out paper tray
  - telephone equipment
  - electric outlet
- Meeting Room:
  - lighting
  - air conditioning
  - table with ten matching chair
  - large size, white board with markers and eraser
  - electric outlet



- Lavatory Room

- Security Guard

#### 5.0 OFFICE EQUIPMENT AND SUPPLIES

CONTRACTOR shall supply and maintain the construction office, throughout the duration of Employer's occupancy, complete and continuous stock, which includes, but not limited to the following office equipment, supplies and consumables:

- Office Equipments:

- refrigerator
- copying machine
- heavy duty paper cutter for sizes up to 28 cm x 43 cm
- large-size, heavy duty stapler
- middle-size stapler
- other miscellaneous office equipment

- Computer Equipments:

- compatible computer
- laser printer
- flat bed scanner
- digital camera
- Power cord, Ethernet cord, printer cord, etc as applicable.

- Telecommunication Equipment:

- telephone equipment
- facsimile equipment

- Office Supplies:

- A4 and A3 size paper
- Writing pad and memo
- file and file folder
- ring binder
- stick file set for vendor or document drawing
- toner
- coffee maker
- hot and cold water dispenser and bottle
- other miscellaneous supplies and consumable

The above equipment need not be handed over to EMPLOYER and will not become to Employer's property at the completion of work.

#### **6.0 LIVING ACCOMODATION**

CONTRACTOR shall provide living accommodation for the Employer and Employer's Representative(s) while they are in the Project Site.

#### **7.0 SITE TRANSPORTATION**

CONTRACTOR shall provide the following transportation equipment for EMPLOYER and Employer's Representative(s) during the construction periods until completion of the work:

CONTRACTOR shall also provide maintenance, fuel, oil, lubricant and other consumables required for all of the above vehicles.

**Form of Completion Certificate**

Date: \_\_\_\_\_

IFB N°: \_\_\_\_\_

\_\_\_\_\_  
To: \_\_\_\_\_

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 \_\_\_\_\_, relating to the \_\_\_\_\_, 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:  
\_\_\_\_\_

2. Date of Completion: \_\_\_\_\_

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,

\_\_\_\_\_  
Title  
(Project Manager)

**Form of Operational Acceptance Certificate**

Date: \_\_\_\_\_

IFB N°: \_\_\_\_\_

\_\_\_\_\_  
To: \_\_\_\_\_

Dear Ladies and/or Gentlemen,

Pursuant to GC Sub-Clause 25.3 (Operational Acceptance) of the General Conditions of the Contract entered into between yourselves and the Employer dated \_\_\_\_\_, relating to the \_\_\_\_\_, 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:  
\_\_\_\_\_
2. Date of Operational Acceptance: \_\_\_\_\_

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,

\_\_\_\_\_  
Title  
(Project Manager)

## **Change Order Procedure and Forms**

Date: \_\_\_\_\_

IFB N°: \_\_\_\_\_

### **CONTENTS**

1. General
2. Change Order Log
3. References for Changes

### **ANNEXES**

- Annex 1 Request for Change Proposal
- Annex 2 Estimate for Change Proposal
- Annex 3 Acceptance of Estimate
- Annex 4 Change Proposal
- Annex 5 Change Order
- Annex 6 Pending Agreement Change Order
- Annex 7 Application for Change Proposal

## Change Order Procedure

### 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 GC Clause 39 (Change in the Facilities) of the General Conditions.

### 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.

### 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.

**Annex 1. Request for Change Proposal**

(Employer's Letterhead)

To: \_\_\_\_\_

Date: \_\_\_\_\_

Attention: \_\_\_\_\_

Contract Name: \_\_\_\_\_

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 \_\_\_\_\_ days of the date of this letter \_\_\_\_\_.

1. Title of Change: \_\_\_\_\_
2. Change Request No. \_\_\_\_\_
3. Originator of Change: Employer: \_\_\_\_\_  
Contractor (by Application for Change Proposal No. \_\_\_\_\_):
4. Brief Description of Change: \_\_\_\_\_
5. Facilities and/or Item No. of equipment related to the requested Change: \_\_\_\_\_
6. Reference drawings and/or technical documents for the request of Change:  

| <u>Drawing No./Document No.</u> | <u>Description</u> |
|---------------------------------|--------------------|
|                                 |                    |
7. Detailed conditions or special requirements on the requested Change: \_\_\_\_\_
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 opinion negative to 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)



**Annex 2. Estimate for Change Proposal**

(Contractor's Letterhead)

To: \_\_\_\_\_

Date: \_\_\_\_\_

Attention: \_\_\_\_\_

Contract Name: \_\_\_\_\_

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: \_\_\_\_\_
2. Change Request No./Rev.: \_\_\_\_\_
3. Brief Description of Change: \_\_\_\_\_
4. Scheduled Impact of Change: \_\_\_\_\_
5. Cost for Preparation of Change Proposal: \_\_\_\_\_<sup>2</sup>

(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) \_\_\_\_\_

<sup>2</sup> Costs shall be in the currencies of the Contract.

\_\_\_\_\_  
(Contractor's Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name of signatory)

\_\_\_\_\_  
(Title of signatory)

**Annex 3. Acceptance of Estimate**

(Employer's Letterhead)

To: \_\_\_\_\_

Date: \_\_\_\_\_

Attention: \_\_\_\_\_

Contract Name: \_\_\_\_\_

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: \_\_\_\_\_
2. Change Request No./Rev.: \_\_\_\_\_
3. Estimate for Change Proposal No./Rev.: \_\_\_\_\_
4. Acceptance of Estimate No./Rev.: \_\_\_\_\_
5. Brief Description of Change: \_\_\_\_\_
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 and Title of signatory)

**Annex 4. Change Proposal**

(Contractor's Letterhead)

To: \_\_\_\_\_

Date: \_\_\_\_\_

Attention: \_\_\_\_\_

Contract Name: \_\_\_\_\_

Contract Number: \_\_\_\_\_

Dear Ladies and/or Gentlemen:

In response to your Request for Change Proposal No. \_\_\_\_\_,  
we hereby submit our proposal as follows:

1. Title of Change: \_\_\_\_\_
2. Change Proposal No./Rev.: \_\_\_\_\_
3. Originator of Change: Employer: / \_\_\_\_\_  
Contractor: \_\_\_\_\_
4. Brief Description of Change: \_\_\_\_\_
5. Reasons for Change: \_\_\_\_\_
6. Facilities and/or Item No. of Equipment related to the requested Change:  
\_\_\_\_\_
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:<sup>3</sup>

(Amount)

(a) Direct material

\_\_\_\_\_

(b) Major construction equipment

\_\_\_\_\_

---

<sup>3</sup> Costs shall be in the currencies of the Contract.

- (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 \_\_\_\_\_
- 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:
- You are requested to notify us of your acceptance, comments or rejection of this detailed Change Proposal within \_\_\_\_\_ days from your receipt of this Proposal.
  - 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:<sup>2</sup>

---

(Contractor's Name)

---

(Signature)

---

(Name of signatory)

---

(Title of signatory)

---

<sup>2</sup> Specify where necessary.

**Annex 5. Change Order**

(Employer's Letterhead)

To: \_\_\_\_\_

Date: \_\_\_\_\_

Attention: \_\_\_\_\_

Contract Name: \_\_\_\_\_

Contract Number: \_\_\_\_\_

Dear Ladies and/or Gentlemen:

We approve the Change Order for the work specified in the Change Proposal (No. \_\_\_\_\_), 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: \_\_\_\_\_
2. Change Request No./Rev.: \_\_\_\_\_
3. Change Order No./Rev.: \_\_\_\_\_
4. Originator of Change: Employer: \_\_\_\_\_  
Contractor: \_\_\_\_\_

5. Authorized Price:

Ref. No.: \_\_\_\_\_

Date: \_\_\_\_\_

Foreign currency portion \_\_\_\_\_ plus Local currency portion \_\_\_\_\_

6. Adjustment of Time for Completion

None  
days

Increase \_\_\_\_\_ days

Decrease \_\_\_\_\_

7. Other effects, if any

Authorized by: \_\_\_\_\_  
(Employer)

Date: \_\_\_\_\_

Accepted by: \_\_\_\_\_

Date: \_\_\_\_\_

(Contractor)



**Annex 6. Pending Agreement Change Order**

(Employer's Letterhead)

To: \_\_\_\_\_

Date: \_\_\_\_\_

Attention: \_\_\_\_\_

Contract Name: \_\_\_\_\_

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: \_\_\_\_\_
2. Employer's Request for Change Proposal No./Rev.:  
\_\_\_\_\_ dated: \_\_\_\_\_
3. Contractor's Change Proposal No./Rev.: \_\_\_\_\_ dated:  
\_\_\_\_\_
4. Brief Description of Change: \_\_\_\_\_
5. Facilities and/or Item No. of equipment related to the requested Change:  
\_\_\_\_\_
6. Reference Drawings and/or technical documents for the requested Change:  

| <u>Drawing/Document No.</u> | <u>Description</u> |
|-----------------------------|--------------------|
|                             |                    |
|                             |                    |
|                             |                    |
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)

**Annex 7. Application for Change Proposal**

(Contractor's Letterhead)

To: \_\_\_\_\_

Date: \_\_\_\_\_

Attention: \_\_\_\_\_

Contract Name: \_\_\_\_\_

Contract Number: \_\_\_\_\_

Dear Ladies and/or Gentlemen:

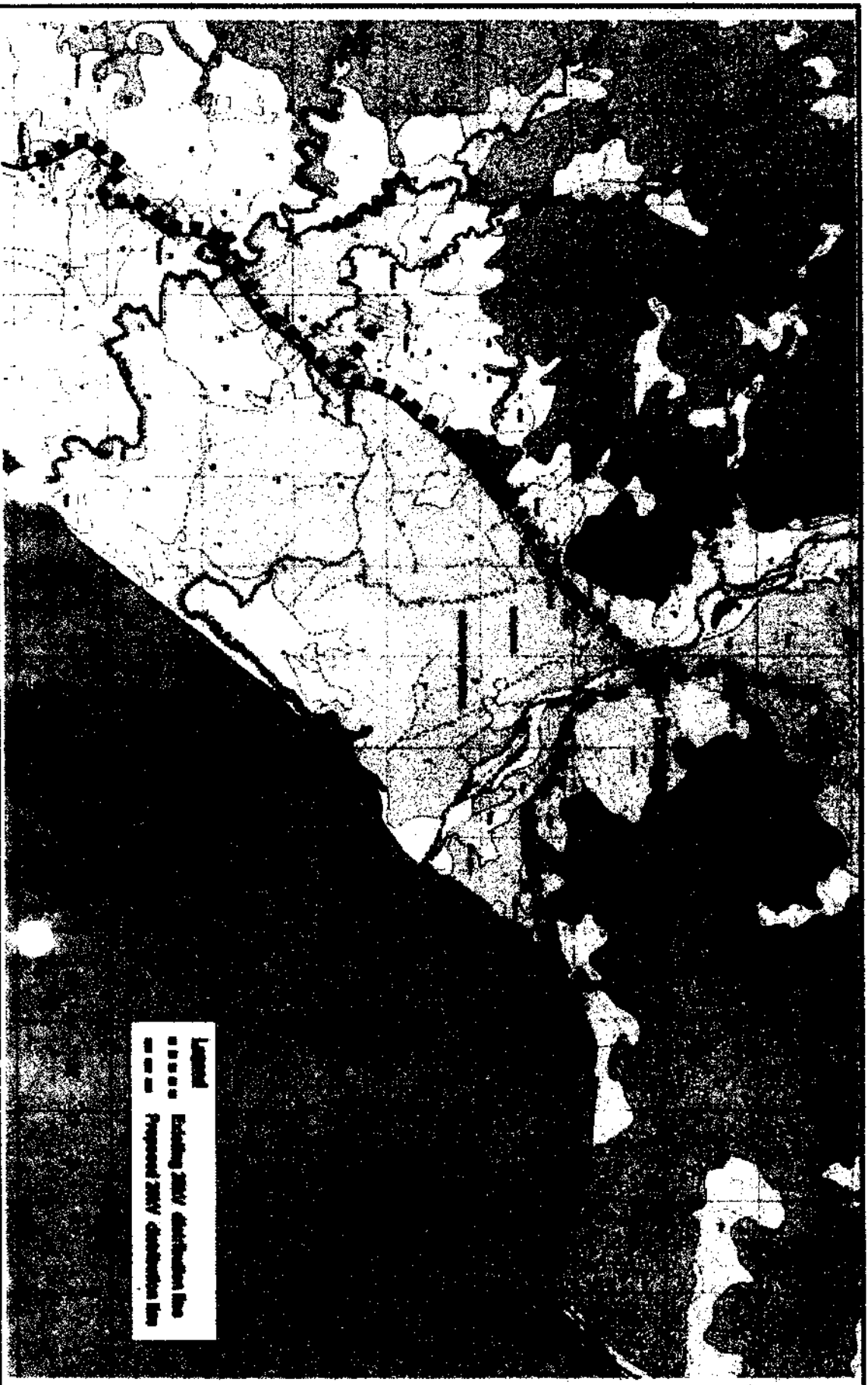
We hereby propose that the below-mentioned work be treated as a Change in the Facilities.

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

\_\_\_\_\_  
(Contractor's Name)\_\_\_\_\_  
(Signature)\_\_\_\_\_  
(Name of signatory)\_\_\_\_\_  
(Title of signatory)

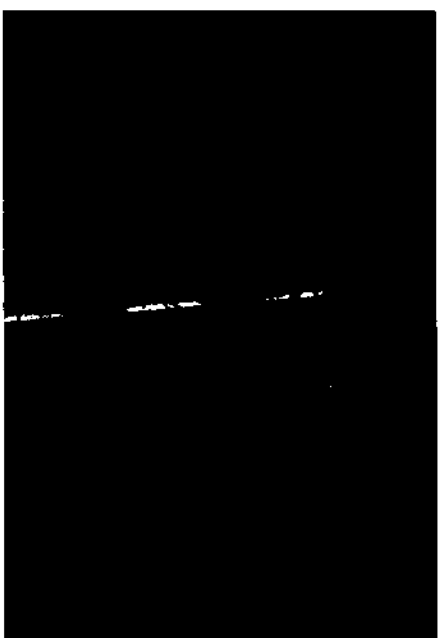
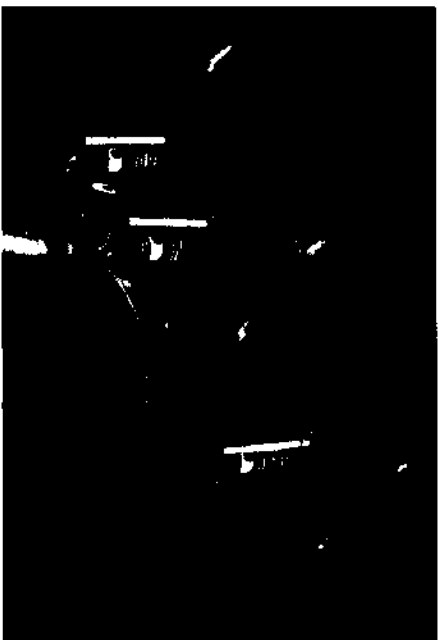
## **Drawings and Reference Pictures**

# Aliambata Gas Seep Power Stations And Proposed 20KV Distribution System





## TYPICAL POLE ACCESSORIES



# **PART 3 – Conditions of Contract and Contract Forms**



## Section VII. General Conditions (GC)

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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 to 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).

“GC” means the General Conditions hereof.

“PC” means the Particular Conditions.

“day” means calendar day .

“year” means 365 days.

“month” means calendar month.

“Party” means the Employer or the Contractor, as the context requires, and “Parties” means both of them.

“Employer” means the person **named as such in the PC** 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 GC Sub-Clause 17.1 (Project Manager) hereof and **named as such in the PC** to perform the duties delegated by the Employer.

“Contractor” means the person(s) whose bid to perform the Contract has been accepted by the Employer and is 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 GC 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 GC 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 PC appointed by agreement between the Employer and the Contractor to make a decision with respect to any dispute or difference between the Employer and the Contractor referred to him or her by the Parties pursuant to GC Sub-Clause 46.1 (Dispute Board) hereof.

“The Bank” means the financing institution **named in the PC**.

“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 therefrom, 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, materials, 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 GC 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, precommissioning, 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 PC**.

“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, from which the Time for Completion shall be counted.

“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 GC 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 Precommissioning 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 GC Clause 24 (Completion) hereof.

“Precommissioning” 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 GC 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 GC 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 to the Contract Agreement titled Functional Guarantees, in accordance with the

provisions of GC 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 GC Clause 28 (Functional Guarantees) hereof and shall include deemed acceptance in accordance with GC 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 GC Clause 27 (Defect Liability) hereof.

- |                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2. Contract Documents</b> | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>3. Interpretation</b>     | 3.1 In the Contract, except where the context requires otherwise: <ul style="list-style-type: none"><li>(a) words indicating one gender include all genders;</li><li>(b) words indicating the singular also include the plural and words indicating the plural also include the singular;</li><li>(c) provisions including the word “agree,” “agreed,” or “agreement” require the agreement to be recorded in writing;</li><li>(d) the word “tender” is synonymous with “bid,” “tenderer,” with “bidder,” and “tender documents” with “bidding documents,” and</li><li>(e) “written” or “in writing” means hand-written, type-written, printed or electronically made, and resulting in a permanent record.</li></ul> |

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

**3.2 Incoterms**

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<sup>er</sup>, 75008 Paris, France.

3.4 Entire Agreement

Subject to GC 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 GC 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 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 PC**.

5.2 The ruling language of the Contract shall be that **stated in the PC**.

5.3 The language for communications shall be the ruling language unless otherwise **stated in the PC**.

## 6. **Fraud and Corruption**

6.1 The Bank requires that Borrowers (including beneficiaries of Bank loans), as well as Contractors, Subcontractors, manufacturers, and Consultants under Bank-financed contracts, observe the highest standard of ethics during the procurement and execution of such contracts. In pursuit of this policy, the



Bank:

- (i) “corrupt practice”<sup>1</sup> is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
- (ii) “fraudulent practice”<sup>2</sup> is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
- (iii) “collusive practice”<sup>3</sup> is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
- (iv) “coercive practice”<sup>4</sup> is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
- (v) “obstructive practice” is
  - (aa) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or
  - (bb) acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for under Sub-Clause 9.8.

<sup>1</sup> “another party” refers to a public official acting in relation to the procurement process or contract execution]. In this context, “public official” includes World Bank staff and employees of other organizations taking or reviewing procurement decisions.

<sup>2</sup> a “party” refers to a public official; the terms “benefit” and “obligation” relate to the procurement process or contract execution; and the “act or omission” is intended to influence the procurement process or contract execution.

<sup>3</sup> “parties” refers to participants in the procurement process (including public officials) attempting to establish bid prices at artificial, non competitive levels.

<sup>4</sup> a “party” refers to a participant in the procurement process or contract execution.

## 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, and the manufacture (including procurement, quality assurance, construction, installation, associated civil works, Precommissioning 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 GC Sub-Clause 7.3 below) and accessories; Contractor's Equipment; 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 to the Contract Agreement titled Scope of Works and Supply by the Employer.
- 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 PC** and the provisions, if any, **specified in the PC**. 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 therefor and other costs and expenses (including the Contractor's fees) relating to the supply of spare parts.

- |                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>8. Time for Commencement and Completion</b> | <p>8.1 The Contractor shall commence work on the Facilities within the period <b>specified in the PC</b> and without prejudice to GC Sub-Clause 26.2 hereof, the Contractor shall thereafter proceed with the Facilities in accordance with the time schedule specified in the Appendix to the Contract Agreement titled Time Schedule.</p> <p>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 <b>stated in the PC</b> or within such extended time to which the Contractor shall be entitled under GC Clause 40 hereof.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>9. Contractor's Responsibilities</b>        | <p>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.</p> <p>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.</p> <p>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 Contractor's Equipment. The Contractor shall acquire all other permits, approvals and/or licenses that are not the responsibility of the Employer under GC Sub-Clause 10.3 hereof and that are necessary for the performance of the Contract.</p> <p>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</p> |

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 GC Sub-Clause 10.1 hereof.

- 9.5 Any Plant and Installation Services that will be incorporated in or be required for the Facilities and other supplies shall have their origin as specified under GC Clause 1 (Country of Origin). Any subcontractors retained by the Contractor shall be from a country as specified in GC 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 association (JVA) 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, unless otherwise specified in the PC, and shall designate one of such persons to act as a leader with authority to bind the JVA. The composition or the constitution of the JVA shall not be altered without the prior consent of the Employer.
  - 9.8 The Contractor shall permit the Bank and/or persons appointed by the Bank to inspect the Site and/or the accounts and records of the Contractor and its sub-contractors relating to the performance of the Contract, and to have such accounts and records audited by auditors appointed by the Bank if required by the Bank. The Contractor's attention is drawn to Sub-Clause 6.1 which provides, inter alia, that acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for under Sub-Clause 9.8 constitute a prohibited practice subject to contract termination (as well as to a determination of ineligibility under the Procurement Guidelines).
- 10. Employer's Responsibilities**
- 10.1 All information and/or data to be supplied by the Employer as described in the Appendix to the Contract Agreement titled Scope of Works and Supply by the Employer, 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 to the Contract Agreement titled Scope of Works and Supply by the Employer. The Employer shall give full possession of and 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).
- 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 Precommissioning, Commissioning and Guarantee Tests, all in accordance with the provisions of the Appendix to the Contract Agreement titled Scope of Works and Supply by the Employer, at or before the time specified in the program furnished by the Contractor under GC 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 GC Sub-Clause 24.8, and shall be responsible for facilitating the

Guarantee Test(s) for the Facilities, in accordance with GC Sub-Clause 25.2.

- 10.7 All costs and expenses involved in the performance of the obligations under this GC Clause 10 shall be the responsibility of the Employer, save those to be incurred by the Contractor with respect to the performance of Guarantee Tests, in accordance with GC Sub-Clause 25.2.
- 10.8 In the event that the Employer shall be in breach of any of his obligations under this Clause, the additional cost incurred by the Contractor in consequence thereof shall be determined by the Project Manager and 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 adjustment clause is **provided for in the PC**, 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 GC 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 to the Contract Agreement titled Terms and Procedures of Payment, 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 to the Contract Agreement titled Terms and Procedures of Payment, 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 to the Contract Agreement titled Terms and Procedures of Payment, 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 Advance 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 to the Contract Agreement titled Terms and Procedures of Payment, 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 advance 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 PC.**

13.3.2 The performance 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 the form provided in Section IX, Contract Forms, corresponding to the type of bank guarantee

stipulated by the Employer in the PC, or in another form acceptable to the Employer.

13.3.3 Unless otherwise **specified in the PC**, 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 GC 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 GC Sub-Clause 27.10, is liable for an extended defect liability obligation, the performance security shall be extended for the period specified in the PC pursuant to GC Sub-Clause 27.10 and up to the amount specified in the PC.

13.3.4 The Employer shall not make a claim under the Performance Security, except for amounts to which the Employer is entitled under the Contract. The Employer shall indemnify and hold the Contractor harmless against and from all damages, losses and expenses (including legal fees and expenses) resulting from a claim under the Performance Security to the extent to which the Employer was not entitled to make the claim.

#### **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 GC Sub-Clause 14.1 above, the Employer shall bear and promptly pay

- (a) all customs and import duties for the Plant specified in Price Schedule No. 1; and
- (b) other domestic taxes such as, sales tax and value added tax (VAT) on the Plant specified in Price Schedules No. 1



and No. 2 and that is to be incorporated into the Facilities, and on the finished goods, imposed by the law of the country where the Site is located.

- 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 GC 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 GC 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 GC 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 GC 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 GC 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 GC 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 therefor, then the Contractor shall appoint a replacement within fourteen (14) days of such objection, and the foregoing provisions of this GC 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 GC 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 GC 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, a suitable person shall be appointed 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 GC Sub-Clause 22.3. 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 GC 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 to the Contract Agreement titled

Time Schedule, 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 specified in the PC pursuant to Sub-Clause 8.2 and any extension granted in accordance with GC 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 GC 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 GC 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 GC Sub-Clause 8.2, any extension thereof entitled under GC 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 to the Contract Agreement titled List of Major

Items of Plant and Installation Services and List of Approved Subcontractors, 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 GC Sub-Clause 19.1.
- 19.3 For items or parts of the Facilities not specified in the Appendix to the Contract Agreement titled List of Major Items of Plant and Installation Services and List of Approved Subcontractors, 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 GC 19.5 (if and when applicable), or in event of termination by the Employer under GC 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 GC 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 to the Contract Agreement titled List of Documents for Approval or Review, for its approval or review as specified and in accordance with the requirements of GC 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.

GC 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 GC 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



therefor 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.

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 GC 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 a Dispute Board for determination in accordance with GC Sub-Clause 46.1 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 GC Sub-Clause 46.3 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 GC 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 GC Clause 39 shall apply to such request.

## **21. Procurement**

### **21.1 Plant**

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

### **21.2 Employer-Supplied Plant**

If the Appendix to the Contract Agreement titled Scope of Works and Supply by the Employer, 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 GC 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 GC 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 GC 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 GC 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 GC Clause 40.

## **22. Installation**

### **22.1 Setting Out/Supervision**

22.1.1 Bench Mark: The Contractor shall be responsible for the true and proper setting-out of the Facilities in relation to bench marks, reference marks and lines provided to it in writing by or on behalf of the Employer.

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**

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.

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.

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.

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**

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.

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.

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

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.

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

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

- (a) otherwise stated in the Contract,
- (b) the Project Manager gives consent, or
- (c) 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.

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.

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

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.

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

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.

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.

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.

The Contractor shall throughout the contract (including the Defects Notification Period): (i) conduct Information, Education and Consultation Communication (IEC) campaigns, at least every other month, addressed to all the Site staff and labor (including all the Contractor's employees, all Sub-Contractors and Employer's and Project Manager's employees, and all truck drivers and crew making deliveries to Site for construction activities) and to the immediate local communities, concerning the risks, dangers and impact, and appropriate avoidance behavior with respect to of Sexually Transmitted Diseases (STD)—or Sexually Transmitted Infections (STI) in general and HIV/AIDS in particular; (ii) provide male or female condoms for all Site staff and labor as appropriate; and (iii) provide for STI and HIV/AIDS screening, diagnosis, counseling and referral to a dedicated national STI and HIV/AIDS program, (unless otherwise agreed) of all Site staff and labor.

The Contractor shall include in the program to be submitted for the execution of the Facilities under Sub-Clause 18.2 an alleviation program for Site staff and labor and their families in respect of Sexually Transmitted Infections (STI) and Sexually Transmitted Diseases (STD) including HIV/AIDS. The STI, STD and HIV/AIDS alleviation program shall indicate when, how and at what cost the Contractor plans to satisfy the requirements of this Sub-Clause and the related specification. For each component, the program shall detail the resources to be provided or utilized and any related sub-contracting proposed. The program shall also include provision of a detailed cost estimate with supporting documentation. Payment to the Contractor for preparation and implementation this program shall not exceed the Provisional Sum dedicated for this purpose.

#### 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 PC**.

#### 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 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 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.

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.

23.5 The 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 impede 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.

23.6 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 GC Sub-Clause 23.3.

23.7 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 GC Sub-Clause 6.1.

23.8 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.

23.9 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 GC Sub-Clause 23.4, shall release the Contractor from any other responsibilities under the Contract.

23.10 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.

23.11 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 GC 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 GC Sub-Clause 24.1, the Employer shall supply the operating and maintenance personnel specified in the Appendix to the Contract Agreement titled Scope of Works and Supply by the Employer for Precommissioning of the Facilities or any part thereof.

Pursuant to the Appendix to the Contract Agreement titled Scope of Works and Supply by the Employer, 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 Precommissioning 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 GC Sub-Clause 24.2, the Contractor shall commence Precommissioning of the Facilities or the relevant part thereof in preparation for Commissioning, subject to GC Sub-Clause 25.5.
- 24.4 As soon as all works in respect of Precommissioning 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 GC 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 GC 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 GC 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 GC Sub-Clause 24.4 or within seven (7) days after receipt of the Contractor's repeated notice under GC 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 GC Sub-Clause 24.5, or immediately after the date of the deemed Completion, under GC Sub-Clause 24.6.

25.1.2 The Employer shall supply the operating and 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's 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 GC 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 to the Contract Agreement titled Functional Guarantees. 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 PC** 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 GC Sub-Clauses 28.2 and 28.3 shall not apply.

**25.3 Operational Acceptance**

25.3.1 Subject to GC 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 PC pursuant to GC Sub-Clause 25.2.2 above or any other period agreed upon by the Employer and the Contractor; or
- (c) the Contractor has paid the liquidated damages specified in GC Sub-Clause 28.3 hereof; and
- (d) any minor items mentioned in GC 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 GC 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 Precommissioning and/or Guarantee Test

25.5.1 In the event that the Contractor is unable to proceed with the Precommissioning 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 Contractor's control, the provisions leading to "deemed" completion of activities such as Completion, pursuant to GC Sub-Clause 24.6, and Operational Acceptance, pursuant to GC Sub-Clause 25.3.4, and Contractor's obligations regarding Defect Liability Period, pursuant to GC Sub-Clause 27.2, Functional Guarantee, pursuant to GC Clause 28, and Care of Facilities, pursuant to GC Clause 32, and GC 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 13.1, 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 GC Sub-Clause 26.2;
- (b) payments due to the Contractor in accordance with the provision specified in the Appendix to the Contract Agreement titled Terms and Procedures of Payment, 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 GC 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 GC 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 Precommissioning, the Contractor shall proceed without delay in performing Precommissioning in accordance with Clause 24.

## 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 PC pursuant to GC Sub-Clause 8.2, or within such extended time to which the Contractor shall be entitled under GC 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 GC Clause 40, the Contractor shall pay to the Employer liquidated damages in the amount **specified in the PC** 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 PC** as a percentage rate of the Contract Price. Once the "Maximum" is reached, the Employer may consider termination of the Contract, pursuant to GC 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 GC 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 GC 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 to the Contract Agreement titled Time Schedule, and/or other program of work prepared pursuant to GC 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 GC Clause 40, the Employer shall pay to the Contractor a bonus in the amount **specified in the PC**. The aggregate amount of such bonus shall in no event exceed the amount **specified as "Maximum" in the PC**.

**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 PC pursuant to GC 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 defect or 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 GC Clause 27 shall not apply to:

- (a) any materials that are supplied by the Employer under GC 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 GC 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 GC 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 GC 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, or 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 PC**, 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 GC 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 to the Contract Agreement titled Functional Guarantees, 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 to the Contract Agreement titled Functional Guarantees, 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 GC Sub-Clause 42.2.2.

28.3 If, for reasons attributable to the Contractor, the Functional Guarantees specified in the Appendix to the Contract Agreement titled Functional Guarantees, 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 to the Contract Agreement titled Functional Guarantees.

28.4 The payment of liquidated damages under GC Sub-Clause 28.3, up to the limitation of liability specified in the Appendix to the Contract Agreement titled Functional Guarantees, shall completely satisfy the Contractor's guarantees under GC 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 GC 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.

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.

- 29.2 If any proceedings are brought or any claim is made against the Employer arising out of the matters referred to in GC 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.

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.

- 29.3 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) neither Party shall be liable to the other Party, 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, which may be suffered by the other Party in connection with the Contract, other than specifically provided as any

obligation of the Party in the Contract, and

- (b) the aggregate liability of the Contractor to the Employer, whether under the Contract, in tort or otherwise, shall not exceed the amount resulting from the application of the multiplier specified in the PC, to the Contract Price or, if a multiplier 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 GC 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 GC 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 GC 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 GC 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 GC 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 GC 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 GC 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

GC 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 GC 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 GC 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 GC Sub-Clause 38.1, the provisions of GC Sub-Clause 38.3 shall apply.

**33. Loss of or  
Damage to  
Property;  
Accident or  
Injury to  
Workers;  
Indemnifica-  
tion**

33.1 Subject to GC 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 GC 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 GC 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 GC 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 to the Contract Agreement titled Insurance Requirements, 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 therefor) 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 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.

(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 to the Contract Agreement titled Insurance Requirements.

34.2 The Employer shall be named as co-insured under all insurance policies taken out by the Contractor pursuant to GC 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 GC 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 to the Contract Agreement titled Insurance Requirements, 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 to the Contract Agreement titled Insurance Requirements, 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 GC Sub-Clause 34.5.
- 34.6 If the Contractor fails to take out and/or maintain in effect the insurances referred to in GC 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 GC 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 effected by it pursuant to this GC 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 GC 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 GC 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 GC Sub-Clause 35.1, the Time for Completion shall be extended in accordance with GC 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 PC pursuant to GC 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 GC 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 GC 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 GC 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 GC Sub-Clause 38.5.

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

37.8 Notwithstanding GC 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 GC 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 GC 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 GC 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 GC 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 GC Sub-Clauses 38.3 or 38.5, the rights and obligations of the Employer and the Contractor shall be specified in GC 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 GC 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 GC 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 GC 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 GC 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 GC Sub-Clause 39.2.2 (a), the Contractor shall, with proper expedition, proceed with the preparation of the Change Proposal, in accordance with GC 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 GC 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 GC 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 GC Sub-Clause 46.1.

### 39.3 Changes Originating from Contractor

39.3.1 If the Contractor proposes a Change pursuant to GC 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 GC Sub-Clause 39.2.1.

Upon receipt of the Application for Change Proposal, the Parties shall follow the procedures outlined in GC 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 PC pursuant to GC Sub-Clause 8.2 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 GC Clause 39
- (b) any occurrence of Force Majeure as provided in GC Clause 37, unforeseen conditions as provided in GC Clause 35, or other occurrence of any of the matters specified or referred to in paragraphs (a), (b) and (c) of GC Sub-Clause 32.2
- (c) any suspension order given by the Employer under GC Clause 41 hereof or reduction in the rate of progress pursuant to GC Sub-Clause 41.2 or
- (d) any changes in laws and regulations as provided in GC Clause 36 or
- (e) any default or breach of the Contract by the Employer, Appendix to the Contract Agreement titled ,or any activity, act or omission of the Employer, or the Project Manager,



or any other contractors employed by the Employer, or

- (f) 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, or
- (g) delays attributable to the Employer or caused by customs, or
- (h) any other matter specifically mentioned in the Contract

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 GC Sub-Clause 46.1.

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.

40.4 In all cases where the Contractor has given a notice of a claim for an extension of time under GC 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 GC 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 GC 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 GC Clause 39 or, where it affects the whole of the Facilities, as termination of the Contract under GC 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 to the Contract Agreement titled Terms and Procedures of Payment, 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 GC 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 GC 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 GC Clause 41, then the Time for Completion shall be extended in accordance with GC 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 GC Sub-Clause 42.1.

42.1.2 Upon receipt of the notice of termination under GC 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 GC 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 GC 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 GC 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 therefor to the Contractor, referring to this GC 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 GC Clause 43.
- (c) if the Contractor, in the judgment of the Employer has engaged in corrupt, collusive, coercive, or fraudulent practices, as defined in GC 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 GC 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 GC 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 GC Sub-Clause 42.2.

42.2.3 Upon receipt of the notice of termination under GC 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 GC 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 GC 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 GC 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 GC 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 GC 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 the 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 to the Contract Agreement titled Terms and Procedures of Payment, 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 GC 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 GC 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 GC 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 GC 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 GC 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 GC Sub-Clauses 42.3.1 or 42.3.2, the Employer shall pay to the Contractor all payments specified in GC 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 GC 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 GC Sub-Clause 42.3.

42.4 In this GC 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 GC 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 advance payment paid pursuant to the Appendix to the Contract Agreement titled Terms and Procedures of Payment.

#### **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.

#### **44. Export Restrictions**

44.1 Notwithstanding any obligation under the Contract to complete all export formalities, any export restrictions attributable to the Employer, to the country of the Employer or to the use of the Plant and Installation Services to be supplied which arise from trade regulations from a country supplying those Plant and Installation Services, and which substantially impede the Contractor from meeting its obligations under the Contract, shall release the Contractor from the obligation to provide deliveries

or services, always provided, however, that the Contractor can demonstrate to the satisfaction of the Employer and of the Bank that it has completed all formalities in a timely manner, including applying for permits, authorizations and licenses necessary for the export of the Plant and Installation Services under the terms of the Contract. Termination of the Contract on this basis shall be for the Employer's convenience pursuant to Sub-Clause 42.1.

## **I. Claims, Disputes and Arbitration**

### **45. Contractor's Claims**

45.1 If the Contractor considers himself to be entitled to any extension of the Time for Completion and/or any additional payment, under any Clause of these Conditions or otherwise in connection with the Contract, the Contractor shall submit a notice to the Project Manager, describing the event or circumstance giving rise to the claim. The notice shall be given as soon as practicable, and not later than 28 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 28 days, the Time for Completion shall not be extended, the Contractor shall not be entitled to additional payment, and the Employer shall be discharged from all liability in connection with the claim. Otherwise, the following provisions of this Sub-Clause shall apply.

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 Sub-Clause, monitor the record-keeping and/or instruct the Contractor to keep further contemporary records. The Contractor shall permit the Project Manager to inspect all these records, and shall (if instructed) submit copies to the Project Manager.

Within 42 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 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:

    this fully detailed claim shall be considered as interim;

    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

    the Contractor shall send a final claim within 28 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 42 days after receiving a claim or any further particulars supporting a previous claim, or within such other period as may be proposed by the Project Manager and approved by the Contractor, the Project Manager shall respond with approval, or with disapproval and detailed comments. He may also request any necessary further particulars, but shall nevertheless give his response on the principles of the claim within such time.

Each Payment Certificate shall include such amounts for any claim as have been reasonably substantiated as due under the relevant provision of the Contract. 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.

The Project Manager shall agree with the Contractor or estimate: (i) the extension (if any) of the Time for Completion (before or after its expiry) in accordance with GC Clause 40, and/or (ii) the additional payment (if any) to which the Contractor is entitled under the Contract.

The requirements of this Sub-Clause are in addition to those of any other Sub-Clause which may apply to a claim. If the Contractor fails to comply with this or another Sub-Clause 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, unless the claim is excluded under the second paragraph of this Sub-Clause.

In the event that the Contractor and the Employer cannot agree on any matter relating to a claim, either Party may refer the matter to the Dispute Board pursuant to GC 46 hereof.

**46. Disputes and Arbitration**

**46.1 Appointment of the Dispute Board**

Disputes shall be referred to a DB for decision in accordance with GC Sub-Clause 46.3. The Parties shall appoint a DB by the date stated in the PC.

The DB shall comprise, as stated in the PC, either one or three suitably qualified persons ("the members"), each of whom shall be fluent in the language for communication defined in the Contract and shall be a professional experienced in the type of activities involved in the performance of the Contract and with the interpretation of contractual documents. If the number is not so stated and the Parties do not agree otherwise, the DB shall comprise three persons, one of whom shall serve as chairman.

If the Parties have not jointly appointed the DB 21 days before the date stated in the PC and the DB is to comprise three persons, each Party shall nominate one member for the approval of the other Party. The first two members shall recommend and the Parties shall agree upon the third member, who shall act as chairman.

However, if a list of potential members is included in the PC, the members shall be selected from those on the list, other than anyone who is unable or unwilling to accept appointment to the DB.

The agreement between the Parties and either the sole member or each of the three members shall incorporate by reference the General Conditions of Dispute Board Agreement contained in the Appendix to these General Conditions, with such amendments as are agreed between them.

The terms of the remuneration of either the sole member or each of the three members, including the remuneration of any expert whom the DB consults, shall be mutually agreed upon by the Parties when agreeing the terms of appointment of the member or such expert (as the case may be). Each Party shall be responsible for paying one-half of this remuneration.

If a member declines to act or is unable to act as a result of

death, disability, resignation or termination of appointment, a replacement shall be appointed in the same manner as the replaced person was required to have been nominated or agreed upon, as described in this Sub-Clause.

The appointment of any member may be terminated by mutual agreement of both Parties, but not by the Employer or the Contractor acting alone. Unless otherwise agreed by both Parties, the appointment of the DB (including each member) shall expire when the Operational Acceptance Certificate has been issued in accordance with GC Sub-Clause 25.3.

#### **46.2 Failure to Agree on the Composition of the Dispute Board**

If any of the following conditions apply, namely:

- the Parties fail to agree upon the appointment of the sole member of the DB by the date stated in the first paragraph of GC Sub-Clause 46.1,

- either Party fails to nominate a member (for approval by the other Party) of a DB of three persons by such date,

- the Parties fail to agree upon the appointment of the third member (to act as chairman) of the DB by such date, or

- the Parties fail to agree upon the appointment of a replacement person within 42 days after the date on which the sole member or one of the three members declines to act or is unable to act as a result of death, disability, resignation or termination of appointment,

then the appointing entity or official **named in the PC** shall, upon the request of either or both of the Parties and after due consultation with both Parties, appoint this member of the DB. This appointment shall be final and conclusive. Each Party shall be responsible for paying one-half of the remuneration of the appointing entity or official.

#### **46.3 Obtaining Dispute Board's Decision**

If a dispute (of any kind whatsoever) arises between the Parties in connection with the performance of the Contract, including any dispute as to any certificate, determination, instruction, opinion or valuation of the Project Manager, either Party may refer the dispute in writing to the DB for its decision, with copies to the other Party and the Project Manager. Such

reference shall state that it is given under this Sub-Clause.

For a DB of three persons, the DB shall be deemed to have received such reference on the date when it is received by the chairman of the DB.

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 dispute. The DB shall be deemed to be not acting as arbitrator(s).

Within 84 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 reasoned and shall state that it is given under this Sub-Clause. The decision shall be binding on both Parties, who shall promptly give effect to it unless and until it shall be revised in an amicable settlement or an arbitral award as described below. Unless the Contract has already been abandoned, repudiated or terminated, the Contractor shall continue with the performance of the Facilities in accordance with the Contract.

If either Party is dissatisfied with the DB's decision, then either Party may, within 28 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 84 days (or as otherwise approved) after receiving such reference, then either Party may, within 28 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 Sub-Clause, and shall set out the matter in dispute and the reason(s) for dissatisfaction. Except as stated in GC Sub-Clauses 46.6 and 46.7, neither Party shall be entitled to commence arbitration of a dispute unless a notice of dissatisfaction has been given in accordance with this Sub-Clause.

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 28 days after it received the DB's decision, then the decision shall become final and binding upon both Parties.

#### **46.4 Amicable Settlement**

Where notice of dissatisfaction has been given under GC Sub-

Clause 46.3 above, both Parties shall attempt to settle the dispute amicably before the commencement of arbitration. However, unless both Parties agree otherwise, arbitration may be commenced on or after the fifty-sixth day after the day on which notice of dissatisfaction and intention to commence arbitration was given, even if no attempt at amicable settlement has been made.

#### **46.5 Arbitration**

Unless indicated otherwise in the PC, 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, arbitration shall be conducted as follows:

- (a) For contracts with foreign contractors:
  - (i) international arbitration with proceedings administered by the international arbitration institution **appointed in the PC**, in accordance with the rules of arbitration of the appointed institution;,
  - (ii) the place of arbitration shall be the city where the headquarters of the appointed arbitration institution is located or such other place selected in accordance with the applicable arbitration rules; and
  - (iii) the arbitration shall be conducted in the language for communications defined in Sub-Clause 5.3; and
- (b) For contracts with domestic contractors, arbitration with proceedings conducted in accordance with the laws of the Employer's country.

The arbitrator(s) 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 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 or 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.

#### **46.6 Failure to Comply with Dispute Board's Decision**

In the event that a Party fails to comply with a DB decision which has become final and binding, then the other Party may, without prejudice to any other rights it may have, refer the failure itself to arbitration under GC Sub-Clause 46.5. GC Sub-Clauses 46.3 and 46.4 shall not apply to this reference.

#### **46.7 Expiry of Dispute Board's Appointment**

If a dispute arises between the Parties in connection with the performance of the Contract, and there is no DB in place, whether by reason of the expiry of the DB's appointment or otherwise:

- (a) GC Sub-Clauses 46.3 and 46.4 shall not apply, and
- (b) the dispute may be referred directly to arbitration under GC Sub-Clause 46.5

## **APPENDIX**

### **A General Conditions of Dispute Board Agreement**

#### **1. Definitions**

Each "Dispute Board Agreement" is a tripartite agreement by and between:

the "Employer";

the "Contractor"; and

the "Member" who is defined in the Dispute Board Agreement as being:

- (i) the sole member of the "DB" and, where this is the case, all references to the "Other Members" do not apply, or

- (ii) one of the three persons who are jointly called the "DB" (or "dispute board") and, where this is the case, the other two persons are called the "Other Members".

The Employer and the Contractor have entered (or intend to enter) into a contract, which is called the "Contract" and is defined in the Dispute Board Agreement, which incorporates this Appendix. In the Dispute Board Agreement, words and expressions which are not otherwise defined shall have the meanings assigned to them in the Contract.

## 2. General Provisions

Unless otherwise stated in the Dispute Board Agreement, it shall take effect on the latest of the following dates:

- (a) the Commencement Date defined in the Contract,
- (b) when the Employer, the Contractor and the Member have each signed the Dispute Board Agreement, or
- (c) when the Employer, the Contractor and each of the Other Members (if any) have respectively each signed a dispute board agreement.

This employment of the Member is a personal appointment. At any time, the Member may give not less than 70 days' notice of resignation to the Employer and to the Contractor, and the Dispute Board Agreement shall terminate upon the expiry of this period.

## 3. Warranties

The Member warrants and agrees that he/she is and shall be impartial and independent of the Employer, the Contractor and the Project Manager. The Member shall promptly disclose, to each of them and to the Other Members (if any), any fact or circumstance which might appear inconsistent with his/her warranty and agreement of impartiality and independence.

When appointing the Member, the Employer and the Contractor relied upon the Member's representations that he/she is:

- (a) experienced in the work which the Contractor is to carry out under the Contract,
- (b) experienced in the interpretation of contract documentation, and
- (c) fluent in the language for communications defined in the Contract.

## 4. General Obligations of the Member

The Member shall:

- (a) have no interest financial or otherwise in the Employer, the Contractor or the Project Manager, nor any financial interest in the Contract except for payment under the Dispute Board Agreement;
- (b) not previously have been employed as a consultant or otherwise by the Employer, the Contractor or the Project Manager, except in such circumstances as were disclosed in writing to the Employer and the Contractor before they signed the Dispute Board Agreement;
- (c) have disclosed in writing to the Employer, the Contractor and the Other Members (if any), before entering into the Dispute Board Agreement and to his/her best knowledge and recollection, any professional or personal relationships with any director, officer or employee of the Employer, the Contractor or the Project Manager, and any previous involvement in the overall project of which the Contract forms part;
- (d) not, for the duration of the Dispute Board Agreement, be employed as a consultant or otherwise by the Employer, the Contractor or the Project Manager, except as may be agreed in writing by the Employer, the Contractor and the Other Members (if any);
- (e) comply with the annexed procedural rules and with GC Sub-Clause 46.3;
- (f) not give advice to the Employer, the Contractor, the Employer's Personnel or the Contractor's Personnel concerning the conduct of the Contract, other than in accordance with the annexed procedural rules;
- (g) not while a Member enter into discussions or make any agreement with the Employer, the Contractor or the Project Manager regarding employment by any of them, whether as a consultant or otherwise, after ceasing to act under the Dispute Board Agreement;
- (h) ensure his/her availability for all site visits and hearings as are necessary;
- (i) become conversant with the Contract and with the progress of the Facilities (and of any other parts of the project of which the Contract forms part) by studying all documents received which shall be maintained in a current working file;
- (j) treat the details of the Contract and all the DB's activities and hearings as private and confidential, and not publish or disclose them without the prior written consent of the Employer, the Contractor and the Other Members (if any); and
- (k) be available to give advice and opinions, on any matter relevant to the Contract when requested by both the Employer and the Contractor, subject to the agreement of the Other Members (if any).

5. General Obligations of the Employer and the Contractor

The Employer, the Contractor, the Employer's Personnel and the Contractor's Personnel shall not request advice from or consultation with the Member regarding the Contract, otherwise than in the normal course of the DB's activities under the Contract and the Dispute Board Agreement. The Employer and the Contractor shall be responsible for compliance with this provision, by the Employer's Personnel and the Contractor's Personnel respectively.

The Employer and the Contractor undertake to each other and to the Member that the Member shall not, except as otherwise agreed in writing by the Employer, the Contractor, the Member and the Other Members (if any):

- (a) be appointed as an arbitrator in any arbitration under the Contract;
- (b) be called as a witness to give evidence concerning any dispute before arbitrator(s) appointed for any arbitration under the Contract; or
- (c) be liable for any claims for anything done or omitted in the discharge or purported discharge of the Member's functions, unless the act or omission is shown to have been in bad faith.

The Employer and the Contractor hereby jointly and severally indemnify and hold the Member harmless against and from claims from which he is relieved from liability under the preceding paragraph.

Whenever the Employer or the Contractor refers a dispute to the DB under GC Sub-Clause 46.3, which will require the Member to make a site visit and attend a hearing, the Employer or the Contractor shall provide appropriate security for a sum equivalent to the reasonable expenses to be incurred by the Member. No account shall be taken of any other payments due or paid to the Member.

#### **6. Payment**

The Member shall be paid as follows, in the currency named in the Dispute Board Agreement:

- (a) a retainer fee per calendar month, which shall be considered as payment in full for:
  - (i) being available on 28 days' notice for all site visits and hearings;
  - (ii) becoming and remaining conversant with all project developments and maintaining relevant files;
  - (iii) all office and overhead expenses including secretarial services, photocopying and office supplies incurred in connection with his duties; and
  - (iv) all services performed hereunder except those referred to in subparagraphs (b) and (c) of this Clause.

The retainer fee shall be paid with effect from the last day of the calendar month in which the Dispute Board Agreement becomes effective; until the last day of the calendar month in which the Taking-Over Certificate is issued for the whole of the Works.

With effect from the first day of the calendar month following the month in which Taking-Over Certificate is issued for the whole of the Works, the retainer fee shall be reduced by one third. This reduced fee shall be paid until the first day of the calendar month in which the Member resigns or the Dispute Board Agreement is otherwise terminated.

- (b) a daily fee which shall be considered as payment in full for:
  - (i) each day or part of a day up to a maximum of two days' travel time in each direction for the journey between the Member's home and the site, or another location of a meeting with the Other Members (if any);
  - (ii) each working day on site visits, hearings or preparing decisions; and
  - (iii) each day spent reading submissions in preparation for a hearing.
- (c) all reasonable expenses including necessary travel expenses (air fare in less than first class, hotel and subsistence and other direct travel expenses) incurred in connection with the Member's duties, as well as the cost of telephone calls, courier charges, faxes and telexes: a receipt shall be required for each item in excess of five percent of the daily fee referred to in subparagraph (b) of this Clause;
- (d) any taxes properly levied in the Country on payments made to the Member (unless a national or permanent resident of the Country) under this Clause 6.

The retainer and daily fees shall be as specified in the Dispute Board Agreement. Unless it specifies otherwise, these fees shall remain fixed for the first 24 calendar months, and shall thereafter be adjusted by agreement between the Employer, the Contractor and the Member, at each anniversary of the date on which the Dispute Board Agreement became effective.

If the Parties fail to agree on the retainer fee or the daily fee the appointing entity or official named in the PC shall determine the amount of the fees to be used.

The Member shall submit invoices for payment of the monthly retainer and air fares quarterly in advance. Invoices for other expenses and for daily fees shall be submitted following the conclusion of a site visit or hearing. All invoices shall be accompanied by a brief description of activities performed during the relevant period and shall be addressed to the Contractor.

The Contractor shall pay each of the Member's invoices in full within 56 calendar days after receiving each invoice and shall apply to the Employer (in the Statements under the Contract) for reimbursement of one-half of the amounts of these invoices. The Employer shall then pay the Contractor in accordance with the Contract.

If the Contractor fails to pay to the Member the amount to which he/she is entitled under the Dispute Board Agreement, the Employer shall pay the amount due to the Member and any other amount which may be required to maintain the operation of the DB; and without prejudice to the Employer's rights or remedies. In addition to all other rights arising from this default, the Employer shall be entitled to reimbursement of all sums paid in excess of one-half of these payments, plus all costs of recovering these sums and financing charges calculated at the rate specified in accordance with GC Sub-Clause 12.3.

If the Member does not receive payment of the amount due within 70 days after submitting a valid invoice, the Member may (i) suspend his/her services (without notice) until the payment is received, and/or (ii) resign his/her appointment by giving notice under Clause 7.

#### **7. Termination**

At any time: (i) the Employer and the Contractor may jointly terminate the Dispute Board Agreement by giving 42 days' notice to the Member; or (ii) the Member may resign as provided for in Clause 2.

If the Member fails to comply with the Dispute Board Agreement, the Employer and the Contractor may, without prejudice to their other rights, terminate it by notice to the Member. The notice shall take effect when received by the Member.

If the Employer or the Contractor fails to comply with the Dispute Board Agreement, the Member may, without prejudice to his other rights, terminate it by notice to the Employer and the Contractor. The notice shall take effect when received by them both.

Any such notice, resignation and termination shall be final and binding on the Employer, the Contractor and the Member. However, a notice by the Employer or the Contractor, but not by both, shall be of no effect.

#### **8. Default of the Member**

If the Member fails to comply with any of his obligations under Clause 4 concerning his impartiality or independence in relation to the Employer or the Contractor, he/she shall not be entitled to any fees or expenses hereunder and shall, without prejudice to their other rights, reimburse each of the Employer and the Contractor for any fees and expenses received by the Member and the Other Members (if any), for proceedings or decisions (if any) of the DB which are rendered void or ineffective by the said failure to comply.

#### **9. Disputes**

Any dispute or claim arising out of or in connection with this Dispute Board Agreement, or the breach, termination or invalidity thereof, shall be finally settled by institutional arbitration. If no other arbitration institute is agreed, the arbitration shall be conducted under the Rules of Arbitration of the International Chamber of Commerce by one arbitrator appointed in accordance with these Rules of Arbitration.

**Annex****DISPUTE BOARD GUIDELINES**

1. Unless otherwise agreed by the Employer and the Contractor, the DB shall visit the site at intervals of not more than 140 days, including times of critical construction events, at the request of either the Employer or the Contractor. Unless otherwise agreed by the Employer, the Contractor and the DB, the period between consecutive visits shall not be less than 70 days, except as required to convene a hearing as described below.
2. The timing of and agenda for each site visit shall be as agreed jointly by the DB, the Employer and the Contractor, or in the absence of agreement, shall be decided by the DB. The purpose of site visits is to enable the DB to become and remain acquainted with the progress of the Works and of any actual or potential problems or claims, and, as far as reasonable, to prevent potential problems or claims from becoming disputes.
3. Site visits shall be attended by the Employer, the Contractor and the Project Manager and shall be co-ordinated by the Employer in co-operation with the Contractor. The Employer shall ensure the provision of appropriate conference facilities and secretarial and copying services. At the conclusion of each site visit and before leaving the site, the DB shall prepare a report on its activities during the visit and shall send copies to the Employer and the Contractor.
4. The Employer 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. All communications between the DB and the Employer or the Contractor shall be copied to the other Party. If the DB comprises three persons, the Employer and the Contractor shall send copies of these requested documents and these communications to each of these persons.
5. If any dispute is referred to the DB in accordance with GC Sub-Clause 46.3, the DB shall proceed in accordance with GC Sub-Clause 46.3 and these Guidelines. Subject to the time allowed to give notice of a decision and other relevant factors, the DB shall:
  - (a) act fairly and impartially as between the Employer and the Contractor, giving each of them a reasonable opportunity of putting his case and responding to the other's case, and
  - (b) adopt procedures suitable to the dispute, avoiding unnecessary delay or expense.
6. The DB 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 at the hearing.
7. 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.

8. The Employer and the Contractor empower the DB, among other things, to:
  - (a) establish the procedure to be applied in deciding a dispute,
  - (b) decide upon the DB's own jurisdiction, and as to the scope of any dispute referred to it,
  - (c) conduct any hearing as it thinks fit, not being bound by any rules or procedures other than those contained in the Contract and these Guidelines,
  - (d) take the initiative in ascertaining the facts and matters required for a decision,
  - (e) make use of its own specialist knowledge, if any,
  - (f) decide upon the payment of financing charges in accordance with the Contract,
  - (g) decide upon any provisional relief such as interim or conservatory measures,
  - (h) open up, review and revise any certificate, decision, determination, instruction, opinion or valuation of the Project Manager, relevant to the dispute, and
  - (i) appoint, should the DB so consider necessary and the Parties agree, a suitable expert at the cost of the Parties to give advice on a specific matter relevant to the dispute.
9. 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 GC Sub-Clause 46.3, or as otherwise agreed by the Employer and the Contractor in writing. If the DB comprises three persons:
  - (a) it shall convene in private after a hearing, in order to have discussions and prepare its decision;
  - (b) it shall endeavour 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



- (c) 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:
  - (i) either the Employer or the Contractor does not agree that they do so, or
  - (ii) the absent Member is the chairman and he/she instructs the other Members to not make a decision.

## **Section VIII. Particular Conditions**

The following Particular Conditions shall supplement the General Conditions in Section VII. Whenever there is a conflict, the provisions herein shall prevail over those in the General Conditions.

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## Particular Conditions

The following Particular Conditions (PC) shall supplement the General Conditions (GC). Whenever there is a conflict, the provisions herein shall prevail over those in the GC. The clause number of the PC is the corresponding clause number of the GC.

### PC 1. Definitions

The Employer is: *Ministry of Infrastructure*

The Project Manager is: *Sonny S.P. Wibowo*

The Bank is: *World Bank*

Country of Origin: all countries and territories as indicated in Section V of the bidding documents, Eligible Countries.

### PC 5. Law and Language

PC 5.1 The Contract shall be interpreted in accordance with the laws of: *Democratic Republic of Timor Leste*

PC 5.2 The ruling language is: *English*

PC 5.3 The language for communications is: *English*

### PC 7. Scope of Facilities [Spare Parts] (GC Clause 7)

PC 7.3 The Contractor agrees to supply spare parts for a period of years: *One (1)*

#### Sample Addition to PC 7.3

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 six (6) months of placing the order and opening the letter of credit. 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.

### PC 8. Time for Commencement and Completion

PC 8.1 The Contractor shall commence work on the Facilities within *eight (8) days* from the Effective Date for determining Time for Completion as specified in the Contract Agreement.

PC 8.2 The Time for Completion of the whole of the Facilities shall be *one hundred and thirty five (135) days* from the Effective Date as described in the Contract Agreement.

**PC 11. Contract Price**

PC 11.2 The Contract Price shall be adjusted in accordance with the provisions of the Appendix to the Contract Agreement titled Adjustment Clause.

**PC 13. Securities**

PC 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: *five percent (5%)*

PC 13.3.2 The performance security shall be in the form of the *Bank Guarantee* attached hereto in Section IX, Contract Forms.

PC 13.3.3 The performance security shall not be reduced on the date of the Operational Acceptance.

**PC 22 Installations**

PC 22.2.5 Working Hours

Normal working hours are: *Forty (40) hours per week*

PC 22.2.8 Funeral Arrangements: *Contractor is responsible*

**PC 26. Completion Time Guarantee**

PC 26.2

Applicable rate for liquidated damages: *0.2 % of the Contract Price per day*

Maximum deduction for liquidated damages: *Five percent (5 %)*

PC 26.3 No bonus will be given for earlier Completion of the Facilities or part thereof.

**PC 27. Defect Liability**

PC 27.1 The critical components covered under the extended defect liability are *transformers*, and the period shall be *one year*

**PC 30. Limitation of Liability**

**Sample Clause**

PC 30.1 (b) The multiplier of the Contract Price is: *None*

**PC 46. Disputes and Arbitration**

PC 46.1 The DB shall be appointed within [28 days] after the Effective Date.

(a) Appointed arbitration institution: International Chamber of Commerce

## **Section IX. - Contract Forms**

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## **Notification of Award - Letter of Acceptance**

To: \_\_\_\_\_

This is to notify you that your Bid dated \_\_\_\_\_ for execution of the \_\_\_\_\_ for the Contract Price in the aggregate of \_\_\_\_\_, 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 IX, - Contract Forms, of the Bidding Document

Authorized Signature: \_\_\_\_\_  
Name and Title of Signatory: \_\_\_\_\_  
Name of Agency: \_\_\_\_\_

Attachment: Contract Agreement



## Contract Agreement

THIS AGREEMENT is made the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_,  
BETWEEN

(1) \_\_\_\_\_, a corporation incorporated under the laws of \_\_\_\_\_ and having its principal place of business at \_\_\_\_\_ (hereinafter called "the Employer"), and (2) \_\_\_\_\_, a corporation incorporated under the laws of \_\_\_\_\_ and having its principal place of business at \_\_\_\_\_ (hereinafter called "the Contractor").

WHEREAS the Employer desires to engage the Contractor to design, manufacture, test, deliver, install, complete and commission certain Facilities, viz. \_\_\_\_\_ ("the Facilities"), and the Contractor has 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 GC 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 Bid and Price Schedules submitted by the Contractor
- (c) Particular Conditions
- (d) General Conditions
- (e) Specification
- (f) Drawings
- (g) Other completed bidding forms submitted with the Bid
- (h) Any other documents forming part of the Employer's Requirements
- (i) Any other documents shall be added here

**1.2 Order of Precedence (Reference GC 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 GC 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 GC 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: \_\_\_\_\_, \_\_\_\_\_ as specified in Price Schedule No. 5 (Grand Summary), and \_\_\_\_\_, \_\_\_\_\_, or such other sums as may be determined in accordance with the terms and conditions of the Contract.

2.2 Terms of Payment (Reference GC 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.

The Employer may instruct its bank to issue an irrevocable confirmed documentary credit made available to the Contractor in a bank in the country of the Contractor. The credit shall be for an amount of \_\_\_\_\_; and shall be subject to the Uniform Customs and Practice for Documentary Credits 1993 Revision, ICC Publication No. 600.

In the event that the amount payable under Schedule No. 1 is adjusted in accordance with GC 11.2 or with any of the other terms of the Contract, the Employer shall arrange for the documentary credit to be amended accordingly.

**Article 3.**

**Effective Date**

3.1 Effective Date (Reference GC Clause 1)

The Effective Date from which the Time for Completion of the Facilities shall be counted 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 advance 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 two (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 GC 4.1 is: \_\_\_\_\_.
- 4.2 The address of the Contractor for notice purposes, pursuant to GC 4.1 is: \_\_\_\_\_.

**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.

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 \_\_\_\_\_

Signed by, for and on behalf of the Contractor

\_\_\_\_\_  
*[Signature]*

\_\_\_\_\_  
*[Title]*

in the presence of \_\_\_\_\_

## APPENDICES

- Appendix 1 Terms and Procedures of Payment
- Appendix 2 Price Adjustment
- Appendix 3 Insurance Requirements
- Appendix 4 Time Schedule
- Appendix 5 List of Major Items of Plant and Installation Services and List of Approved Subcontractors
- Appendix 6 Scope of Works and Supply by the Employer
- Appendix 7 List of Documents for Approval or Review

## **Appendix 1. Terms and Procedures of Payment**

In accordance with the provisions of GC 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.

### **TERMS OF PAYMENT**

#### **Schedule No. 1. Plant and Equipment Supplied from Abroad**

In respect of plant and equipment supplied from abroad, the following payments shall be made:

Ten percent (10%) of the total CIP amount as an advance payment against receipt of invoice and an irrevocable advance payment security for the equivalent amount made out in favor of the Employer. The advance payment security may be reduced in proportion to the value of the plant and equipment delivered to the site, as evidenced by shipping and delivery documents.

Eighty percent (80%) of the total or pro rata CIP amount upon Incoterm "CIP", upon delivery to the carrier within forty-five (45) days after receipt of documents.

Five percent (5%) of the total or pro rata CIP amount upon issue of the Completion Certificate, within forty-five (45) days after receipt of invoice.

Five percent (5%) of the total or pro rata CIP amount upon issue of the Operational Acceptance Certificate, within forty-five (45) days after receipt of invoice.

All Works categorized as Stage-1 specified in PART-2, SECTION-VI : "Employer's Requirements" shall be completed on or before February 11, 2009 ; delay in meeting this deadline could cause delay in related payment due to the time limit set for disbursing Government Budget. The Contractor will not deserve any compensation due to such delay of payment.

#### **Schedule No. 2. Plant and Equipment Supplied from within the Employer's Country**

In respect of plant and equipment supplied from within the Employer's country, the following payments shall be made:

Ten percent (10%) of the total EXW amount as an advance payment against receipt of invoice, and an irrevocable advance payment security for the equivalent amount made out in favor of the Employer. The advance payment security may be reduced in proportion to the value of the plant and equipment delivered to the site, as evidenced by shipping and delivery documents.

Eighty percent (80%) of the total or pro rata EXW amount upon Incoterm "Ex-Works," upon delivery to the carrier within forty-five (45) days after receipt of invoice and documents.

Five percent (5%) of the total or pro rata EXW amount upon issue of the Completion Certificate, within forty-five (45) days after receipt of invoice.

Five percent (5%) of the total or pro rata EXW amount upon issue of the Operational Acceptance Certificate, within forty-five (45) days after receipt of invoice.

#### Schedule No. 3. Design Services

In respect of design services for both the foreign currency and the local currency portions, the following payments shall be made:

Ten percent (10%) of the total design services amount as an advance payment against receipt of invoice, and an irrevocable advance payment security for the equivalent amount made out in favor of the Employer.

Ninety percent (90%) of the total or pro rata design services amount upon acceptance of design in accordance with GC Clause 20 by the Project Manager within forty-five (45) days after receipt of invoice.

#### Schedule No. 4. Installation Services

In respect of installation services for both the foreign and local currency portions, the following payments shall be made:

Ten percent (10%) of the total installation services amount as an advance payment against receipt of invoice, and an irrevocable advance payment security for the equivalent amount made out in favor of the Employer. The advance payment security may be reduced in proportion to the value of work performed by the Contractor as evidenced by the invoices for installation services.

Eighty percent (80%) of the measured value of work performed by the Contractor, as identified in the said Program of Performance, during the preceding month, as evidenced by the Employer's authorization of the Contractor's application, will be made monthly within forty-five (45) days after receipt of invoice.

Five percent (5%) of the total or pro rata value of installation services performed by the Contractor as evidenced by the Employer's authorization of the Contractor's monthly applications, upon issue of the Completion Certificate, within forty-five (45) days after receipt of invoice.

Five percent (5%) of the total or pro rata value of installation services performed by the Contractor as evidenced by the Employer's authorization of the Contractor's monthly applications, upon issue of the Operational Acceptance Certificate, within forty-five (45) days after receipt of invoice.

In the event that the Employer fails to make any payment on its respective due date, the Employer shall pay to the Contractor interest on the amount of such delayed payment at the rate of \_\_\_\_\_/ percent (\_\_\_%) per month for period of delay until payment has been made in full.

#### **PAYMENT PROCEDURES**

The procedures to be followed in applying for certification and making payments shall be as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## **Appendix 2. Price Adjustment**

The prices are to remain firm and fixed for the duration of the Contract.



### Appendix 3. Insurance Requirements

#### Insurances to be Taken Out by the Contractor

In accordance with the provisions of GC 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 therefor) and to the construction equipment to be provided by the Contractor or its Subcontractors.

Amount: One hundred ten percent (110%) of CIP prices

Deductible limits: US\$ 10,000.00 per occurrence

Parties insured: Contractor

(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: One hundred ten percent (110%) of Contract Price

Deductible limits: US\$ 100,000.00 per occurrence

Parties insured: Contractor

(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: US\$ 1,000,000.00 (US\$ One Million)

Deductible limits: US\$ 0.00 per occurrence (for body injury)

US\$ 50,000.00 per occurrence (for property damage)

Parties insured: Contractor

(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: (Not Applicable)

| <u>Amount</u> | <u>Deductible limits</u> | <u>Parties insured</u> | <u>From</u> | <u>To</u> |
|---------------|--------------------------|------------------------|-------------|-----------|
|---------------|--------------------------|------------------------|-------------|-----------|

The Employer shall be named as co-insured under all insurance policies taken out by the Contractor pursuant to GC 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 GC 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.

**Insurances To Be Taken Out By The Employer**

NOT APPLICABLE

## **Appendix 4. Time Schedule**

**(Reference to Section-VI Employer's Requirements)**

### **Appendix 5. List of Major Items of Plant and Installation Services and List of Approved Subcontractors**

A list of major items of Plant and Installation Services is provided below.

The following Subcontractors and/or manufacturers are approved for carrying out the items of the Facilities indicated below. 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 GC 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 Installation Services | Approved Subcontractors/Manufacturers | Nationality |
|------------------------------------------------|---------------------------------------|-------------|
|                                                |                                       |             |
|                                                |                                       |             |
|                                                |                                       |             |

**Appendix 6. Scope of Works and Supply by the Employer**

NOT APPLICABLE

## **Appendix 7. List of Documents for Approval or Review**

Pursuant to GC 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 GC Sub-Clause 18.2 (Program of Performance), the following documents for

### **A. Approval**

1. Work Plan
2. Implementation Schedule
3. Manpower Schedule & Organization
4. Procedures Manuals
5. Drawing for Construction
6. Calculation
7. Material and equipment Specifications
8. Vendors Drawings
9. Construction Specifications
10. Project Quality Plan & Environmental Control Plan
11. Inspection and Test Plan for material and Construction
12. Inspection and Test Report for material and Construction
13. As-build Drawing and construction/testing/pre-commissioning records
14. Completion report
15. Change Order Proposal

### **B. Review**

1. Temporary Facilities Plan
2. Survey Report
3. Training Plan
4. Request for Quotation
5. P/O Copy without Prices (Including Subcontract Agreement)
6. Recommended Spare Parts and Special Tools List
7. Procurement Progress Report
8. Periodic Reports ( Weekly, Monthly )

## Performance Security Form – *Bank Guarantee*<sup>1</sup>

\_\_\_\_\_  
**Beneficiary:**

**Date:** \_\_\_\_\_

**PERFORMANCE GUARANTEE No.:** \_\_\_\_\_

We have been informed that \_\_\_\_\_ (hereinafter called "the Contractor") has entered into Contract No. \_\_\_\_\_ dated \_\_\_\_\_ with you, for the execution of \_\_\_\_\_ (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 \_\_\_\_\_ hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of \_\_\_\_\_ (\_\_\_\_)<sup>2</sup>, 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 be reduced by half upon our receipt of:

- (a) a copy of the Operational Acceptance Certificate; or
- (b) a registered letter from the Contractor (i) attaching a copy of its notice requesting issuance of the Operational Acceptance Certificate and (ii) stating that the project manager has failed to issue such Certificate within the time required or provide in writing justifiable reasons why such Certificate has not been issued, so that Operational Acceptance is deemed to have occurred.

This guarantee shall expire no later than the earlier of:<sup>3</sup>

<sup>1</sup> The Employer should insert either the Bank Guarantee (4.1) or the Conditional Guarantee (4.2).

<sup>2</sup> The Guarantor shall insert an amount representing the percentage of the Contract Price specified in the Contract and denominated either in the currency(ies) of the Contract or a freely convertible currency acceptable to the Employer.

<sup>3</sup> This text shall be revised as and where necessary to take into account (i) partial acceptance of the Facilities in accordance with Sub-Clause 25.4 of the GCC; and (ii) extension of the performance security when the Contractor is liable for an extended warranty obligation pursuant to Sub-Clause 27.10 of the GCC (although in this latter case the Employer might want to consider an extended warranty security in lieu of the extension of the performance security).



- (a) twelve months after our receipt of either (a) or (b) above; or
- (b) 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
- (c) the \_\_\_\_ day of \_\_\_\_, 2\_\_\_\_.<sup>4</sup>

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. 458, except that subparagraph (ii) of Sub-article 20(a) is hereby excluded.

\_\_\_\_\_  
[signature(s)]

<sup>4</sup> Insert the date twenty-eight days after the expected expiration date of the Defect Liability Period. 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."

## Bank Guarantee Form for Advance Payment

Beneficiary: \_\_\_\_\_

Date: \_\_\_\_\_

ADVANCE PAYMENT GUARANTEE No.: \_\_\_\_\_

We have been informed that \_\_\_\_\_ (hereinafter called "the Contractor") has entered into Contract No. \_\_\_\_\_ dated \_\_\_\_\_ with you, for the execution of \_\_\_\_\_ (hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, an advance payment in the sum of \_\_\_\_\_ (\_\_\_\_\_) is to be made against an advance payment guarantee.

At the request of the Contractor, we \_\_\_\_\_ hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of \_\_\_\_\_ (\_\_\_\_\_) 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 advance payment for purposes other than toward the execution of the Works.

It is a condition for any claim and payment under this guarantee to be made that the advance payment referred to above must have been received by the Contractor on his account number \_\_\_\_\_ at \_\_\_\_\_.

The maximum amount of this guarantee is valid shall be progressively reduced in proportion to the value of each part-shipment or part-delivery of plant and equipment to the site, as indicated in copies of the relevant shipping and delivery documents that shall be presented to us. This guarantee shall expire, at the latest, upon our receipt of documentation indicating full repayment by the Contractor of the amount of the advance payment, or on the \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_, whichever is earlier.<sup>5</sup> Consequently, any demand for payment under this guarantee must be received by us at this office on or before that date.

<sup>5</sup> 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."

This guarantee is subject to the Uniform Rules for Demand Guarantees, ICC Publication No.458.

\_\_\_\_\_  
[signature(s) name of bank or financial institution]