Appendix to the Tender

[In Tables below, the Procuring Entity shall indicate the source and base values with dates of Indexes, unless otherwise instructed to be quoted by the Tenderer, for the different Cost Components and mention its Weightings or Coefficients]

Table 1.1: Price Adjustment Data- Not Applicable.

[ITT Sub Clause 26: To be provided by the Procuring Entity]

Index Descriptions	Base Value	Sources of Index

Note:

1. **The sources of Indexes and its values with dates shall be Bangladesh Bureau of Statistics (BBS) unless otherwise mentioned by the Procuring Entity or instructed to be quoted by the Tenderer.**
2. **The Procuring Entity may require the Tenderer to justify its proposed Indexes, if quoted by the Tenderer.**
3. **The Base Value of the Indexes shall be those prevailing twenty-eight (28) days prior to the deadline for submission of the Tenders.**

Table 1.2: Price Adjustment Data- Not Applicable.

[GCC Sub Clause 67: To be provided by the Procuring Entity]

Item Group	Bill No. if applicable	Index Descriptions	Coefficients or Weightings for non-adjustable Cost Component	Coefficients or Weightings for adjustable Cost Components										Total
				a	b	c	d	e	f	g	h	i	j	
														1
														1
														1
														1
														1
														1

Note:

The Weightings or Coefficients of the Cost Components shall be mentioned by the Procuring Entity based on the proportion of components involved in the items caused to be impacted by rise and fall in its prices.

APPENDICES [These appendixes shall be the part of the contract]

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 services and List of Approved Subcontractors
Appendix 6 - Scope of Works and Supply by the Procuring Entity
Appendix 7 - List of Documents for Approval or Review
Appendix 8 - Functional Guarantees

Appendix 1. Terms and Procedures of Payment

In accordance with the provisions of GCC Clause 61 (Terms of Payment), the Procuring Entity 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 Tenderer unless otherwise agreed between the parties. Applications for payment in respect of part deliveries may be made by the Contractor as work proceeds.

(A) 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:

a) Payment of foreign currency portion shall be made through Letter of Credit (L/C) opened in favor of the Supplier in a schedule Bank of Bangladesh. LC Charges within Bangladesh shall be paid by the Purchaser and those outside Bangladesh paid by the supplier. The payment for goods supplied from aboard to be made as follows:

i. **Advance Payment:** Ten percent (10%) of the total CIP amount shall be paid as an advance payment against submission of irrevocable and unconditional Bank Guarantee by the contractor of equal amount issued from a reputed schedule bank of Bangladesh and after signing of the contract. The Contractor shall furnish the said Bank Guarantee within 28 (twenty-eight) days of the notification of contract award, in an amount equal to the advance payment. The advance payment security may be reduced in proportion to the value of the plant and equipment delivered, as evidenced by PLI report. The advance payment security will be released after completion of post landing inspection of all the items.

ii. **On PLI Report:** Seventy percent (70%) of the total or pro rata CIP amount upon Incoterm “CIP”, shall be paid through a letter of credit upon submission of a claim supported by the satisfactory post landing inspection (PLI) report. This shall be accompanied by shipping documents, and R&I report along with the invoice to be certified by the engineer and passed for payment by the purchaser’s representative. The Project Director will certify the invoice, and the payment advice will be issued by the purchaser’s representative (Accounts Department).

iii. **On Operational Acceptance Certificate (OAC):** Ten percent (10%) of the total or pro rata CIP amount shall be paid upon issuance of the Operational Acceptance Certificate (OAC) [as specified in GCC 43.3] and submission of a claim bill duly verified & certified by the concerned officer and approved by the Project Director.

iv. **On Defects Corrections Certificate:** Ten percent (10%) of the total or pro rata CIP amount shall be paid through letter of credit on submission of Defects Corrections Certificate and invoice duly certified by engineer and passed for payment by the purchaser. Project Director/Engineer will certify the invoice and the payment advice will be issued by the purchaser’s representative (Accounts Department).

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:

i) **Advance Payment:** Ten percent (10%) of the total EXW amount as an advance payment against receipt of invoice, and an irrevocable unconditional 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 plant and equipment delivered to the site, as evidenced by shipping and delivery documents. The advance payment security will be released after completion of post landing inspection of all items.

ii) **On Delivery and PLI Report:** Eighty percent (80%) of the total or pro rata EXW amount upon Incoterm "Ex-Works," upon delivery to the designated site and after issuance of "PLI Report" for each consignment delivered at site and submission of documents with a claim bill duly verified & certified by the concerned officer of the Project Office, and approved by the Project Director along VAT payment Certificate/Challan.

iii) **On Operational Acceptance Certificate (OAC):** Five percent (5%) of the total or pro rata EXW amount upon issue of the Operational Acceptance Certificate (OAC) as specified in GCC 43.3 and a claim bill duly verified & certified by the concerned officer of the Project Office, and approved by the Project Director.

iv) **On Defects Corrections Certificate:** Five percent (5%) of the total or pro rata EXW amount upon issue of the **Defects Corrections Certificate** and a claim bill duly verified & certified by the concerned officer of the Project Office, and approved by the Project Director.

Schedule No. 4 - Installation and other Services

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

i) **Advance Payment:** Ten percent (10%) of the total Installation and other Services amount as an advance payment against receipt an irrevocable unconditional advance payment security from any schedule Bank of Bangladesh for the equivalent amount made out in favour of the Employer. The advance payment security may be reduced in proportion to the value of the Installation and other Services performed at the site, as evidenced by Progress Report. The advance payment security will be released after issuance of Operational Acceptance Certificate (OAC).

ii) **On monthly Progress Report:** Seventy percent (70%) of the measured value of Installation and Services performed satisfactorily by the Contractor, as identified in the said Program of Performance or in Contractors' breakdown estimate, during the preceding month, will be made monthly after receipt of invoice/claim bill duly verified & certified by the concerned officer of the Project Office, and approved by the Project Director.

iii) **On Operational Acceptance Certificate (OAC):** Ten percent (10%) of the total or pro rata value of installation services performed by the Contractor as identified in the said Program of Performance or in Contractors' breakdown estimate, during the preceding month, upon issue of the Operational Acceptance Certificate (OAC) as specified in GCC43.3, will be made after receipt of invoice/claim bill duly verified & certified by the concerned officer of the Project Office, and approved by the Project Director.

iv) **On Defects Corrections Certificate:** Ten percent (10%) of the total or pro rata value of installation services performed by the Contractor as identified in the said Program of Performance or in Contractors' breakdown estimate, during the preceding month, upon issue of the **Defects Corrections Certificate**, will be made after receipt of invoice/claim bill duly verified & certified by the concerned officer of the Project Office, and approved by the Project Director.

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

i) Advance Payment: Ten percent (10%) of the total training Services value as an advance payment against receipt an irrevocable unconditional advance payment security from any schedule Bank of Bangladesh for the equivalent amount made out in favor of the Employer. The advance payment security will be released after issuance of Completion Certificate for the training programs.

ii) **On Completion:** Eighty percent (80%) of the total or pro rata value of training Services shall be paid upon presentation of claim supported by a certificate from the Purchaser declaring that the training programmes have been conducted satisfactorily and that all the training related contractual obligations have been met.

iii) **On Defects Corrections Certificate:** Ten percent (10%) of the total or pro rata value of training Services performed by the Contractor upon issue of the Defects Corrections Certificate and shall be paid after receipt of invoice/claim bill duly verified & certified by the concerned officer of the Project Office, and approved by the Project Director.

Note: The purchaser shall make earnest effort to make the payment in shortest possible time. However, no interest will be applicable for delayed payment.

(B) Payment Procedures

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

Payments under this Contract shall be done in the currency of the Tender for Foreign Currency and in Taka for local currency.

1. **Local Currency [BDT]**

   Payment of Local currency portion (where applicable) shall be made direct through transfer of fund to Contractor's account or through cheque or EFT Payment shall be made direct through Consignee.

2. **Foreign Currency**

   Payment of foreign currency portion shall be made through Letter of Credit (L/C) opened in favor of the contractor/supplier in a scheduled Bank of Bangladesh.

   BANKING CHARGES:

   •Letter of Credit opening and other charges including amendment charges within Bangladesh shall be borne by WZPDCL and those outside Bangladesh shall be borne by the contractor/supplier.

   •The supplier shall have to bear all such charges both inside and outside Bangladesh in case of extension of L/C if done at the request of the contractor/ supplier.

3. **Invoices**

   The Contractor shall submit invoices (original) in triplicate to the Project Director whenever an invoice is required to be submitted as per provision of this Contract. Invoices should be duly certified by Project Director.

4. **Documentation Required for Payment**

No goods should be shipped or delivered without prior instruction (shipping advice) from the Employer/Consignee.

Details of shipping and documents to be furnished by the Contractor/Supplier shall be:

“For Schedule No. 1 - Plant and Equipment Supplied from Abroad / Goods supplied from abroad as per INCOTERM CIP:

Upon shipment, the Contractor/Supplier shall notify the Purchaser by e-mail the full details of the shipment, including Contract number, description of Goods, quantity, the vessel, the bill of lading number and date, port of loading, date of shipment, port of discharge, etc. The Contractor/Supplier shall send the following documents to the Purchaser, with a copy to the Insurance Company:

(a) 7 copies of the Supplier’s invoice showing the description of the Goods,

quantity, unit price, and total amount;

(b) original and 8 copies of the negotiable, clean, on-board bill of lading marked “freight prepaid” and 8 copies of non-negotiable bill of lading where applicable;

(c) 8 copies of the packing list identifying contents of each package;

(d) insurance certificate;

(e) Manufacturers or Supplier’s warranty certificate;

(f) Inspection certificate, issued by the nominated inspection team of the purchaser

and the Supplier’s factory inspection report; and

(g) Certificate of origin.

(h) Shipping advice issued by the Consignee

(i) Truck Challan:

The Employer/Consignee shall receive the above documents at least one week before arrival of Goods at the port and, if not received, the Supplier will be responsible for any consequent expenses.

The negotiable sets of documents shall be originals signed by the Supplier. The Commercial Invoice is to show material value plus freight as applicable.

The Employer/Consignee shall receive the shipping documents at the latest one week before arrival of cargoes at the airport of Dhaka or any sea/land port of entry

in Bangladesh.

The shipping documents shall be supplied to as follows:

1	Executive Director (Finance), WZPDCL, Khulna	2 (Two) sets
2	Project Director Smart Pre-payment Metering Project for West Zone Power Distribution Company Ltd. (WZPDCL) Area (Phase-II) [SPPMP-2], WZPDCL, Khulna	2 (Two) sets
3	Deputy General manager (Accounts), HQ, WZPDCL, Khulna	2 (Two) sets
4	Manager (Accounts), SPPMP-2, WZPDCL, Khulna	2 (Two) sets

(C) Payment Procedure for monthly Progress Report against Civil, Installation & Services work

On or about the first day of each month the Contractor will prepare a bill in prescribed form of the value (As per Breakdown estimate submitted by Contractor) for the Installation & Services work done up-to such date. The estimated cost of Installation & Services work which, do not conform to the specifications will be deducted from the billed amount. Payment will be made to the Contractor as stipulated above. Such intermediate payment shall be regarded as payment by way of advance against the final payment for work actually done and shall not preclude the requiring of bad, unsound and imperfect work to be removed and reconstructed. Such payments shall not be considered as admission that the Contract performance has been completed nor shall it indicate the accruing or any claim, or shall it conclude, determine or affect in any way the powers of WZPDCL under this Contract to final settlement and adjustment of the account or in any other way vary or affect the Contract.

Contractor's Breakdown Estimate

The Contractor shall prepare and submit to the Consignee for approval a breakdown estimates for and covering each lump-sum price stated in the Contract. The breakdown estimate, showing the value of each kind of service shall be certified by Consignee and approved by the Engineer before any partial payment estimate is prepared. Such items as bond premium, temporary facilities and plant may be listed separately in the breakdown estimate, provided that their cost can be substantiated.

The sum of the items listed in any breakdown estimate shall equal the Contract lump- sum price or prices, overhead and profit shall not be listed as separate items. Documentation for progress payments shall be supported by the following documents:

(a) One counterpart of a Work Progress Certificate signed by the Contractor and jointly countersigned by the Owner's Engineer and the Project Director.

(b) The Contractor shall submit all Work Progress Certificates to both the Owner's Engineer and the Project Director simultaneously by registered air mail. The Owner's Engineer and the Project Director will either countersign or reject a Work Progress Certificate within a maximum period of thirty (30) days from the date of receipt of such Certificate by him. If the Owner's Engineer and the Project Director or either shall fail either to countersign or to reject a Work progress Certificate within the said thirty (30) days period, the Contractor shall notify the Project Director by cable of the delay in the approval from the Site; and the Project Director will either countersign the Work Progress Certificate in question or assign his reasons for not doing so within a maximum period of sixty (60) days from the date of receipt of the Contractor's said cable notice to him.

(c) The Contractor shall furnish to the Project Director and the Owner's Engineer or either whenever called upon to do so any additional information or documents that may be required in connection with verification of progress claims and or any other payments made.

Appendix 2. Price Adjustment- Not Applicable.

Prices payable to the Contractor, in accordance with the Contract, shall be subject to adjustment during performance of the Contract to reflect changes in the cost of labor and material components, in accordance with the following formula:

The Contract is subject to price adjustment applying the following formulae and the weightings or coefficients:

[*Price Adjustment Formulae to be applicable if stated under ITT Sub Clause 26.9 shall be specified here]*

Example:

P= A + a (Lm/Lo)+ b (BIm/BIo)+ c (CEm/CEo)+ d (RSm/RSo)+ e (STm/STo)+ f (BRm/BRo)+g (MIm/MIo) + h (FUm/FUo)+ etc

where;

L= Labor, BI=Bitumen, CE=Cement, RS=Reinforcing Steel, ST=Stone, BR=Bricks, MI=Miscellaneous, FU= Fuel]

Weighting or Coefficient A equals between 0.10 and 0.15 and, B (a+b+c+d+e+f+g+h+etc) equals between 0.90 and 0.85.

[insert figure] non-adjustable component (**coefficient A**)

[insert figure] adjustable component (**coefficient B**)

*[The sum of **A+B** shall equal **ONE** (1). It is usual to have value of **A** between 0.10 and 0.15 and that of **B** between 0.90 and 0.85. Breakdown of **B**shall be provided in **Appendix to the Tender.]***

[delete as appropriate]

The date of adjustment shall be the mid-point of the period of manufacture or installation of component or Plant.

The following conditions shall apply:

(a) No price increase will be allowed beyond the original delivery date unless covered by an extension of time awarded by the Procuring Entity under the terms of the Contract. No price increase will be allowed for periods of delay for which the Contractor is responsible. The Procuring Entity will, however, be entitled to any price decrease occurring during such periods of delay.

(c) No price adjustment shall be payable on the portion of the Contract price paid to the Contractor as an advance payment.

For complex plant supply and installation involving several sources of supply and/or a substantial amount of installation works, a family of formulas may be necessary, with provision for the usage of Contractor's equipment in the works formula.

Appendix 3. Insurance Requirements

Insurances To Be Taken Out by The Contractor

In accordance with the provisions of GCC Clause 52, 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 Procuring Entity, such approval not to be unreasonably withheld.

The minimum insurance cover shall be 110% (Hundred Ten). The insurance policy must be issued by the Sadharan Bima Corporation, if available.
The Contractor/Supplier shall secure and maintain throughout the duration of the contract insurance of such types and in such amounts as may be necessary to protect himself and the interest of Purchaser against hazards of risk or loss at Supplier's cost. Failure of the Supplier to maintain such coverage shall not relieve him of any contractual responsibility or obligations f o r transportation a n d ocean cargo insurance from port of loading to port of unloading and from warehouse to warehouse in Bangladesh.

As Marine/Cargo insurance a s well as Local Insurance shall be from Sadharan Bima Corporation, 139, Motijheel Commercial Area, Dhaka, Bangladesh and the cost shall be paid by Supplier/Contractor. Shipment of goods in any chartered vessel over 15(fifteen) years of age and shipment of goods in the Deck are prohibited.

(a) Cargo Insurance
Covering loss or damage occurring, while in transit from the supplier's or manufacturer's works or stores until arrival at the Site, to the Facilities (including spare parts therefore) and to the construction equipment to be provided by the Contractor or its Subcontractors.

Amount **[in currency(ies)]**	**Deductible limits** **[in currency(ies)]**	**Parties insured** **[names]**	**From** **[place]**	**To** **[place]**
Hundred ten percent (110%) of the Contract Price	3% of the insured amount	Procuring Entity	Supplier's or manufacturer's works or stores	Contractor's store in Bangladesh

(b) Installation All Risks Insurance
Covering physical loss or damage to the Facilities at the Site, occurring prior to completion of the Facilities, with an extended maintenance coverage for the Contractor's liability in respect of any loss or damage occurring during the defect liability period while the Contractor is on the Site for the purpose of performing its obligations during the defect liability period.

Amount **[in currency(ies)]**	**Deductible limits** **[in currency(ies)]**	**Parties insured** **[names]**	**From** **[place]**	**To** **[place]**
Hundred ten percent (110%) of the Contract Price	3% of the insured amount	Procuring Entity		

(c) Third Party Liability Insurance
Covering bodily injury or death suffered by third parties (including the Procuring Entity's personnel) and loss of or damage to property (including the Procuring Entity's property and any parts of the Facilities that have been accepted by the Procuring Entity) occurring in connection with the supply and installation of the Facilities.

Amount **[in currency(ies)]**	**Deductible limits** **[in currency(ies)]**	**Parties insured** **[names]**	**From** **[place]**	**To** **[place]**
Hundred ten percent (110%) of the Contract Price	3% of the insured amount	Procuring Entity		

(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) Procuring Entity'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:

Amount **[in currency(ies)]**	**Deductible limits** **[in currency(ies)]**	**Parties insured** **[names]**	**From** **[place]**	**To** **[place]**
Nill	Nill	Nill	Nill	Nill

The Procuring Entity shall be named as co-insured under all insurance policies taken out by the Contractor pursuant to GCC Sub-Clause 52.1, except for the Third-Party Liability, Workers' Compensation and Procuring Entity's Liability Insurances, and the Contractor's Subcontractors shall be named as co-insureds under all insurance policies taken out by the Contractor pursuant to GCC Sub-Clause 52.1, except for the Cargo, Workers' Compensation and Procuring Entity'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 Procuring Entity

If the Procuring Entity is proposing to take out any or all of the above insurances itself, or any other insurances in respect of the Facilities, either in its own name or in the joint names of itself and the Contractor, it shall give details below prior to issuing the tender documents. Under the terms of the Contract, the Contractor and the Contractor's Subcontractors shall be named as co-insured under all such policies.

The Procuring Entity shall at its expense take out and maintain in effect during the performance of the Contract the following insurances.

Details:

Amount **[in currency(ies)]**	**Deductible limits** **[in currency(ies)]**	**Parties insured** **[names]**	**From** **[place]**	**To** **[place]**
Nill	Nill	Nill	Nill	Nill

Appendix 4. Time Schedule

Time(s) for Completion as stated in the PCC [GCC 29.1]

Except under exceptional circumstances, the Time Schedule should indicate periods of time (e.g., weeks or months) and not specify calendar dates. All periods should be shown from the Effective Date of the Contract.

The Tenderer shall be required to submit with its tender a detailed program, normally in the form of a bar chart & CPM, showing how and the order in which it intends to perform the Contract and showing the key events requiring action or decision by the Employer. In preparing this Program, the Tenderer shall adhere to the Time(s) for Completion given in the Tender Data Sheet or give its reasons for not adhering thereto. The Time Schedule submitted by the selected Tenderer and amended as necessary prior to award of Contract shall be included as Appendix to the Contract Agreement before the Contract is signed.

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

[**Subcontracting is not applicable]**

A list of major items of plant and services is provided below.

The following Subcontractors and/or manufacturers are approved for carrying out the item of the facilities indicated. Where more than one Subcontractor is listed, the Contractor is free to choose between them, but it must notify the Procuring Entity of its choice in good time prior to appointing any selected Subcontractor. In accordance with GCC Sub-Clause 23.1, 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 Procuring Entity and their names have been added to this list of Approved Subcontractors.

Major Items of Plant and Services	**Approved Subcontractors/Manufacturers**	**Nationality**

Appendix 6. Scope of Works and Supply by the Procuring Entity

The following personnel, facilities, works and supplies shall apply as appropriate.

All personnel, facilities, works and supplies will be provided by the Procuring Entity in good time so as not to delay the performance of the Contractor, in accordance with the approved Time Schedule and Program of Performance pursuant to GCC Sub-Clause 37.2.

Unless otherwise indicated, all personnel, facilities, works and supplies will be provided free of charge to the Contractor.

Personnel	**Charge to Contractor (if any)**
The Employer will provide operating and maintenance personnel under the Contractor's supervision to get them (employer's personnel) acquainted with and to witness the commissioning of the facilities.	Not Applicable

Facilities	**Charge to Contractor (if any)**
The Employer will provide access to it's distribution network and required facilities for installation and integration of the equipment required for the execution of the contract. Besides, the employer will also provide the existing data such as consumer & meter data in it's database, if deemed necessary by the employer, for the purpose of meter replacement by the contractor.	Not Applicable

Works	**Charge to Contractor (if any)**
Nill	Not Applicable

Supplies	**Charge to Contractor (if any)**
Nill	Not Applicable

Appendix 7. List of Documents for Approval or Review

Pursuant to GCC Sub-Clause 38.3.1, the Contractor shall prepare, or cause its Subcontractor to prepare, and present to the Project Manager in accordance with the requirements of GCC Sub-Clause 37.2 (Program of Performance), the following documents for

(A) Approval

1. Program/Schedule of Performance.

2. Form for Consumer & Meter Data Collection (CMO).

   [A form having required details of the consumer and the meters (both- the replaced old meter and the installed new smart pre-payment meter) shall have to be developed by the contractor and placed before the employer for approval before starting the meter installation process. The approved form shall be properly filled in and duly signed by the contractor/contractor's authorized representative, employers' representative and the concerned consumer during installation of the new meters. The contractor shall prepare /update the consumer database at the employer's server to record this event properly.]

3. All technical particulars, GTP, specifications, design and drawings of the equipment listed in the Price schedule, BoQ and Section-6.2.2.

4. Short Codes & OBIS Codes for energy meters.

5. As built drawing (where applicable).

(B) Review

1. Listing of additional equipment requirements to match design.

Appendix 8. Functional Guarantees

1. General

This Appendix sets out

(a) the functional guarantees referred to in GCC Clause46 (Functional Guarantees)

(b) the preconditions to the validity of the functional guarantees, either in production and/or consumption, set forth below

(c) the minimum level of the functional guarantees

(d) the formula for calculation of liquidated damages for failure to attain the functional guarantees.

2. Preconditions

The Contractor gives the functional guarantees (specified herein) for the facilities, subject to the following preconditions being fully satisfied:

The contractor gives notice to the PE on completion of the facility/facilities for commissioning and operational acceptance.

3. Functional Guarantees

Subject to compliance with the foregoing preconditions, the Contractor guarantees as follows:

Performance of Individual equipment and Performance of Complete system/facilities as per Section 6: Procuring Entity's Requirements & Section 7 will be checked during Guarantee test.

The Guarantee Test run/Performance Test run of each project site (facility) shall be carried out for 03 (Three) days thereof without any trouble.

Necessary testing arrangement to carry out the Commissioning, final inspection, Guarantee Test / performance test shall be done by the Contractor within the contract price.

If any Test is not possible at site, then related document during FAT/Routine Test Report can be used.

PE may take over completed portions of the facility on the basis of Operational Acceptance after at least three (3) weeks of observation to the outcome of the work, prior to completion of the Contract, by written notice to the Contractor.

4. Failure in Guarantees and Liquidated Damages

4.1 Failure to Attain Guaranteed Production Capacity

If the production capacity of the facilities attained in the guarantee test, pursuant to GCC Sub-Clause 43.2, is less than the guaranteed figure specified in para. 3.1 above, but the actual production capacity attained in the guarantee test is not less than the minimum level specified in para. 4.3 below, and the Contractor elects to pay liquidated damages to the Procuring Entity in lieu of making changes, modifications and/or additions to the Facilities, pursuant to GCC Sub-Clause 46.3, then the Contractor shall pay liquidated damages at the rate of *[amount in the contract currency]*.for every complete one percent (1%) of the deficiency in the production capacity of the Facilities, or at a proportionately reduced rate for any deficiency, or part thereof, of less than a complete one percent (1%).

4.2 Raw Materials and Utilities Consumption in Excess of Guaranteed Level

[To be specified in the appropriate wording for the type of facilities if there are consumption guarantee]

If the actual measured figure of specified raw materials and utilities consumed per unit (or their average total cost of consumption) exceeds the guaranteed figure specified in para. 3.2 above (or their specified average total cost of consumption), but the actual consumption attained in the guarantee test, pursuant to GCC Sub-Clause 43.2, is not more than the maximum level specified in para. 4.3 below, and the Contractor elects to pay liquidated damages to the Procuring Entity in lieu of making changes, modifications and/or additions to the Facilities pursuant to GCC Sub-Clause 46.3, then the Contractor shall pay liquidated damages at the rate of *[amount in the contract currency]* for every complete one percent (1%) of the excess consumption of the Facilities, or part thereof, of less than a complete one percent (1%).

[The rate of liquidated damages specified in paras. 4.1 and 4.2 above shall be at least equivalent to the rate specified in Section 3 (General Conditions of Contract) for the comparison of functional guarantees provided by the Tenderers]

4.3 Minimum Levels

Notwithstanding the provisions of this paragraph, if as a result of the guarantee test(s), the following minimum levels of performance guarantees (and consumption guarantees) are not attained by the Contractor, the Contractor shall at its own cost make good any deficiencies until the Facilities reach any of such minimum performance levels, pursuant to GCC Sub-Clause 46.2:

(a) production capacity of the Facilities attained in the guarantee test: ninety-five percent (95%) of the guaranteed production capacity

and/or

(b) average total cost of consumption of all the raw materials and utilities of the Facilities: one hundred and five percent (105%) of the guaranteed figures.

4.4 Limitation of Liability

Subject to para. 4.3 above, the Contractor's aggregate liability to pay liquidated damages for failure to attain the functional guarantees shall not exceed *[the percentage specified shall not exceed ten percent (10%)].* percent (. . . %) of the Contract price