



BIDDING DOCUMENT

Name of bidder.....

Address.....

Telephone/Mobile.....

Email.....

For

THE PROCUREMENT OF

**Upgrading of road to black top at Dadarbairiya Chowk to
Fhutani Chowk, Sorabhag, Morang**

**Employer:- Dhanpalthan Rural Municipality,
Soraghag, Morang**

Contract No:- DPTRM/SBG/NCB-07/075/76

National Competitive Bidding (NCB)

Contract No:- DP/IRM/SBG/NCB-07/075/76



Table of Contents

Section I.	Invitation to Bids	3
Section II.	Instruction to Bidders, Bidding Data	4,12
Section III.	Sample Forms of Bid, Eligibility Information, Letter of Acceptance and Agreement	13
Section IV.	General Conditions of Contract (GCC)	19
Section V.	Special Conditions of Contract (SCC)	32
Section VI.	Technical Specifications	35
Section VII.	Drawings	36
Section VIII.	Bill of Quantities	37
Section IX	Sample Forms of Securities	40



Section I. Invitation for bids

Government of Nepal
Dhanpalthan rural Municipality

Office of the Rural Municipal Executive Sorabha, Morang Province No.1, Nepal

(First Date of Publication:2075-09-08)

1. Dhanpalthan Rural Municipality Sorabha, Morang invites **E-Bids** from eligible bidders for the Upgrading of road to black top at Dadarbariya Chowk to Fhutani Chowk, Morang under national competitive bidding procedures. Some of the information is mentioned below, though the details are in the bidding documents.

2.

Tender No:7/075/76

S. N	Description of works	Estimate amount (excluding vat)	Cost of bidding documents	Bid Security amount
1	Upgrading of road to black top at Dadarbariya Chowk to Fhutani Chowk, Morang	12877186.46/-	3000 (Three thousands only non-refundable)	3,55,000.00/- (Three lakh Fifty-Five thousand only)

3. A complete set of Bidding Documents may be purchased from the office of Dhanpalthan Rural Municipality Sorabha, Morang by eligible bidders on the submission of a written nepali application, cash voucher for bid security or bid bond from A class commercial bank along with the copy of company/firm registration certificate, till **2075/10/07**

Information to Bid security Amount to be deposited :

Name of the Bank: Mega Bank Ltd., Karsiya, Morang

Name of Office: Dhanpalthan Rural Municipality Sorabha, Morang

Office Account no.: 0080010096553

4. Bids must be submitted to the office of Dhanpalthan Rural Municipality Sorabha, Morang by hand/courier at or before **12:00 hours on 2075/10/08**. Bids received after this deadline will be rejected.
5. The bids will be opened in the presence of bidders' representatives who choose to attend at **14:00 hours on 2075/10/08** at the office of Dhanpalthan Rural Municipality Sorabha, Morang. Bids must be valid for a period of 90 days after bid opening and must be accompanied by a bid security, which shall be valid for at least 30 days beyond the validity period of the bid; i.e. minimum 120 days after the date of bid opening. If the last date of purchasing and /or submission falls on a government holiday, then the next working day shall be considered as the last date. In such case the validity period of the bid security shall remain the same as specified for the original last date of bid submission.
6. Eligible Bidders may submit bid at the office of Rural Municipality Dhanpalthan, Sorabha, Morang or may Submit bid at PPMO website (www.bolpatra.gov.np/egp) along with the bank Vouchers of cost of bidding document. Bidders can deposit the cost of bidding document at the mega Bank Ltd., Karsiya Branch to the Sanchit Kosh Account No:-0080010096531.
7. The Employer reserves the right to accept or reject any bid, and to annul the process and reject all bids at any time prior to contract award.
8. The withdrawal of submitted tender document should be 24 hours before the last submission date and time.
9. Other action will be taken as per public purchase act 2063 and regulation 2064.
10. For more information contact in office at office time. Telephone no. 021-565122

Chief Administrative Officer



Instructions to Bidders

A. General

1. **Scope of Works** The Employer invites bids for the contraction of works as detailed in attached specifications, drawings and the bill of quantities provided herein. The successful Bidder is expected to complete the works as mentioned in the Bidding Data.
2. **Eligible Bidder** This Invitation for Bids is open to all registered Bidders with qualifications as described in the Bidding Data.
3. **One Bid per Bidder** Each Bidder shall submit only one bid, either individually or as a partner in a joint venture. A Bidder who submits or participates in more than one bid shall cause all the proposals with the Bidder's participation to be disqualified. A firm may participate in more than one bid only as a subcontractor.
4. **Cost of Bidding** The Bidder shall bear all costs associated with the preparation and submission of his bid and the Employer shall in no case be liable for those costs.
5. **Site Visit** The Bidder at his own cost, responsibility and risk may visit the site of the works and acquire all necessary information for preparing the bid and entering into a contract for construction of the works.

B. Bidding Documents

6. **Content of Bidding Documents** The Bidding Documents comprise the documents listed below:
Section
 - I. Invitation for Bids
 - II. Instructions to Bidders
 - III. Sample Forms of Bid, Letter of Acceptance and Agreement
 - IV. General Conditions of Contract (GCC)
 - V. Special Conditions of Contract (SCC)
 - VI. Technical Specifications
 - VII. Drawings
 - VIII. Bill of Quantities
 - IX. Sample Forms of Securities
7. **Clarification of Bidding Documents** A prospective Bidder may request clarification on the bidding documents in writing and the Employer shall respond to such request. Copies of the response shall be forwarded to all the purchasers of the bidding documents.



C.

Preparation of Bids

8. Language of Bid

All documents relating to the bid shall be in English or in Nepali.

9. Documents Comprising Bid

The bid by the Bidder shall comprise the following:

- a. Bid and Qualification/ Eligibility Information
- b. Bid Security
- c. Priced Bill of Quantities
- d. Rate Analysis (If bidding less than 15%)

10. Bid Prices

The contract shall be for the whole works described in scope of works based on the priced Bill of Quantities submitted by the Bidder. The Bidder shall fill in rates and prices for all items of the works in Nepali Rupees. Items for which no rate or price is entered shall be deemed covered by the other rates and prices in the Bill of Quantities and shall not be paid by the Employer.

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

11. Bid Validity

The bid shall remain valid for the period specified in the Bidding Data.

12. Bid Security

The Bidder shall furnish a Bid Security in Nepali Rupees in the amount specified in the Bidding Data. The Bid Security shall remain valid for a period of 30 days beyond the original validity period for bid and any period of extension subsequently requested by the employer.

The Bid Security shall be in the form of a bank guarantee from a bank acceptable to the Employer or a cash voucher deposited in the Bank Account of the Employer specified in the Bidding Data.

13. Format and Signing of Bids

One original and one duplicate copy of the bid shall be typed or written in indelible ink and shall be signed by a person or persons duly authorised to sign on behalf of the Bidder. This authorization shall consist of a written confirmation as specified in the Bidding Data 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. Any entries or amendments including alternations, additions or corrections made shall be initialled by the same authorized person.



D.

Submission of Bids

14. Sealing and Marking of Bids

The Bidder shall submit one original and a duplicate copy of the bid. These bids shall be placed in sealed envelopes. Both the sealed envelopes shall be placed in an outer envelope which shall also be sealed. The inner envelopes shall duly be marked as 'Original' and 'Copy'. The envelopes shall be addressed to the Employer at the address provided in the Bidding Data and bear the name and identification number of the contract.

15. Pre-Bid Meeting

A Pre-Bid meeting if provided for in the Bidding Data shall be held at least 10 days before the bid submission date at the place, date and time as mentioned in the Bidding Data. Any amendment to be made in the Bid subsequent to the Pre-bid meeting shall be issued within 5 days of the meeting and the Addendum shall be circulated to all the purchasers of the Bidding Document, The Addendum thus issued shall be a part of the Bidding document.

16. Deadline for Submission of Bids

Bids shall be delivered to the Employer at the address no later than the time and date specified in the Bidding Data.

17. Late Bids

Any bid received by the Employer after the deadline shall not be accepted and shall be returned unopened to the Bidder.

18. Modification and Withdrawal of Bids

18.1 Bidders may modify or withdraw their Bids after it has been submitted by giving a written notice, duly signed by an authorized representative and shall include a copy of the authorization in accordance with Clause 13 before the deadline prescribed in Clause 16. The corresponding modification of the bid must accompany the respective written notice.

18.2 Each Bidder's modification or withdrawal notice shall be prepared, sealed, marked, and delivered in accordance with Clauses 16 with the outer and inner envelopes additionally marked "MODIFICATION" or "WITHDRAWAL," as appropriate.

18.3 If the bidder, except in e-bidding, wish to modify or withdraw their bids the bidder should submit sealed application 24 hours prior to the last date and time of the bid submission. The bid bond will be forfeited if the bidder wish to modify or withdraw the bid after the aforementioned period.



E.

Bid Opening and Evaluation

19. Bid Opening

The Employer shall open the bids in the presence of the Bidders' representatives who choose to attend at the time and in the place specified in the Bidding Data.

The Bidders' names, the Bid Prices, the total amount of each bid, any discounts, bid modifications and withdrawals, the presence or absence of Bid Security, difference of rate in words and figures, quoted price for alternate technical specification if proposed, whether the Bid Form has signature of the bidder or authorized representative, corrections/effacement or obliteration in bidding document, any remarks made by the bidder in the Bid Form, details of rates if requested and such other details as the Employer may consider appropriate shall be announced by the Employer at the opening.

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

20. Process to be Confidential

Information relating to the examination, clarification, evaluation and comparison of bids and recommendations for the award of a contract shall not be disclosed to Bidders or any other persons not officially concerned with such process until the award to the successful Bidder has been announced.

21. Clarification of Bids and Contacting the Employer

21.1 To assist in the examination, evaluation and comparison of Bids, the Employer may, at the Employer's discretion, ask any Bidder for clarification of the Bidder's bid, including breakdowns of unit rates. The request for clarification and the response shall be in writing or by facsimile, but no change in the price or substance of the bid shall be sought, offered, or permitted except as required to confirm the correction of arithmetic errors discovered by the Employer in the evaluation of the Bids in accordance with Clause 23.

21.2 Subject to Sub-Clause 21.1, no Bidder shall contact the Employer on any matter relating to his bid from the time of the bid opening to the time the contract is awarded. If the Bidder wishes to bring additional information to the notice of the Employer, he should do so in writing.

21.3 Any efforts by the Bidder to influence the Employer in the Employer's bid evaluation, bid comparison or contract award decisions may result in the rejection of the Bidder's bid.

22. Examination of Bids and Determination of Responsiveness

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



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

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

23. Correction of Errors

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

a. where there is a discrepancy between the amounts in figures and in words, the amount in words shall govern; and

b. where there is a discrepancy between the unit rate and the line item total resulting from multiplying the unit rate by the quantity, the unit rate as quoted shall govern, unless in the opinion of the Employer there is an obviously gross misplacement of the decimal point in the unit rate, in which case the line item total as quoted shall govern, and the unit rate shall be corrected.

23.2 The amount stated in the bid shall be adjusted by the Employer in accordance with the above procedure for the correction of errors and, with the concurrence of the Bidder, shall be considered as binding upon the Bidder. If the Bidder does not accept the corrected amount, the bid shall be rejected and the Bid Security may be forfeited.

24. Evaluation and Comparison of Bids

24.1 The Employer shall evaluate and compare only the Bids determined to be substantially responsive in accordance with Clause 23.

24.2 Further the employer shall evaluate :

- a) Whether the construction work plan, work performance schedule and mobilization period is consistent with the requirement of the bidding document or not,
- b) Whether the quoted item unit rates in the Bill of quantities are reliable or not,
- c) Whether or not the quoted price is unbalanced due to unnaturally high rates quoted by the bidder for work items to be completed in the initial stages of the contract or for work items whose quantities are assumed by the bidder to be underestimated.
- d) The contractor has its own Site Engineer /Sub-Engineer or not.



24.3. In evaluating the Bids, the Employer shall determine for each bid the evaluated Bid Price by adjusting any corrections for errors pursuant to Clause 23;

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

24.5 If the bid, which results in the lowest Evaluated Bid price, is unbalanced or frontloaded in relation to the Employer's estimate of the items of Work to be performed under the contract pursuant to Sub - Clause 24.2, the Employer shall ask the bidder to give clarification with detailed rate analysis for any or all items of the Bill of Quantities. If the clarification is found satisfactory then the Employer shall increase at the expense of the bidder the performance security set forth in clause 28 by additional 8% of the quoted amount to protect the Employer against financial loss in the event of default of the successful bidder under the contract and if the clarification is found unsatisfactory then the Employer may reject such bid.

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F. Award of Contract

25. Award of Contract

The Employer shall award the contract to the Bidder who has offered the lowest evaluated Bid Price, provided that such Bidder has been determined to be eligible in accordance with the provisions of Clause 2.

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

The Employer reserves the right to accept or reject any bid and to cancel the bidding process and reject all bids, at any time prior to the award of the contract, without assigning any reasons whatsoever and without thereby incurring any liability to the affected Bidder or Bidders.

27. Notification of Award and Signing of Agreement

27.1 The Employer shall notify its intention to award the Contract to the successful bidder in accordance with Clause 25 prior to the expiration of the bid validity period and within 7 days of acceptance of his bid. This notification (called the "Letter of Acceptance") shall state the sum that the Employer shall pay the Bidder in consideration of the execution, completion, and maintenance of the works as described by the contract. The employer shall also provide information regarding the name, address and the contract amount of the successful bidder to all bidders who participated in the bid.

27.2 Any Bidder who is not satisfied with the procurement process or Employer's decision as per Sub - Clause 27.1 and believes that the Employer has committed an error or breach of duty which has or will result in loss to the bidder then the bidder may give an application for review of the decision to the Employer



with reference to the error or breach of duty committed by the Employer. The review application should be given within 7 days of receipt of information regarding issue of Letter of Acceptance by the Employer to the successful bidder.

27.3 If the review application is not received by the Employer as per clause 27.2 then the bid of the Bidder selected as per clause 25 shall be accepted by the Employer and the successful bidder shall be notified by the Employer to submit Performance security as per clause 28, within 15 days for signing of an Agreement.

27.4 If the successful bidder fails to deliver the Performance Security and sign the Agreement pursuant to Sub - Clause 27.3 then the Employer shall forfeit the Bid Security of the bidder and accept the bid of immediately next lowest evaluated substantially responsive bidder.

28. Performance Security

Within 15 days after receipt of the Letter of Acceptance, the successful Bidder shall deliver to the Employer a Performance Security in acceptable format to the Employer as specified in Section IX and equal to following Amount.

- i) If bid price of the bidder selected for acceptance is up to 15 (fifteen) percent less than the approved cost estimate, the performance security amount shall be 5 (five) percent of the bid price.
- ii) For the bid price less than 15 percent of the cost estimate, the performance security amount shall be determined as follows:

Performance Security Amount = $[(0.85 \times \text{Cost Estimate} - \text{Bid Price}) \times 0.5] + 5\% \text{ of Bid Price}$.

The Bid Price and Cost Estimate shall be inclusive of Value Added Tax.

29. Advance Payment

The Employer may provide an Advance Payment on the Initial Contract Price as stipulated in the Letter of Acceptance, subject to a maximum amount¹ as stated in the Bidding Data.

30. Additional Securities

The Contractor shall provide additional Performance Security pursuant to Sub - Cause 24.5

31. Adjudicator

The Employer proposes the person named in the Bidding Data to be appointed as Adjudicator under the Contract, at the hourly fee specified in the Bidding Data, plus reimbursable expenses. If the Bidder disagrees with this proposal, the Bidder should so state in his Bid. If, in the Letter of Acceptance, the Employer does not agree on the appointment of the Adjudicator, the Employer will request the Appointing Authority designated in the Contract Data at the request of either party.

¹ This amount is normally 20 percent of the Contract Price. The amount should be adequate to minimize the needs of the Contractor to borrow for the Contract. This may be particularly important in terms of foreign currency.



32. Conduct of Bidders

- 32.1 The Bidder shall be responsible to fulfil his obligations as per the requirement of the Contract Agreement, Bidding documents, GoN's Procurement Act and Regulations.
- 32.2 The Bidder shall not carry out or cause to carryout the following acts with an intention to influence the implementation of the procurement process or the procurement agreement :
- give or propose improper inducement directly or indirectly,
 - distortion or misrepresentation of facts
 - engaging or being involved in corrupt or fraudulent practice
 - Interference in participation of other prospective bidders.
 - coercion or threatening directly or indirectly to cause harm to the person or the property of any person to be involved in the procurement proceedings,
 - collusive practice among bidders before or after submission of bids for distribution of works among bidders or fixing artificial/uncompetitive bid price with an intention to deprive the Employer the benefit of open competitive bid price..
 - contacting the Employer wit an intention to influence the Employer with regards to the bid or interference of any kind in examination and evaluation of the bids during the period after opening of bids up to the notification of award of contract

33. Blacklisting Bidder

- 33.1 Without prejudice to any other right of the Employer under this Contract, GoN, Public Procurement Monitoring Office may blacklist a bidder for his conduct up to three years on the following grounds and seriousness of the act committed by the bidder:
- if it is proved that the bidder committed acts pursuant to the Sub - Clause 32.2,
 - if the bidder fails to sign an agreement pursuant to Sub - Clause 27.4,
 - if it is proved later that the bidder/contractor had committed substantial defect in implementation of the contract or had not substantially fulfilled his obligations under the contract or the completed work is not of the specified quality as per the contract ,
 - if convicted by a court of law in a criminal offence which disqualifies the bidder from participating in the contract.
 - if it is proved that the contract agreement signed by the bidder was based on false or misrepresentation of bidder's qualification information,
 - other acts mentioned in the Bidding Data
- 33.2 A firm declared blacklisted and ineligible by the GoN shall be ineligible to bid for a contract during the period of time determined by the PPMO.



G. Bidding Data

Instruction to Bidders Clause References

A. General

ITB 1	The Employer is: Dhanpalthan Rural Municipality, Soraghag Morang The Scope of Work: Upgrading of road to black top at Dadarbariya Chowk to Fhutani Chowk, Morang
ITB 2	Bidder's Eligibility Requirement: <ol style="list-style-type: none">1. Registration Certificate2. Business Registration Licence3. VAT and PAN Registration Certificates4. Tax Clearance Certificate or Submissions of Tax Returns up to fiscal year 2074/0755. Joint Venture Authorization/ Agreement (if any)6. Power of Attorney

B. Bidding Documents

ITB 7	Employer's address for clarification purposes is: Office Chief Address: Dhanpalthan Rural Municipality, Soraghag Morang Telephone: 021-565122 Facsimile number: Electronic mail address: Requests for clarification should be received by the Employer no later than: 10 days prior to the deadline for submission of bids.
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C. Preparation of Bids

ITB 8	The language of the bid is: English / Nepali
ITB 11	The bid validity period shall be: 90 days from the last date of submission of Bid
ITB 12	Amount of Bid Security shall be: 355000 (Three lakh Fifty-Five thousand only) The bid security validity period shall be: 30 days after Bid Validity date i.e 120 days from the last date of submission of bid The Bank Account of the Employer: Account Name:-Mega Bank Ltd, Karsiya, Morang Account no:- 0080010096553



ITB 13	<p>The written confirmation of authorization to sign on behalf of the Bidder shall indicate:</p> <p>(a) <i>The name and description of the documentation required to demonstrate the authority of the signatory to sign the Bid such as a Power of Attorney; and</i></p> <p>(b) <i>In the case of Bids submitted by an existing or intended JV an undertaking signed by all parties (i) stating that all parties shall be jointly and severally liable, and (ii) nominating a Representative who shall have the authority to conduct all business for and on behalf of any and all the parties of the JV during the bidding process and, in the event the JV is awarded the Contract, during contract execution.”]</i></p>
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D. Submission of Bids

ITB 15	<p>A Pre-Bid meeting take place.</p> <p>If a Pre-Bid meeting will not take place, it will be at the following date, time and place:</p> <p>Date: (NA)</p> <p>Time: (NA)</p> <p>Place: (NA)</p>
ITB 16	<p>The Employer’s address for bid submission purposes is:</p> <p>Attention : Office Chief</p> <p>Address : Dhanpalthan Rural Municipality, Soraghag Morang</p> <p>The deadline for bid submission is:</p> <p>Date: 2075/10/08</p> <p>Time: 12:00 hours</p>

E. Bid Opening and Evaluation

ITB 19	<p>The bid opening shall take place at:</p> <p>Address: Dhanpalthan Rural Municipality, Soraghag Morang</p> <p>Date: 2075/10/08</p> <p>Time: 14:00 hours</p>
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F. Award of Contract

ITB 29	<p>The Advance Payment amount shall be: maximum 10% of the initial contract price excluding provisional sums, day works and VAT and shall be paid to the Contractor.</p>
ITB 31	<p>Not Applicable</p>



Contract No:- **DP/IRM/SBG/NCB-07/075/76**

Section III. Sample Forms of Bid, Qualification Information, Letter of Acceptance and Agreement

Bid

We have examined the documents and offer to execute the Works in conformity with the Contract for the sum of (in words)(in figures) or such other sum as may be ascertained under the contract.

This bid is submitted in one original and one duplicate copy.

We accept the appointment of [_____ **name proposed in Bidding Data**] as the Adjudicator

[or]

We do not accept the appointment of [**name proposed in Bidding Data**] as the Adjudicator, and propose instead that [name] be appointed as Adjudicator, whose daily fees and biographical data are attached.

This bid shall remain binding until _____ [date]. This bid and your written acceptance of it shall constitute a binding contract between us.

We understand that the Employer is not bound to accept the lowest or any offer received for the Works.

Signature _____ Date: _____

Name : _____

Designation: _____

Authorised to sign on behalf of (organisation name): _____

Office Stamp of the Organisation: _____



Eligibility Information

1. Eligibility Requirements:

All Bidders shall submit following documents as pre- requisites for eligibility:

- I.** Registration Certificate [*attach copy*]
- II.** Place of Registration [*insert*]
- III.** Principal place of Business [*insert address*]
- IV.** Business Registration Licence [*attach copy*]
- V.** VAT and PAN Registration Certificates [*attach copy*]
- VI.** Tax Clearance Certificate or Submissions of Tax Returns of **F/Y 2074/075** as specified in Bidding Data [*attach copies*]
- VII.** Joint Venture Authorization/ Agreement (if any)
- VIII.** Power of Attorney

2. Joint Ventures Requirements (if any)

- 2.1 Attach the power of attorney of the signatory (ies) of the bid authorising signature of the bid on behalf of the joint venture.
- 2.2 Attach the Agreement among all partners of the joint venture (and which is legally binding on all partners), which shows that
 - (a) all partners shall be jointly and severally liable for the execution of the Contract in accordance with the Contract terms;
 - (b) one of the partners will be nominated as being in charge, authorized to incur liabilities, and receive instructions for and on behalf of any and all partners of the joint venture; and
 - (c) execution of the entire Contract, including payment, shall be done exclusively with the partner in charge.
 - (d) each joint venture partners shall provide details as per information listed in 1 above.

Contract No:- DP/IRM/SBG/NCB-07/075/76



Letter of Intention to Award

[This letter should be in the letterhead paper of the Employer]

Date:

To: [name and address of the Contractor]

This is to notify you in accordance with the Instruction to Bidders that it is our intention to award the contract [name of the Contract and identification number, as given in the Contract Data and/or SCC] to you as your Bid price of the equivalent,² of [amount in numbers and words in Nepalese Rupees], as corrected and modified³ in accordance with the Instructions to Bidders, is determined to be substantially responsive and lowest evaluated Bid price.

Authorized Signature: _____

Name and Title of Signatory: _____

Name of Agency: _____

² Delete "of the equivalent" if the Contract Price is expressed wholly in one currency.

³ Delete "corrected and" or "and modified" if not applicable. See Note on Agreement, next page.



Letter of Acceptance

[Letterhead of the Employer]

Date: _____

To: [name and address of the contractor]

This is to notify you that your bid dated [date] for execution of the [name of the Contract and identification number, as given in the Invitation to Bid] for the Contract Price of [insert the amount in Nepalese Rupees in numbers and words] as corrected and modified⁴ in accordance with the Instructions to Bidders is hereby accepted by our Agency.

You are hereby instructed to contact our office [Office address] to sign the formal agreement on [date] at [time]. As per the Instructions to Bidders you are also required to submit Performance Security, as specified in the SCC, consisting of a Bank Guarantee in an approved format or cash deposit voucher in favour of the Employer in the Employer's Bank account as specified in the SCC.

The Employer shall forfeit the bid security, in case you fail to furnish the Performance Security and to sign the contract.

Please convey your unconditional acceptance by signing on the original of this letter and submit the required Performance Security, at the time of formal agreement.

Authorised Signature: _____

Name: _____

Designation: _____

⁴ Delete "corrected and" or "and modified" if not applicable. See notes on Standard Form of Agreement, next page.



Agreement

This Agreement, made the [day] day of [month], [year] between [name and address of Employer] (hereinafter called "the Employer") and [name and address of contractor] (hereinafter called "the contractor") of the other part.

Whereas the Employer is desirous that the contractor execute [name and identification number of contract] (hereinafter called "the Works") and the Employer has accepted the bid for _____ [insert the amount in Nepalese Rupees in numbers and words] by the contractor for the execution and completion of such Works and the remedying of any defects therein.

Now this Agreement witnesseth as follows:

1. In this Agreement, words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract hereinafter referred to, and they shall be deemed to form and be read and construed as part of this Agreement.
2. In consideration of the payments to be made by the Employer to the contractor as hereinafter mentioned, the contractor hereby covenants with the Employer to execute and complete the Works and remedy any defects therein in conformity in all respects with the provisions of the Contract.
3. The Employer hereby covenants to pay the contractor in consideration of the execution and completion of the Works and the remedying of defects wherein, the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.

In Witness whereof the parties thereto have caused this Agreement to be executed the day and year first before written.

The Common Seal of _____
was hereunto affixed in the presence of: _____

Signed, Sealed, and Delivered by the said _____
in the presence of: _____

Binding Signature of Employer _____

Binding Signature of Contractor _____

[Addendum showing the corrections if any made during the bid evaluation should be attached with this agreement]



Section IV. General Conditions of Contract (GCC)

1. General Provisions

1.1 **Definitions** In the Contract as defined below, the words and expressions defined shall have the following meanings assigned to them, except where the context requires otherwise:

The Contract

1.1.1 **“Contract”** means the Agreement signed between the Employer and the contractor and the other documents listed in the Special Conditions of Contract (SCC).

1.1.2 **“Specification”** means the document as listed in the SCC, including Employer’s requirements in respect of design to be carried out by the contractor, if any, and any variation to such document.

1.1.3 **“Drawings”** means the Employer’s drawings of the Works as listed in the SCC, and any variation to such drawings.

1.1.4 **“Bill of Quantities”** means the priced and completed bill of quantities forming part of the Tender.

1.1.5 **“Bid or Tender”** means the contractor’s priced offer to the Employer for the execution and completion of the Works and the remedying of any defects therein in accordance with the provisions of the Contract, as accepted by the Letter of Acceptance.

1.1.6 **“Letter of Acceptance”** means the formal acceptance by the Employer of the **bid** or Tender.

Persons

1.1.7 **“Employer”** means the person named in the Agreement and the legal successors in title to this person, but not (except with the consent of the contractor) any assignee.

1.1.8 **“Contractor”** means the person named in the Agreement and the legal successors in title to this person, but not (except with the consent of the Employer) any assignee.

1.1.9 **“Party”** means either Employer or the contractor.

Date, Times and Periods

1.1.10 **“Commencement Date”** means the date 14 days after the date the Agreement comes into effect or any other date agreed between the Parties.

1.1.11 **“Day”** means a calendar day.

1.1.12 **“Time for Completion”** means the time for completing the Works as stated in the SCC (or as extended under Sub-Clause 7.3), calculated from the Commencement Date.



Money and Payments

"Cost" means all expenditure properly incurred (or to be incurred) by the contractor, whether on or off the Site, including overheads and similar charges, but does not include profit.

1.1.14 **"Contract Price"** is the price stated in the letter of Acceptance and thereafter as adjusted in accordance with the provisions of the Contract.

1.1.15 **"Retention Money"** means the aggregate of all monies retained by the Employer pursuant to Sub-Clause 11.3.

Other Definitions

1.1.16 **"Contractor's Equipment"** means all apparatus, machinery, vehicles, facilities and other things required for the execution of the Works but does not include Materials or Plant.

1.1.17 **"Country"** means Nepal.

1.1.18 **"Employer's Liabilities"** means those matters listed in Sub-Clause 6.1.

1.1.19 **"Force Majeure"** means an exceptional event or circumstance: which is beyond a Party's control; which such Party could not reasonably have provided against before entering into the Contract; which, having arisen, such Party could not reasonably have avoided or overcome; and, which is not substantially attributable to the other Party.

1.1.20 **"Materials"** means things of all kinds (other than Plant) intended to form or forming part of the permanent work.

1.1.21 **"Plant"** means the machinery and apparatus intended to form or forming part of the Permanent Works.

1.1.22 **"Site"** means the places provided by the Employer where the Works are to be executed, and any other places specified in the Contract as forming part of the Site.

1.1.23 **"Variation"** is an instruction given by the Employer which varies the Works pursuant to Sub-Clause 10.1

1.1.24 **"Works"** means all the work and design (if any) to be performed by the contractor including temporary work and any Variation.

1.1.25 **"Permanent Works"** means the permanent works to be executed (Including Plant) in accordance with the Contract.

1.1.26 **"Temporary Works"** means all temporary works of every kind (other than contractor's Equipment) required in or about the execution and completion of the Works and the remedying of any defects therein.

1.1.27 **"Adjudication"** means the procedure to be adopted by the contractor and the Employer in solving the dispute if it is not solved amicably pursuant to Sub-Clause 15.1.



- 1.2 **Interpretation** Words importing persons or parties shall include firms and organisations. Words importing singular or one gender shall include plural or the other gender where the context requires.
- 1.3 **Priority of Documents** The documents forming the Contract shall to be taken as mutually explanatory of one another. If an ambiguity or discrepancy is found in the documents, the Employer shall issue any necessary instructions to the contractor, and the priority of the documents shall be in accordance with the order as listed in the SCC.
- 1.4 **Law** The law of the Contract is stated in the SCC.
- 1.5 **Communications** Where provision is made for the giving or issue of any notice, instruction, or other communication by any person, unless otherwise specified such communication shall be written in the language stated in the SCC as shall not be unreasonably withheld or delayed.
If a notice given pursuant to Sub-Clause 1.5 fails to be delivered due to failure to trace the address of the party then the notice shall be published as public notice in a National daily newspaper and when the notice is so published then the notice shall be considered to be delivered to the concerned party.
- 1.6 **Statutory Obligations** The contractor shall comply with the laws of the countries where activities are performed. The contractor shall give all notices and pay all fees and other charges in respect of the Works.
- 2. The Employer**
- 2.1 **Provision of Site** The Employer shall provide the Site and right of access thereto at the times stated in the SCC.
- 2.2 **Permits and Licenses** The Employer shall, if requested by the contractor, assist him in applying for permits, licences or approvals which are required for the Works.
- 2.3 **Employer's Instructions** The contractor shall comply with all instructions given by the Employer in respect of the Works including the suspension of all or part of the Works.
- 2.4 **Approvals** No approval or consent or absence of comment by the Employer or the Employer's representative shall affect the contractor's obligations.
- 3. Employer's Representatives**
- 3.1 **Authorised Person** One of the Employer's personnel shall have authority to act for him. This authorised person shall be as stated in the SCC, or as otherwise notified by the Employer to the contractor.
- 3.2 **Employer's Representative** The Employer may also appoint a firm or individual to carry out certain duties. The appointee may be named in the SCC, or notified by the Employer to the contractor from time to time. The Employer shall notify the contractor of the delegated duties and authority of this Employer's representative.



4. The Contractor

4.1 General Obligations

The contractor shall carry out the Works properly and in accordance with the Contract. The contractor shall provide all supervision, labour, Materials, Plant and contractor's Equipment which may be required. All Materials and Plant on Site shall be deemed to be the property of the Employer.

During continuance of the of the contract, the contractor and his sub-contractors shall abide at all times by all labour laws, including child labour related enactments, and rules made there under.

A child who has not attained the age of fourteen (14) years shall not be employed in any work as a labourer.

4.2 Contractor's Representative

The contractor shall submit to the Employer for consent the name and particulars of the person authorised to receive instructions on behalf of the contractor.

4.3 Subcontracting

The contractor shall not subcontract the whole of the Works. The contractor shall not subcontract any part of the Works without the consent of the Employer.

4.4 Performance Security

As stated in the SCC, the Contractor shall deliver to the Employer no later than the date specified in the Letter of Acceptance.

5. Design by Contractor

5.1 Contractor's Design

The contractor shall carry out design to the extent specified, as referred to in the SCC. The contractor shall promptly submit to the Employer all designs prepared by him. Within 15 days of receipt, the Employer shall notify any comments or, if the design submitted is not in accordance with the Contract, shall reject it stating the reasons. The contractor shall not construct any element of the permanent work designed by him within 15 days after the design has been submitted to the Employer or where the design for that element has been rejected. Design that has been rejected shall be promptly amended and resubmitted. The contractor shall resubmit all designs commented on taking these comments into account as necessary.

5.2 Responsibility for Design

The contractor shall remain responsible for his tendered design and the design under this Clause, both of which shall be fit for the intended purposes defined in the Contract and he shall also remain responsible for any infringement of any patent or copyright in respect of the same. The Employer shall be responsible for the Specification and Drawings.

6. Employer's Liabilities

6.1 Employer's Liabilities

In this Contract, Employer's Liabilities mean:

- war, hostilities (whether war be declared or not), invasion, act of foreign enemies, within the Country,
- rebellion, terrorism, revolution, insurrection, military or usurped power, or civil war within the Country,



- c. riot, commotion or disorder by persons other than the contractor's personnel and other employees, affecting the Site and/or the Works,
- d. ionising radiations, or contamination by radio-activity from any nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel, radio-active toxic explosive, or other hazardous properties of any explosive nuclear assembly or nuclear component of such an assembly, except to the extent to which the contractor may be responsible for the use of any radio-active material,
- e. pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds,
- f. use or occupation by the Employer of any part of the Works, except as may be specified in the Contract,
- g. design of any part of the Works by the Employer's personnel or by others for whom the Employer is responsible,
- h. any operation of the forces of nature affecting the Site and/or the Works, which was unforeseeable or against which an experienced contractor could not reasonably have been expected to take precautions,
- i. Force Majeure,
- j. a suspension under Sub-Clause 2.3 unless it is attributable to the contractor's failure,
- k. any failure of the Employer,
- l. physical obstructions or physical conditions, other than climatic conditions, encountered on the Site during the performance of the Works, which obstructions or conditions were not reasonably foreseeable by an experienced contractor and which the contractor immediately notified to the Employer,
- m. any delay or disruption caused by any Variation,
- n. any change to the law of the Contract after the date of the contractor's offer as stated in the Agreement,
- o. losses arising out of the Employer's right to have the permanent work executed on, over, under, in or through any land, and to occupy this land for the permanent work, and
- p. damage which is an unavoidable result of the contractor's obligations to execute the Works and to remedy any defects.

7. Time for Completion

7.1 Execution of the Works

The contractor shall commence the Works on the Commencement Date and shall proceed expeditiously and without delay and shall complete the Works within the Time for Completion.

7.2 Programme

The contractor shall submit to the Employer a programme for the Works within the time stated in the SCC



7.3 Extension of Time

Subject to Sub-Clause 10.3, the contractor shall be entitled to an extension to the Time for Completion if he is or shall be delayed by any of the Employer's Liabilities.

The contractor shall submit an application to the Employer for extension of time, stating the causes for delay, 7 days before the expiry of the Contract completion date. On receipt of an application from the contractor, the Employer shall consider all supporting details provided by the contractor and shall extend the Time for Completion as appropriate.

7.4 Liquidated Damages for Delay

If the contractor fails to complete the Works within the Time for Completion, the contractor's only liability to the Employer for such failure shall be to pay the amount stated in the SCC for each day for which he fails to complete the Works. The total amount of Liquidated damages shall not exceed the amount stated in the SCC.

7.5 Bonus

The Contractor shall be paid a Bonus calculated at the rate per calendar day stated in the SCC for each day that the Completion is earlier than the date for Time of Completion. The Employer shall certify that the Works are complete, although they may not be due to be complete. The total amount of Bonus shall not exceed the amount stated in the SCC.

8. Taking-Over

8.1 Completion

The contractor may notify the Employer when he considers that the Works are complete.

8.2 Taking-Over Notice

The Employer shall notify the contractor when he considers that the contractor has completed the Works stating the date accordingly. Alternatively, the Employer may notify the contractor that the Works, although not fully complete, are ready for taking over, stating the date accordingly.

The Employer shall take over the Works upon the issue of this notice. The contractor shall promptly complete any outstanding work and, subject to Clause 9, clear the Site.

9. Remedying Defects

9.1 Remedying Defects

The Employer may at any time prior to the expiry of the period stated in the SCC, notify the contractor of any defects or outstanding work. The contractor shall remedy at no cost to the Employer any defects due to the contractor's design, materials, plant or workmanship not being in accordance with the Contract.

The cost of remedying defects attributable to any other cause shall be valued as a Variation. Failure to remedy any defects or complete outstanding work within a reasonable time of the Employer's notice shall entitle the Employer to carry out all necessary work at the contractor's cost.



9.2 Uncovering and Testing

The Employer may give instruction as to the uncovering and/or testing of any work. Unless as a result of any uncovering and/or testing it is established that the contractor's design, materials, plant or workmanship are not in accordance with the Contract, the Contractor shall be paid for such uncovering and/or testing as a Variation in accordance with Sub-Clause 10.2.

10. Variations and Claims

10.1 Right to Vary

The Employer may instruct Variations to increase or decrease the quantity of work or addition of new items or substitution of items included in the contract, if determined necessary due to technical reason during implementation of the contract.

10.2 Valuation of Variations

Variations shall be valued as follows:

- a. where appropriate, at rates in the Contract, or
- b. in the absence of appropriate rates, the rates in the Contract shall be used as the basis for valuation,
- c. at appropriate new rates, as may be agreed or which the Employer considers appropriate, or
- d. if the Employer so instructs, at daywork rates set out in the SCC for which the contractor shall keep records of hours of labour and contractor's Equipment, and of Materials used.

10.3 Early Warning

A Party shall notify the other as soon as he is aware of any circumstance which may delay or disrupt the Works, or which may give rise to a claim for additional payment. The contractor shall take all reasonable steps to minimise these effects.

The contractor's entitlement to extension to Time for Completion or additional payment shall be limited to the time and payment which would have been due if he had given prompt notice and has taken all reasonable steps.

10.4 Right to Claim

If the contractor incurs cost as a result of any of the Employer's Liabilities, the contractor shall be entitled to the amount of such cost. If as a result of any of the Employer's Liabilities, it is necessary to change the Works, this shall be dealt with as a Variation.

10.5 Variation and Claim Procedure

The contractor shall submit the Employer an itemised make-up of the value of Variations and claims within 30 days of the instruction or of the event giving rise to the claim. The Employer shall check and if possible agree the value. In the absence of agreement, the Employer shall determine the value.



11. Contract Price and Payment

- 11.1 Valuation of the Works** The Works shall be valued as provided for in the SCC, subject to Clause 10.
- 11.2 Monthly Statements** The contractor shall be entitled to be paid at monthly intervals:
- the value of the Works executed,
 - the percentage stated in the SCC of the value of Materials and Plant delivered to the Site at a reasonable time,
- subject to any additions or deductions which may be due.
- The contractor shall submit each month to the Employer a statement showing the amounts to which he considers himself entitled.
- 11.3 Interim Payments** Within 30 days of acceptance of each statement, the Employer shall pay to the contractor the amount shown in the contractor's statement less retention at the rate stated in the SCC, and less any amount for which the Employer has specified his reasons for disagreement. The Employer shall not be bound by any sum previously considered by him to be due to the contractor.
- 11.4 Payment of First Half of Retention** One half of the retention and any such other retention shall be paid by the Employer to the contractor within 15 days upon expiry of Defects Liability Period.
- 11.5 Payment of Second Half of Retention** The remainder of the retention shall be paid by the Employer to the contractor within 15 days after submission of evidence document from the concerned Internal Revenue Office that the contractor has submitted his Income Returns.
- 11.6 Final Payment** Within 45 days of the latest of the expiry of the defects liability period, the contractor shall submit a final account to the Employer together with any documentation reasonably required to enable the Employer to ascertain the final contract value.
- Within 30 days after the submission of this final account, the Employer shall pay to the contractor any amount due. If the Employer disagrees with any part of the contractor's final account, he shall specify his reasons for disagreement when making payment
- 11.7 Currency** Payment shall be in the currency stated in the SCC.
- 11.8 Delayed Payment** The contractor shall be entitled to interest at the rate stated in the SCC for each day the Employer fails to pay beyond the prescribed payment period.



11.9 Advance Payment

The Employer may make advance payment to the contractor of the amounts stated in the SCC within 15 days, against provision by the contractor of an Unconditional Bank Guarantee in a form and by a bank acceptable to the Employer in amounts and currencies equal to the advance payment. The Guarantee shall remain effective until the advance payment has been repaid, but the amount of the Guarantee shall be progressively reduced by the amounts repaid by the contractor. Interest shall not be charged on the advance payment.

- b The contractor is to use the advance payment only to pay for Equipment, Plant, Materials and mobilization expenses required specifically for execution of the Contract. The contractor shall demonstrate that advance payment has been used in this way by supplying copies of invoices or other documents to the Employer/ Engineer.
- c Unless otherwise stated in the SCC, the advance payment shall be repaid through percentage deductions from the monthly certified statements in accordance with this clause. Deductions shall commence in the next monthly statement in which the value of work executed exceeds thirty (30%) percent of the initial Contract Amount less provisional sums, day works and VAT. Deduction shall be made at the amortization rate of thirty (30%) percent of the amount of each monthly statement until such time as the advance payment has been repaid completely, provided that the advance payment shall be completely repaid prior to the end of 90 % of the approved contract period.

11.10.Price Adjustment

- a) The Contract is subject to price adjustment only for construction material in accordance with this clause. If the Contract Agreement is concluded following the Invitation for National Level Bidding and after the signing of the Contract Agreement if the price of the construction materials stated in the SCC increase or decrease in an unexpected manner in excess of ten (10%) percent in comparison to the base price stated in the SCC, then the price adjustment for the increase or decrease of price of the construction material beyond 10% shall be made by applying the following formulas:

For unexpected increase in price
 $P = [R_1 - (R_0 \times 1.10)] \times Q$

For unexpected decrease in price
 $P = [R_1 - (R_0 \times 0.90)] \times Q$

Where:

- “ P ” is price adjustment amount
- “ R₁ ” is the present price of the construction material
- “ R₀ ” is the base price of the construction material
- “ Q ” is quantity of the construction material consumed in construction during the period of price adjustment consideration

- (b) The Price Adjustment amount pursuant to the clause will be limited to a maximum of 25% of the initial Contract Amount unless otherwise is specified in the SCC



The Price Adjustment provision pursuant to Clause 11.10 (a) shall not be applicable if the contract is not completed in time due to the delay caused by the contractor or the contract is a Lump sum Contract or a Fixed Budget Contract.

**11.11 Local
Taxation &
Value Added
Tax**

- a. The prices tendered by the Contractor shall include all taxes that may be levied in accordance to the laws and regulations in being in Nepal on the date 30 days prior to the closing date for submissions of Bids on the Contractor's equipment, plant and materials acquired for the purpose of the Contract and on the services performed under the Contract. Nothing in the Contract shall relieve the Contractor from his responsibility to pay any tax that may be levied in Nepal on profits made by him in respect of the Contract.
- b. The Contract is not exempted from value added tax. An amount specified in the schedule of taxes shall be paid by the Contractor in the concerned VAT office within time frame specified in VAT regulation.

12. Termination of Contract

**12.1 Default by
Contractor**

If the contractor abandons the Works, refuses or fails to comply with a valid instruction of the Employer or fails to proceed expeditiously and without delay or is, despite a written complaint, in breach of the Contract, the Employer may give notice referring to this Sub-Clause and stating the default.

If the contractor has not taken all practicable steps to remedy the default within 15 days after the contractor's receipt of the Employer's notice, the Employer may, by a second notice given within a further 22 days, terminate the Contract. The Contractor shall then demobilize from the Site leaving behind Materials and Plant and any contractor's Equipment which the Employer instructs in the second notice to be used until the completion of the Works.

**12.2 Default by
Employer**

If the Employer fails to pay in accordance with the Contract, or is, despite a written complaint, in breach of the Contract, the contractor may give notice referring to this Sub-Clause and stating the default. If the default is not remedied within 7 days after the Employer's receipt of this notice, the contractor may suspend the execution of all or parts of the Works.

If the default is not remedied within 30 days after the Employer's receipt of the contractor's notice, the contractor may, by a second notice given within a further 22 days, terminate the Contract. The contractor shall then demobilise from the Site.

12.3 Insolvency

If a Party is declared insolvent under any applicable law, the other Party may by notice terminate the Contract immediately. The contractor shall then demobilise from the Site leaving behind, in the case of the contractor's insolvency, any contractor's Equipment which the Employer instructs in the notice is to be used until the completion of the Works.



**12.4 Termination
by
Convenience**

Notwithstanding the above, the Employer shall be entitled to terminate the Contract in public interest, at any time at the Employer's convenience, by giving notice of such termination to the contractor.

**12.5 Payment upon
Termination**

After termination, the contractor shall be entitled to payment of the unpaid balance of the value of the Works executed and of the Materials and Plant reasonably delivered to the Site, adjusted by the following:

- a. any sums to which the contractor is entitled under Sub-Clause 10.4,
- b. any sums to which the Employer is entitled,
- c. if the Employer has terminated under Sub-Clause 12.1 or 12.3, the Employer shall be entitled to a sum equivalent to 20% of the value of those parts of the Works not executed at the date of the termination,
- d. if the contractor has terminated under Sub-Clause 12.2 or 12.3, the contractor shall be entitled to the Cost of his suspension and demobilisation together with a sum equivalent to 10% of the value of those parts of the Works not executed at the date of termination

The net balance due shall be paid or repaid within 30 days of the notice of termination.

13. Risk and Responsibility

**13.1 Contractor's
Care of the
Works**

The contractor shall take full responsibility for the care of the Works from the Commencement Date until the date of the Employer's notice under Sub-Clause 8.2. Responsibility shall then pass to the Employer. If any loss or damage occurs to the Works during the above period, the contractor shall rectify such loss or damage so that the Works conform to the Contract.

Unless the loss or damage occurs as a result of an Employer's Liability, the contractor shall indemnify the Employer, the Employer's contractors, agents and employees against all loss or damage happening to the Works and against all claims or expense arising out of the Works caused by a breach of the Contract, by negligence or by other default of the contractor, his agents or employees.

13.2 Force Majeure

If a Party is or shall be prevented from performing any of its obligations by Force Majeure, the Party affected shall notify the other Party immediately. If necessary, the contractor shall suspend the execution of the Works and, to the extent agreed with the Employer, demobilise the contractor's Equipment.

If the event continues for a period of 90 days, either Party may then give notice of termination which shall take effect 30 days after the giving of the notice.

After termination, the contractor shall be entitled to payment of the unpaid balance of the value of the Works executed and of the Materials and Plant reasonably delivered to the Site, adjusted by the following:



- a. any sums to which the contractor is entitled under Sub-Clause 10.4,
- b. the Cost of his suspension and demobilisation,
- c. any sums to which the Employer is entitled.

The net balance due shall be paid or repaid within 30 days of the notice of termination.

14. Insurance

14.1 Extent of Cover

The contractor shall, prior to commencing the Works, effect and thereafter maintain insurances in the joint names of the Parties:

- a. for loss and damage to the Works, Materials, Plant and the contractor's Equipment,
- b. for liability of both Parties for loss, damage, death or injury to third parties or their property arising out of the contractor's performance of the Contract, including the contractor's liability for damage to the Employer's property other than the Works, and
- c. for liability of both Parties and of any Employer's representative for death or injury to the contractor's personnel except to the extent that liability arises from the negligence of the Employer, any Employer's representative or their employees.

14.2 Arrangements

All insurances shall conform with any requirements detailed in the SCC. The policies shall be issued by insurers and in terms approved by the Employer. The contractor shall provide the Employer with evidence that any required policy is in force and that the premiums have been paid.

All payments received from insurers relating to loss or damage to the Works shall be held jointly by the Parties and used for the repair of the loss or damage or as compensation for loss or damage that is not to be repaired.

14.3 Failure to Insure

If the contractor fails to effect or keep in force any of the insurances referred to in the previous Sub-Clauses, or fails to provide satisfactory evidence, policies or receipts, the Employer may, without prejudice to any other right or remedy, effect insurance for the cover relevant to such default and pay the premiums due and recover the same as a deduction from any other monies due to the contractor.



15. Resolution of Disputes

15.1 Dispute Settlement

If any dispute shall arise out of or in connection with the Contract, including any valuation or other decision of the Employer, then the parties shall attempt to settle such dispute amicably within 15 days of the notification of the Employer's decision.

15.2 Arbitration

Any dispute between the Parties as to matters arising pursuant to this Contract which cannot be settled amicably within thirty (30) days after receipt by one Party of the other Party's request for such amicable settlement may be referred to Arbitration as stated in Scc, within 30 days after the expiration of amicable settlement period.

16. Conduct of Bidders

16.1 The Bidder shall be responsible to fulfil his obligations as per the requirement of the Contract Agreement, Bidding documents, GoN's Procurement Act and Regulations.

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

- h) give or propose improper inducement directly or indirectly,
- i) distortion or misrepresentation of facts
- j) engaging or being involved in corrupt or fraudulent practice
- k) interference in participation of other prospective bidders.
- l) coercion or threatening directly or indirectly to cause harm to the person or the property of any person to be involved in the procurement proceedings,
- m) collusive practice among bidders before or after submission of bids for distribution of works among bidders or fixing artificial/uncompetitive bid price with an intention to deprive the Employer the benefit of open competitive bid price..
- n) contacting the Employer with an intention to influence the Employer with regards to the bid or interference of any kind in examination and evaluation of the bids during the period after opening of bids up to the notification of award of contract



17. Blacklisting Bidder

Without prejudice to any other right of the Employer under this Contract, GoN, Public Procurement Monitoring Office may blacklist a bidder for his conduct up to three years on the following grounds and seriousness of the act committed by the bidder:

- g) if it is proved that the bidder committed acts pursuant to the Sub - Clause 16.2,
- h) if the bidder fails to sign an agreement pursuant to ITB Sub – Clause 27.4,
- i) if it is proved later that the bidder/contractor had committed substantial defect in implementation of the contract or had not substantially fulfilled his obligations under the contract or the completed work is not of the specified quality as per the contract ,
- j) if convicted by a court of law in a criminal offence which disqualifies the bidder from participating in the contract.
- k) if it is proved that the contract agreement signed by the bidder was based on false or misrepresentation of bidder's qualification information,
- l) other acts mentioned in the Bidding Data

33.2 A firm declared blacklisted and ineligible by the GoN shall be ineligible to bid for a contract during the period of time determined by the PPMO.

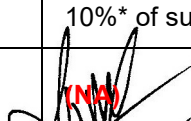


Contract No:- **DP/IRM/SBG/NCB-07/075/76**

Section V Special Conditions of Contract (SCC)

This SCC forms part of the Agreement

[Note: with the exception of the items for which the Employer's requirements have been inserted, the Bidder shall complete the following information before submitting his bid.]

Item	Clause	Data
Documents forming the Contract listed in the order of priority	1.1.1	Document a. The Agreement b. Special Conditions of Contract c. General Conditions of Contract d. The Technical Specifications e. The Drawings f. The Bill of Quantities
Time for Completion	1.1.12	Three (3) Months from the date of agreement
Law of Contract	1.4	Applicable Law of Nepal
Language	1.5	English or Nepali
Provision of Site	2.1	On the commencement date
Authorised person	3.1	Office Chief, Dhanpalthan Rural Municipality, Soraghag Morang
Name and address of Employer's representative (if known)	3.2	Office Chief, Dhanpalthan Rural Municipality, Soraghag Morang
Performance security : Amount Form	4.4 4.4	if the bid amount \geq 85% of the estimated amount, the performance security will be 5% of Bid Amount if the bid amount is more than 15% below the estimated amount (Bid Amount < 85% of estimated amount) then performance security will be as follows: Performance security amount = $0.05 * \text{Bid Amount} + 0.5 * (0.85 * \text{estimated amount} - \text{Bid Amount})$. Attached in section X
Requirements for contractor's design (if any)	5.1	Specification Clause No's (NA)
Time for the submission of programme	7.2	When notified by Employer
Liquidated Damages for Delay	7.4	0.05% of Contract Price per day up to a maximum of 10%* of sum stated in the Agreement
Bonus or early completion (if any)	7.4	



Item	Clause	Data	
Period for notifying defects	9.1	365 days* calculated from the date stated in the notice under Sub-Clause 8.2.	
Daywork rates (if any)	10.2 (e)	(NA)	
Valuation of the Works*	11.1	Measurement with bid bill of quantities	
Percentage of value of Materials and Plant	11.2 (b)	[insert Materials% if applicable] [insert Plant% if applicable] (NA)	
Percentage of retention	11.3	5% of each Payment made to the Contractor	
Currency of payment	11.7	Nepalese Rupees	
Rate of interest	11.8	3 % per annum	
Advance Payment	11.9	Maximum 10% of the initial contract price excluding provisional sums, day works and VAT and shall be paid to the Contractor.	
Price Adjustment Base Price	11.10.	(Not Applicable)	
Insurances	14.2	Type of Cover	Amount to Cover
		The Works.Material.Plant And Fees Contractor's Equipment Third Party injury to persons and damage to property Workers For Employer's/Engineer's staff:	The Sum stated in the Agreement plus 15% Full Replacement Cost Insert amount per person, number of persons and number of occurrences As per Labour Act of Nepal Nrs.1000000 (per person(Maximum 10 persons)with an unlimited number of occurrences
Arbitration	15.2	Arbitration Rules : Nepal Council of Arbitration(NEPCA} Appointing Authority: Nepal Council of Arbitration (NEPCA} Place of Arbitration: Sorabhag Language: English ,Nepali	



Contract No:- DPTM/SBG/NCB-07/075/76

Section VI. Technical Specification

Standard Specifications for this Contract shall be the “Standard Specifications for building works” issued under the authority of Government of Nepal and according as instruction of site engineer



Contract No:- DPTM/SBG/NCB-07/075/76

Section VII. Drawings

The Drawings for Works under the Contract as produced by Employer will be used and will be available in Employer's Office in separate volume.



Contract No:- DTRM/SBG/NCB-07/075/76

Section VIII. Bill of Quantities

Project Name : Upgrading of road to blacktop at Dadarbairiya Chowk to Fhutani Chowk

Project No: DPTRM/SBG/NCB-07/075/076			Location :Dhanpalthan Ward-6 (650 and Ward-5 (1085 m)		
SN	Respective Clause of Specification	Descriptions	Quantity	Units	Fig
A General Items					
1		Provide insurance of works, materials, construction equipment and against accidents to work force including third party insurance work so as to complete the work as specified	1.00	Ps	200
2		Provide, painting and instalation of project information Board 1.0x1.50m in iron posts including cost of excavation, M10 concrete for foundation, backfill and all other incidental work so as to complete the work as specified	2.00	No.	
3		Conduct required number of laboratory as well field tests of materials and workmanship for Bitumen , Gabion wire, subbase , Base etc , (MDD, field density , gradiation, PI, AIV, LA etc all complete) as directed by the Engineer	1.00	PS	100
B Pipe Culvert work					
1	(DoLIDAR-05a)	Earthwork in Excavation in Ordinary soil for trenches	70.70	Cum	
2	(DoLIDAR-49)	Stone soling In Foundation	3.59	Cum	
3	(DoLIDAR-41-Aa)	Plain Cement Concrete Work(M10) in foundation Using Crusher Aggregate including mixing, placing, laying, curing, etc all complete.	2.39	Cum	
4	(DoLIDAR-38-B)	Stone Masonary Work (In 1:4 Cement sand Mortar) including placing, laying, curing, etc all complete.	16.81	Cum	
5	(DoLIDAR-41-Ab)	Plain Cement Concrete Work (M15) onWall top Using Crusher Aggregate including mixing, placing, laying, curing, etc all complete.	0.30	Cum	
6	(DoR 25-4)	20mm thick plaster Work (In 1:4 Cement sand Mortar) including mixing, placing, laying, Compactioning, testing, finishing, curing, etc all complete.	11.11	Sqm	
7	(DoLIDAR 47)	Providing & Placing of 900mm dia NP3 humepipe including, fixing, testing, finishing, curing, etc all complete.	15.00	Rm	
8	(DoR-9.10a)	Earthwork in Backfilling with Ordinary soil with compaction for trenches and Masonary Work	27.26	Cum	
C Roadway Construction					
1	(DoR 12.01)	Providing subbase material/natural gravel including full compensation for collection/quarrying, screening/hand tipping, transportation, blending with binding material ,laying , spreading in layer to a maximum thickness of 15 cm in one layer, watering, compaction up to 95% of MDD,necessary tests, cost of equipment, labour, required tests and other incidentals all complete	1496.44	Cum	
2	(DoR 12.06)	Providing, laying, spreading, watering, levelling and compaction of 40mm down crushed aggregate for base course including full compensation for material, labour equipment for spreading, mixing with stone dust, watering, compaction up to 98% of MDD,necessary tests and required number of tests all complete	1027.99	Cum	
3	(DoR 13.03)	Providing and spraying bituminous prime coat MC-30/MC-70 at the rate of 1.0 liter/sqm including cleaning the road surface using wire, brushes, broom/compressor etc. before applying prime coat and precautionery /protective measures all complete	6506.25	Liter	
4	(DoR 1.01)	Providing and spraying bituminous tack coat at the rate of 0.50 liter per sqm including cleaning the road surface using wire, brushes, broom etc. before application of tack coat.	3253.13	Liter	
5	(DoR 13.09)	Providing, mixing, laying and compaction of premixed carpet 30mm thick, including full compensation for material, labour equipment for mixing, spreading, compaction, and required number of tests all complete	162.66	Cum	

Contract No:- DTRM/SBG/NCB-07/075/76



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Contract No:- DTRM/SBG/NCB-07/075/76



Section IX. Forms of Securities

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Contract No:- DP/IRM/SBG/NCB-07/075/76

Bid Security (Bank Guarantee)

Whereas, [name of Bidder] (hereinafter called "the Bidder") has submitted his bid dated [date] for the construction of [name of Contract] (hereinafter called "the bid").

Know all people by these presents that We [name of Bank] of [name of country] having our registered office at [address] (hereinafter called "the Bank") are bound unto [name of Employer] (hereinafter called "the Employer") in the sum of [amount]¹ for which payment well and truly to be made to the said Employer, the Bank binds itself, its successors, and assigns by these presents.

Sealed with the Common Seal of the said Bank this [day] day of [month], [year].

The conditions of this obligation are:

- has withdrawn or modifies its Bid during the period of bid validity specified by the Bidder in the Form of Bid; or
- does not accept the correction of errors in accordance with the Instructions to Bidders (hereinafter "the ITB"); or
- having been notified of the acceptance of its Bid by the Employer during the period of bid validity, (i) fails or refuses to execute the Contract Agreement, or (ii) fails or refuses to furnish the performance security, in accordance with the ITB.
- is involved in fraud and corruption in accordance with the ITB

we undertake to pay to the Employer up to the above amount upon receipt of his first written demand, without the Employer's having to substantiate his demand, provided that in his demand the Employer will note that the amount claimed by him is due to him owing to the occurrence of one or any of the three conditions, specifying the occurred condition or conditions.

This Guarantee will remain in force up to and including the date [number] days² after the deadline for submission of bids as such deadline is stated in the Instructions to Bidders or as it may be extended by the Employer, notice of which extension(s) to the Bank is hereby waived. Any demand in respect of this Guarantee should reach the Bank not later than the above date.

Date _____ Signature of the Bank _____

Witness _____ Seal _____

[signature, name, and address]

¹ The Bidder should insert the amount of the Guarantee in words and figures denominated in Nepali Rupees. This figure should be the same as shown in Clause 13 of the Instructions to Bidders.

² Usually 30 days after the end of the validity period of the bid. The date should be inserted by the Employer before the bidding documents are issued.



Performance Bank Guarantee

To: *[name and address of Employer]*

Whereas *[name and address of contractor]* (hereinafter called "the contractor") has undertaken, in pursuance of Contract No. *[number]* dated *[date]* to execute *[name of Contract and brief description of Works]* (hereinafter called "the Contract");

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

And whereas we have agreed to give the contractor such a Bank Guarantee;

Now therefore we hereby affirm that we are the Guarantor and responsible to you, on behalf of the contractor, up to a total of *[amount of Guarantee]* *[amount in words]*³ such sum being payable in the types and proportions of currencies in which the Contract Price is payable, and we undertake to pay you, upon your first written demand and without cavil or argument, any sum or sums within the limits of *[amount of Guarantee]*⁴ as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

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

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

This Guarantee shall be valid for at least 30 days beyond the date of issue of Defects Liability Certificate.

Signature and seal of the Guarantor _____

Name of Bank _____

Address _____

Date _____

³ An amount is to be inserted by the Guarantor, representing the percentage of the Contract Price specified in the Contract, and denominated in Nepalese Rupees.

⁴ The Unconditional (or "On-Demand") Bank Guarantee has the merit of simplicity and of being universally known and accepted by commercial banks. The contracting community, however, strongly objects to this type of Security because the Guarantee can be called (or threatened to be called) by Employers without justification. Employers should recognize the contractual conditions governing nonperformance by the Contractor and should normally act only on the advice of the Project Manager in calling a Performance Guarantee.

Contract No:- DP/IRM/SBG/NCB-07/075/76



Bank Guarantee for Advance Payment

To: *[name and address of Employer]*

[name of Contract]

Gentlemen:

In accordance with the provisions of the Conditions of Contract, Sub clause 11.9("Advance Payment") of the above-mentioned Contract, *[name and address of contractor]* (hereinafter called "the contractor") shall deposit with *[name of Employer]* a Bank Guarantee to guarantee his proper and faithful performance under the said Clause of the Contract in an amount of *[amount of Guarantee] [amount in words]*⁵

We, the *[Bank or Financial Institution]*, as instructed by the contractor, agree unconditionally and irrevocably to guarantee as primary obligator and not as Surety merely, the payment to *[name of Employer]* on his first demand without whatsoever right of objection on our part and without his first claim to the contractor, in the amount not exceeding *[amount of Guarantee] [amount in words]*⁶

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

The validity period of the guarantee shall be 30 days beyond the period scheduled for repayment of the advance payment and the guarantee shall remain valid and in full effect from the date of the advance payment under the Contract until the *[name of Employer]* receives full repayment of the same amount from the Contractor.

Yours truly,

Signature and seal: _____

Name of Bank/Financial Institution: _____

Address: _____

Date: _____

⁵ An amount is to be inserted by the Bank or Financial Institution representing the amount of the Advance Payment, and denominated in Nepali Rupees of the Advance Payment as specified in the Contract.

⁶ An amount is to be inserted by the Bank or Financial Institution representing the amount of the Advance Payment, denominated in Nepali Rupees.