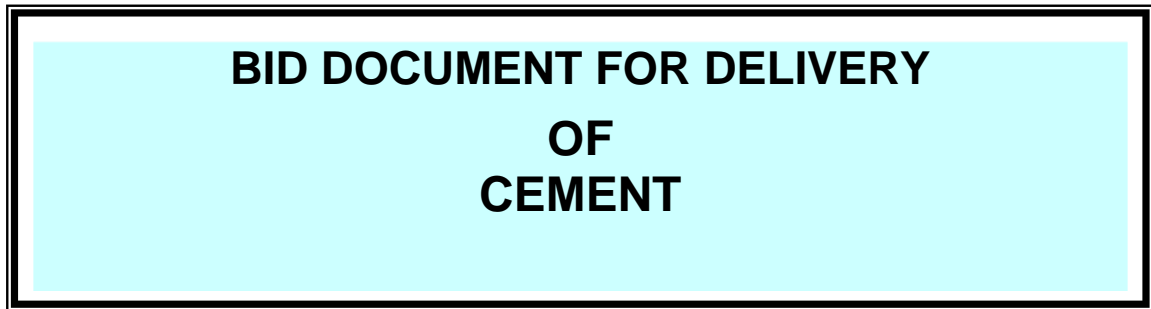


HELVETAS Swiss Intercooperation Nepal
Climate Change and Disaster Risk Management Programme
(CCDRM)

Recovery of Agriculture Livelihood Project (ReAL)

Kathmandu, Nepal



Contract Identification No: ReAL/IFB/CMT/005

SIGNATURE OF ISSUING OFFICER:

Office Seal:

Date of issue:

1. INVITATION FOR BID

Recovery of Agriculture Livelihoods (ReAL)/HELVETAS Swiss Intercooperation Nepal

(ReAL is co-financed by HELVETAS Swiss Intercooperation and Swiss Solidarity)

Invitation for Bids for Cement (ReAL/IFB/CMT/005)

Date of first publication: 4 May 2017 (21 Baisakh, 2074)

ReAL-CCDRM/HELVETAS Swiss Intercooperation Nepal has been supporting rehabilitation of Irrigation Schemes in different location of Sindhupalchowk district and therefore invites bids from the interested competent suppliers/vendors registered in Government of Nepal for supply and delivery of cement OPC for the same.

Description of Works	Last date & time of submission	Estimated Cost NRS:
Supply and Delivery of Cement OPC to different location of (mentioned in BoQ) Sindhupalchowk	12 May 2017 before 12:00 hours	3,405,115.00 Including VAT and transportation

1. The Suppliers with the experience of supply and delivery of Cement at least three (3) years are eligible for bidding
2. While submitting the bidding document, bidder should include the copy of photocopy firm registration, latest tax clearance certificate, VAT/ PAN certificates, along with duly filled BoQ (no need to submit whole bid document).
3. Eligible Bidders may obtain further information and bidding documents at the office of Purchaser as indicated in section (5) below or HELVETAS Contact Office Melamchi.
4. Bidding documents can be downloaded from the Purchaser's web page <https://nepal.helvetas.org/en/about/jobs/> or can be requested via email (ReAL.np@helvetas.org)
5. All bids must be submitted on or before **12:00 hours 12 May 2017**. The signed hard copy of bids/offers has to be submitted in a sealed envelope and addressed to :
 The Program Manager
 CCDRM/HELVETAS Swiss Intercooperation Nepal
 Sanepa, Lalitpur
 Email: ReAL.np@helvetas.org
 Tel: 977-01-5527726/5525788
6. Bids shall be opened in the presence of Bidders' representatives who choose to attend at **14:00 hours on 12 May 2017** at the office as indicated in section (5) above.
7. Bids must be valid for a period of 45 days after bid opening and must be accompanied by bid security, amounting to 2.5 % of the quoted Bid amount (inclusive of VAT), which shall be valid for 45 days beyond the bid validity period. (i.e. 90 days after bid opening)
8. If the last date of submission and opening falls on a government holiday, then the next working day shall be considered as the last day.
9. The office reserves the right to accept or reject, wholly or partly any or all bids without assigning any reasons, whatsoever.

2. IMPORTANT INFORMATION

1. The bidders shall quote the unit rates both in figures and words.
2. In case of difference in the rates quoted in figures and in words, the rates quoted in words shall prevail.
3. While quoting rates, the bidder shall not be allowed to use correcting fluid or other erasing materials; neither the bidder shall be allowed to overwrite the quoted rates. It may result into rejection of the bid document. In case of mistakes in rates, the bidder is to simply cross the rates and shall re-write the rates and shall bear the initials of authorized signatories.
4. The Purchaser reserves the right to accept or reject, wholly or partly any or all the Quotations without assigning any reason, whatsoever.
5. Prices shall be quoted in Nepalese Rupees and payment shall be made in the same currency.
6. Sealed bid received after expiry of submission date shall not be considered as valid.
7. The following document shall form an integral part of the contract agreement:
 - a) Invitation for Bids
 - b) Important Information
 - c) Terms of References
 - d) Specifications & Quality Assurances
 - e) Schedule of Requirements
 - f) General Conditions of Contract
 - g) Bill of Quantities and drawing
 - h) Future correspondences in regard to the contract
8. The successful bidder shall have to provide a **Performance Bank Guarantee of 5% of the contract value** at the time of signing the contract agreement in the sample format of bank guarantee prescribed by THE PURCHASER. Such performance bank guarantee must be valid at least up to a maintenance period of three months from the date of signing the contract agreement.
9. THE PURCHASER may provide an advance up to 20% of the contract value (mobilization amount) against a bank guarantee on request only. The bank guarantee shall be in the form prescribed by THE PURCHASER and must be valid up to intended contract completion period from the date of signing the contract agreement. Bank guarantee of finance company shall not be accepted for this purpose.
10. The supplier should strictly follow the Specifications. In case, the purchaser is not satisfied with the material quality and progress, it shall have the privilege to terminate contract agreement at any point of work execution and bank guarantee(s) may be forfeited.
11. THE PURCHASER shall have the privilege to inspection sample material prior to delivery.
12. In case THE PURCHASER is not satisfied with the quality of material, it shall have the privilege to terminate contract agreement at any point of work execution and bank guarantee(s) may be forfeited.
13. THE PURCHASER shall not be liable to compensate the bidder in case of termination of contract due to rejection of materials, and delayed in delivery.
14. In case the bidder fails to complete the job in the given time, THE PURCHASER may levy penalty as per conditions of the contract agreement.

3. SPECIFICATIONS

1. General

The materials supplied and used in the works shall comply with the requirements of these Specifications. They shall be new, except as provided elsewhere in the contract or permitted by the Engineer in writing. The materials shall be manufactured, handled and used skilfully to ensure completed works to comply with the contract.

2. Quality of Materials

Cement shall be free flowing and free of lumps. It shall be supplied in the manufacturer's sealed unbroken bags or in bulk. Bagged cement shall be transported in vehicles provided with effective means of ensuring that it is protected from the weather. Bulk cement shall be transported in vehicles or in containers built and equipped for the purpose.

Each delivery of cement in bags shall be stacked together in one place. The bags shall be closely stacked so as to reduce air circulation with min gap of 500mm from outside wall. If pallets are used, they shall be constructed so that bags are not damaged during handling and stacking. Stack of cement bags shall not exceed 8 bags in height. Different types of cement in bags shall be clearly distinguished by visible markings and shall be stored in separate stacks.

Cement which has become hardened or lumpy or fails to comply with the Specification in any way shall not be accepted by the Purchaser. All cement shall be from the same source as far as possible.

3. Specification of Cement (NS or Equivalent) having following Standards

A. Type and Grade

- Ordinary Portland Cement (OPC) 43/53 Grade

B. Physical Properties

- Initial Setting Time : minimum 30 minutes
- Final Setting Time : maximum 600 minutes

C. Compressive Strength

- 3 days : minimum 230 kg/ cm²
- 7 days : minimum 330 kg/ cm²
- 28 days : minimum 430 kg/ cm²

4. Recommended list of Cement Brands, which passed the test as per above specification

SN	Brand Name	Manufacturer's Name
1	"Maruti"	Maruti Cement Ltd., Nepal
2	"Shakti"	Hetaunda Cement Industries Ltd., Nepal
3	"Gaida"	Udayapur Cement Industries, Nepal
4	"Shivam"	Shivam Cement Factory
5	"Kepy"	Kepy Cement
6	"Sagarmatha"	Ghorahi Cement
7	"Jagadamba" (Ultra)	Jagadamba Cement Industries Pvt. Ltd.
8	"Tri Shakti"	Trishakti Cement Company
9	"Arghakhanchi"	Arghakhanchi Cement Pvt Ltd.
10	"Sona Cement"	Sonapur Cements Pvt. Ltd.
11	"United"	United Cement Pvt. Ltd.

3. SCHEDULE OF REQUIREMENTS (SOR)

The purchaser will strictly monitor that the schedule of requirements are fully honoured by the supplier and shall assess the performance of the supplier in view of adherence to it.

1. DELIVERY SCHEDULE

The delivery of all the Cement is to be made as per **delivery schedule** at different delivery points as indicated below and in the respective BoQ. Delivery Schedule is effective **from the date of signing the Contract agreement**.

Delivery point with tentative distance from Melamchi. **Transportation by 4 wheel truck**

SN	Scheme Name	Quantity in bags	Location/ Delivery point/area	Distance from Melamchi Bazar to dropping point
1	Ghantebari Irrigation Project, Talamarang-6	160	Nwar Khola (D)	7
2	Tharsang Irrigation Project, Talamarang-2	160	Batase, Dware tole	15
3	Thulokulo Irrigation Project, Ichowk-6	160	Thulo Bhanjyang	14
4	Patting Irrigation Project, Ichowk-8	160	Tallo Patting	20
5	Dundekhola Kafle Irrigation Project, Ichowk-3&5	160	Sale (Naya Basti)	14
6	Devasthan Sirambirta Irrigation Project, Helambu-4	160	Siram Birta	12
7	Kudulekhola Furkesalla Irrigation Project, Helambu-2	160	Bahunthok Gairi	13
8	Kartike Khola Dhudhkola Irrigation Project, Helambu-2	160	Gairikhet Mode	17
9	Mahabir Khola Thansing gaun Irrigation project, Helambu-4	160	Thansing gaun	13
10	Palchemba Dhodeni Irrigation Project, Helambu-2	160	Barsang/ Dhodeni	17
11	Ghattekholo Sundarepata Kanle Irrigation Project, Melamchi-8	160	Nwar Khola (Tole)	6
12	Nwar Tar Dude Kattike Irrigation Project, Melamchi-2,3,6,8	320	Nwar Khola (Tole)	6
13	Gyalthum Khola Rajduwali Irrigation Project, Mahankal-1	160	Gyalthum Bazaar	10
14	Halde Bhirkuna Irrigation Project, Helambu-1	160	Halde Rambo Trout Machhapalan	18
15	Lapse Khola Kali Rumta Irrigation Project, Duwachaur-6	160	Ghale gau	10
16	Chalise Khola Simphat Irrigation Project, Duwachaur-9	160	Keureni	9
17	Kaliduha Bhattar Irrigation Project, Palchowk-2,3,4 & Duwachaur-6	240	(Rato pul-Toriswora-Beltar-Bhatar)	7
18	Kamera Padhera Khola Irrigation Project, Duwachaur-3	160	Beedada	8
19	Kudulekhola Raktachandan Irrigation Project, Palchowk-4	160	Simle	15

Delivery Time: The delivery of cement has to be done as per order by the purchaser in different trip (around 80 bags in each trip). The maximum delivery period to complete all the supply will be **45 days from the date of signing contract agreement**.

2. NOTICE OF DELAY

In the event that the Supplier encounters a delay in supply of the goods, the Supplier shall promptly notify the Purchaser of such delay with proper evidence and may request for time extension before expiry of the time given in the contract.

3. TIME EXTENSION

Time extension request shall be considered by the Purchaser only in exceptional case if the reasons are acceptable to the Purchaser.

4. PENALTIES FOR DELAY

In case of delay in the delivery of the goods, due to Supplier's default, beyond the time specified in the contract, the penalty will be determined as liquidated damages, a sum equivalent to 0.25% of the contract price of the delayed goods for each day of delay until actual delivery, up to a maximum deduction of 10% of the Contract Price.

5. EMPLOYMENT

The Supplier shall employ exclusively local skilled/unskilled labours. ReAL requires that tender, contractors and suppliers ensure during the procurement and execution of such contracts that people in the supply-chain are treated with respect and have rights with regard to employment including the rights to freely choose employment, freedom of association, payment of a living wage, working hours that comply with national laws, equal opportunities, recognized employment relationship, freedom from intimidation and to a safe and healthy working environment. Equally, contractors must ensure that there shall be no exploitation of child and forced labour. This shall be ensured in terms of the ILO Convention No. 182 on the Worst Forms of Child Labour, 1999 and the ILO Convention No. 138 on the Minimum Age for Admission to Employment and Work, 1973.

6. GENDER AND EQUITY

No discrimination for wage payment will be made on the basis of gender or caste or ethnicity. The Supplier shall pay equal wage for equal work.

7. INSURANCE

The supplier shall procure insurance policy for all the personnel working in supply of goods.

4. GENERAL CONDITIONS OF CONTRACT (GCC)

1. Definitions

1.1 In this contract, the following terms shall be interpreted as indicated:

1. "The Contract" means the agreement entered into between the PURCHASER and the Supplier and signed by both the parties and it includes all attachments and appendices thereto and all documents incorporated by reference therein;
2. "The Contract Price" means the price payable to the Supplier under the contract for the full and proper performance of its contractual obligation;
3. "The Goods" means the work package of supply of materials including transportation up to the destination points.
4. "The Services" means the works described in the Terms of References to be performed by the Supplier including modification, alteration and additions of works and other obligations of the Supplier covered under the Contract.
5. "The PURCHASER" means the organisation procuring the works, i.e. ReAL, HELVETAS Swiss Intercooperation Nepal.
6. "The Supplier" is the party whose Bid to carry out the Works has been accepted by the PURCHASER under this contract.
7. "Engineer" or "The PURCHASER's representative" means the engineer appointed by the PURCHASER from time to time for inspection/supervision of goods and services.
8. "The Delivery Site" means the place or places where delivery of the goods is to be made. It is also to be referred as "destination point".
9. "Day" means calendar day.
10. "Terms of Reference" means the schedule of works and duties, defined by the bidding document and to be executed by the Supplier under this contract.

2. Application

These General Conditions shall apply to the extent that they are not superseded by provisions in other parts of the contract.

3. Standards

- 3.1 The Goods supplied under this Contract shall conform to the standards mentioned in the **Specifications**.
- 3.2 Wherever reference is made in the **Technical Specifications** to specific standards and codes to be complied with, the specified standards and codes shall apply and the provisions of the latest edition or revision of the standards or codes shall apply only with the pre-consent of the PURCHASER.

4. Use of Contract Documents and Information

- 4.1 The Supplier shall not, without the PURCHASER's prior written consent, disclose the Contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the PURCHASER to any person other than a person employed by the Supplier for performing the Contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for

purposes of such performance.

4.2 The Supplier shall not, without the PURCHASER's prior written consent, make use of any document or information except for purposes of performing the Contract.

4.3 Any document, other than the Contract itself, shall remain the property of the PURCHASER and shall be returned (all copies) to the PURCHASER on completion of the Supplier's performance under the Contract, if so required by the PURCHASER.

5. Patent Rights

The Supplier shall indemnify the PURCHASER against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the Goods or any part thereof.

6. Inspections and Tests

6.1 The PURCHASER or its Representative shall have the right to inspect and/or to test the goods/ works at its own costs. The **Technical Specifications** shall specify what inspections and tests the PURCHASER requires and where they are to be conducted. The PURCHASER shall notify the Supplier in writing of the identity of any representatives retained for these purposes.

6.2 The inspections and tests may be conducted on the premises of the Supplier at site and all reasonable facilities and assistance, including access to drawings and production data, shall be furnished to the inspectors at no charge to the PURCHASER.

6.3 Any inspected or tested Goods/works fail to conform to the Specifications, the PURCHASER may reject the Goods/works, and the Supplier shall either replace the rejected Goods/works or make alternations necessary to meet specification requirements, free of cost to the PURCHASER.

6.4 Nothing in GCC shall in any way release the Supplier from any warranty or other obligations under this Contract.

6.5 A Certificate of Acceptance shall be issued by the PURCHASER after necessary inspection and tests of the Goods/works, in case the goods/works conform to the specifications and drawings.

7. Insurance

The goods supplied under the Contract shall be fully insured against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the **Technical Specifications**. Such insurance shall be arranged and paid for by the supplier.

8. Transportation

8.1 The Supplier shall be required to meet all transport and storage expenses until delivery.

8.2 Transportation of the goods after delivery at the destination point shall be the responsibility of the Purchaser

9. Incidental Services

The Supplier may be required to provide incidental services, including additional services, if any.

10. Warranty

10.1 The Supplier warrants that the Goods supplied under the Contract are new and unused. The Supplier further warrants that all Goods supplied under this Contract shall have no defect, arising from design, materials, or workmanship or from any act or omission of the Supplier.

10.2 The warranty shall remain valid for (12) months after the delivery of the goods at the destination point indicated in the Contract to the satisfaction of the Purchaser.

In case any defect is observed or found in the goods at the site, the supplier shall be liable to bring back the defective goods and shall replace them with proper ones at his/her own costs.

- 10.3 The Purchaser shall promptly notify the Supplier in writing of any claims arising under this warranty.
- 10.4 Upon receipt of such notice, the Supplier shall, within the period specified and with all reasonable speed, repair or replace the defective Goods or parts thereof, without costs to the Purchaser.
- 10.5 If the Supplier, having been notified, fails to take remedial action within fifteen (15) days from date of receipt of notice, the Purchaser may proceed to take such action as may be necessary, at the Supplier's risk and expense and without prejudice to any other rights which the Purchaser may have against the Supplier under the Contract.

11. Payment and Taxes

- 11.1 After acceptance of the works by the PURCHASER, payments shall be made by the PURCHASER, within 15 days. The full and final payment shall be made only after final completion of work. The PURCHASER may consider part payment based on work completion upon request of the Supplier and if deemed essential on mutual understanding.
- 11.2 All taxes applicable will be for the Supplier's account.
- 11.3 VAT shall be explicitly mentioned on the invoice and shall be for the PURCHASER's account.

12. Prices

Prices charged by the Supplier for work under the Contract shall not vary from the prices quoted by the Supplier in its bid.

13. Change Orders

- 13.1 The PURCHASER may at any time, by a written order given to the Supplier, make changes within the general scope of the Contract in any one or more of the following:
- a. drawing, designs, or specifications of works
 - b. the Services to be provided by the Supplier.
- 13.2 If any such change causes an increase or decrease in the cost or time required for the Supplier's performance, an equitable adjustment may be made, with mutual consent, in the Contract Price and the Contract may be accordingly be amended. Any claims by the Supplier for adjustment under this clause must be asserted within 15 days from the date of the Supplier's receipt of the PURCHASER's change order.

14. Contract Amendments

No variation in or modification of the terms of the Contract shall be made, except by written amendment signed by the parties.

15. Assignment

The Supplier shall not assign to a third party, in whole or in part, its obligations to perform under the Contract, except with the PURCHASER's prior written consent.

16. Subcontracts

The works shall be fully performed by the Supplier and shall strictly abstain from sub-contracting in whole or any portion of the works to any other Supplier other than the partners mentioned in Bid

Form.

17. Delays in the Supplier's Performance

- 17.1 Completion of works and performance of services shall be made by the Supplier in accordance with the time schedule specified by the PURCHASER in the **Schedule of Requirement**.
- 17.2 An unexcused delay by the Supplier in the performance of its completion obligations shall render the Supplier liable to any or all of the following sanctions: imposition of liquidated damages, termination of the Contract and /or disqualification up to a period of two years.
- 17.3 If at any time during performance of the Contract, the Supplier should encounter conditions impeding timely completion of works and performance of Services, the Supplier shall promptly notify the PURCHASER in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the Supplier's notice, the PURCHASER shall evaluate the situation and may, at its discretion, extend the Supplier's time for performance, with or without liquidated damages.

18. Liquidated Damages

If the Supplier fails to complete any or all of the works or to perform within the time period(s) specified in the Contract, the PURCHASER shall, without prejudice to its other remedies under the Contract, deduct from the Contract Price, as liquidated damages, a sum equivalent to 0.25% of the contract price of the remaining works for each day of delay until actual delivery, up to a maximum deduction of (10%) percent of the Contract Price. Once the maximum is reached, the PURCHASER may consider termination of the Contract.

19. Termination for Default

- 19.1 The PURCHASER may, without prejudice to any other remedy for breach of Contract, by written notice of default sent to the Supplier, terminate the Contract in whole or in part:
- a) if the Supplier fails to complete any or all of the works within the time period(s) specified in the Contract, or any extension thereof granted by the PURCHASER; or
 - b) if the Supplier fails to perform any other obligation(s) under the Contract; or
 - c) if the PURCHASER is of opinion that the works does not conform to the specification and/or drawings
- 19.2 In the event the PURCHASER terminates the Contract in whole or in part, the PURCHASER may procure, upon such terms and in such manner as it deems appropriate, works or services similar to those incomplete or unacceptable, However, the Supplier shall continue performance of the Contract to the extent not terminated.

20. Force Majeure

- 20.1 For purposes of this Contract, "Force Majeure" means an event beyond the control of the parties to the Contract and not involving either party's fault or negligence and not foreseeable.
- 20.2 If, at any time during the existence of the Contract, either party is unable to perform in whole or part any obligation under this

Contract because of such events which include, but are not restricted to, acts of God, acts of Government in its sovereign capacity, war, revolutions, hostility, civil commotions, strikes, fires, floods, epidemics, quarantine restrictions, freight embargoes, explosions, then the date of fulfillment of Contract shall be postponed during the period when such circumstances are operative.

- 20.3 The party which is unable to perform its obligations under the present Contract shall, within fourteen (14) days of occurrence of the Force Majeure event, inform the other party with suitable documentary evidence. Non-availability of materials from regular sources or disruption of power supply shall not be an excuse for the Supplier for not performing its obligations under this clause.
- 20.4 Any waiver/extension of time in respect of the delivery/ acceptance of any installment or part of the goods shall not be deemed to be a waiver/extension of time in respect of the remaining deliveries.
- 20.5 If such inability to perform continues for a period of more than three (3) months, each party shall have the right to be released from further performance of the Contract, in which case, neither party shall have the right to claim damages from the other. All prior performance shall be subject to Contract terms.
- 20.6 If a Force Majeure situation arises, the Supplier shall promptly notify the PURCHASER in writing of such condition and the cause thereof. Unless otherwise directed by the PURCHASER in writing, the Supplier shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event.

21. Termination for Insolvency

The PURCHASER may at any time terminate the Contract by giving written notice to the Supplier, without compensation to the Supplier, if the Supplier becomes bankrupt or otherwise insolvent, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the PURCHASER.

22. Termination for Convenience

- 20.1 The PURCHASER, by written notice sent to the Supplier, may terminate the Contract, in whole or in part, at any time convenient to it. The notice of termination shall specify that termination is for the PURCHASER's convenience, the extent to which performance of the Supplier under the Contract is terminated, and the date upon which such termination becomes effective.
- 20.2 The Goods that are complete and ready for delivery within 15 days after the Supplier's receipt of notice of termination shall be accepted by the PURCHASER at the Contract terms and prices. For the remaining Goods, the PURCHASER may elect:
- a) to have any portion completed and delivered at the Contract terms and prices; and/or
 - b) to cancel the remainder and pay to the Supplier an agreed

amount for partially completed Goods and Services and for materials and parts previously procured by the Suppliers.

- 23. Resolution of Disputes**
- 21.1 The PURCHASER and the Supplier shall make every effort to resolve amicably by direct informal negotiation any disagreement or dispute arising between them under or in connection with the Contract.
- 21.2 If, after twenty-eight (28) days from the commencement of such informal negotiations, the PURCHASER and the Supplier have been unable to resolve amicably a Contract dispute, either party may require that the dispute be referred for resolution to the formal mechanisms. These mechanisms may include, but are not restricted to, conciliation mediated by a third party, adjudication in an agreed national or international forum, and/or national and international arbitration.
- 24. Governing Language**
- The Contract shall be written in the English language. The English version of the Contract shall govern its interpretation. All correspondence and other documents pertaining to the Contract which are exchanged by the parties may be written in Nepali and/or English language.
- 25. Applicable Law**
- The Contract shall be interpreted in accordance with the laws of Nepal.
- 26. Notices**
- 24.1 Any notice given by one party to the other pursuant to the Contract shall be sent to the other party in writing and confirmed in writing to the other party's address. Notice sent by facsimile or by email does not need confirmation of the receiver.
- 24.2 A notice shall be effective when delivered or on the notice's effective date, whichever is later.
- 27. Taxes and Duties**
- The Supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted Goods to the final destination.
- 28. Corruption**
- The Suppliers shall adhere to the highest ethical standards, both during the bidding process and throughout the execution of a contract. A "corrupt practice" refers to the offering, giving, receiving or soliciting (directly or indirectly) of anything of value to improperly influence the actions of another person. Corruption in the procurement process generally involves a fraudulent act such as bribery or a kickback. Contractually Supplier shall declare that they are not engaged in corrupt practices; they must disclose any situation that may appear to be a conflict of interest. REAL has a "zero tolerance" policy regarding acceptance of gifts or hospitality; and there are restrictions on employment of former REAL staff members.

Sample of Contract Agreement

9. CONTRACT AGREEMENT

This Contract Agreement is made on between **REAL / HELVETAS Swiss Intercooperation Nepal**, (hereinafter called “the PURCHASER”) and **M/S** (Name and Address) (hereinafter called “the Supplier”).

Whereas the PURCHASER invited bids for the supply and delivery of Cement OPC to the rehabilitation of Irrigation schemes at various places of Sindhupalchowk and has accepted the bid submitted by the Supplier for the same to the PURCHASER and both the parties to this contract agree to the terms and conditions given hereunder.

TERMS AND CONDITIONS

1. Documents: The following documents shall be an integral part of the contract agreement. The terms and conditions mentioned in these documents and understandings made later shall be binding for both the parties to this contract.

- a) Bid Notice
- b) BOQ
- c) Technical Specifications & Quality Assurance
- d) Detailed Drawings and design (If any)
- e) Terms of Reference
- f) Important Information
- g) Schedule of Requirements
- h) General Conditions of Contract
- i) Notification of Award
- j) Correspondences between the PURCHASER and the Supplier

2. Contract amount: The total value for the works is NRs. [In words:] including VAT.

Unit prices shall remain fixed and valid until the obligations of the contract are fulfilled by both the parties to the contract. The Supplier shall not make any change in the agreed price for whatsoever reason/s it may be.

The PURCHASER and the Supplier hereby agree to the quoted unit price for any additional work beyond the quantity mentioned in the BoQ of this contract by the PURCHASER within a month from the date of signing the contract.

3. Performance guarantee: Supplier has submitted a bank guarantee of equivalent to **5% of contract amount including VAT** and the bank guarantee shall be valid at least upto a maintenance period. Performance guarantee will be released after maintenance period of twelve months after the date contract completion period.

4. Modifications/ amendments in design and drawings: The PURCHASER shall have the privilege to make modifications/ amendments in design and drawings and shall inform the Supplier of the same with mutual understanding and consent of both parties in written. In case of its repercussion on the total value of the contract, the Supplier shall inform the PURCHASER within 7 days of receiving information for modifications/amendments.

5. Specifications and quality:

- a) The Supplier shall assure the PURCHASER that the works conform to the technical specifications and standards and fulfil the requirements of the Suppliers. The Supplier is to furnish required documents to the PURCHASER to assure the quality of the goods/works.
- b) The PURCHASER reserves the right to inspect the quality of the works/goods at any time and any place at its own cost.
- c) The PURCHASER may hire a third party of its confidence for inspection of quality of the works/goods.
- d) The PURCHASER shall reject the works/goods in case do not fulfil the quality requirements.

- e) The PURCHASER shall not be liable to make payment for rejected works/goods.
- f) The liability for loss and/or damages in transit remains solely with the Supplier.
- g) In case the goods delivered do not conform to the specifications, standards and design/drawing, the Supplier shall replace all such goods at its own cost.
- h) The material supplied by the Supplier shall be only from legal and authorized source.

6. Delivery:

- a) The supplier shall complete the full and final delivery of the goods latest by **45 days** from date of signing of the contract. Due to the condition of road from Melamchi to destined point cement could be deliver more than two times for one scheme.
- b) The goods shall be delivered at the destination points as stipulated in respective delivery schedule

7. If the Supplier has not completed / corrected any Item/Defects within the time specified, the Project Engineer shall assess the cost of having the completion Item/Defects, and the Supplier shall pay this amount.

8. Time extension:

- a) If the Supplier foresees that work cannot be completed within the agreed period may request the PURCHASER in written for extension of delivery period provided there are justifiable reasons.
- b) The PURCHASER may consider time extension only if the Supplier informs of such events to the PURCHASER within one week of happening with substantiating evidences.
- c) Time extension may be granted with or without penalty.
- d) The PURCHASER shall make final decision regarding extension of time.

9. Liquidated damages:

- a) In case the Supplier fails to complete the work within the agreed period, the PURCHASER may charge liquidated damage of 0.25% of contract value per day. The total amount of liquidated damage shall not exceed 10% of contract value. Liquidated damage will remain unchanged even if part work is made.
- b) If the work is not complete till the liquidated damage amounts to 10% of contract value, the PURCHASER shall have the privilege to terminate the remaining work and the Supplier shall be disqualified for bidding to the PURCHASER for a **period of two years**.

10. Payment:

- a) Immediately after receiving of the first lot at the delivery point and acceptance of the goods by the purchaser, the purchaser will pay the amount equivalent to the cost of received goods within **seven days** of submission of invoices with required documents.
- b) In subsequent lots, after acceptance of the goods and delivery at the designated point by the purchaser, further payments shall be made by the purchaser within **seven days** of submission of invoices with required documents.
- c) After completion of delivery to the satisfaction of the purchaser, the purchaser shall be liable to make payment to the supplier within **10 days** of submission of invoices and required documents.
- d) The supplier shall submit the following documents to the purchaser with the letter of request for payment.
 - i. Invoice
 - ii. Letter of changes/modifications/amendments (if applicable)
 - iii. Handing over Note/GRN/Challan with acceptance of the goods by the purchaser
- e) The supplier will issue a VAT invoice in the name of REAP/HELVETAS Swiss Intercooperation Nepal in Nepalese currency.

10. Tax: Tax applicable as per prevailing rules of the land shall be for the account of the Supplier.

11. Advance: The Supplier may request for advance up to **20% of the contract amount** as mobilization amount. The Supplier has to provide a bank guarantee for such advance in the

sample format of bank guarantee given in the bid document and such bank guarantee must be valid for a period of **three month** from the date of signing the contract agreement.

- 12. Force Majeure:** This contract agreement may be terminated by either party to the contract in case of Force Majeure. "Force Majeure" means an event beyond the control of the parties to the contract and not involving either party's fault or negligence. If, at any time during the existence of the contract, either party is unable to perform in whole or part any obligation under this contract because of such events which include, but are not restricted to, natural calamities, war, revolutions, hostility, civil commotions, strikes, fires, epidemics, freight embargoes, then the date of fulfilment of contract shall be postponed during the period when such circumstances are operative. If such inability to perform continues for a period of more than three months, each party shall have the right to be released from further performance of the contract, in which case, neither party shall have the right claim damages from the other. All prior performances shall be subject to contract terms and conditions.

On behalf of
REAL/HELVETAS Swiss Intercooperation Nepal

Signature:

Name:

Designation:

Date:

Seal:

On behalf of the Supplier

Signature:

Name:

Designation:

Date:

Seal:

Witness,

Signature:

Name:

Intimation

Signature:

Name:

8. SAMPLE FORMAT FOR BANK GUARANTEE

Performance Security

(On letterhead paper of the 'A' class commercial Bank)

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

Beneficiary: *Name and Address of PURCHASER*

Date:

Performance Guarantee No.:

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

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

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

This guarantee shall expire, no later than the Day of , **, and any demand for payment under it must be received by us at this office on or before that date.

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

Note: *All italicized text is for guidance on how to prepare this demand guarantee and shall be deleted from the final document.*

*** The Guarantor shall insert an amount representing the percentage of the Contract Price specified in the Contract in Nepalese Rupees.**

**** Insert the date one hundred eighty days after the date specified for the Defect Liability Period. The PURCHASER should note that in the event of an extension of the time for completion of the Contract, the PURCHASER would need to request an extension of this guarantee from the Guarantor. Such request must be in writing and must be made prior to the expiration date established in the guarantee. In preparing this guarantee, the PURCHASER might consider adding the following text to the form, at the end of the penultimate paragraph: "The Guarantor agrees to a one-time extension of this guarantee for a period not to exceed [six months], in response to the PURCHASER's written request for such extension, such request to be presented to the Guarantor before the expiry of the guarantee".**

Advance Payment Security

(On letterhead paper of the 'A' class commercial Bank)

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

Beneficiary: *Name and Address of PURCHASER*

Date:

Advance Payment Guarantee No.:

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

Furthermore, we understand that, according to the Conditions of the Contract, an advance payment in the sum *name of the currency and amount in figures**. (. *amount in words*.) is to be made against an advance payment guarantee.

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

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

The maximum amount of this guarantee shall be progressively reduced by the amount of the advance payment repaid by the Supplier as indicated in copies of interim statements or payment certificates which shall be presented to us. This guarantee shall expire, at the latest, upon our receipt of a copy of the interim payment certificate indicating that eighty (80) percent of the Contract Price has been certified for payment, or on the . . . day of , **, whichever is earlier. Consequently, any demand for payment under this guarantee must be received by us at this office on or before that date.

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

Note: All italicized text is for guidance on how to prepare this demand guarantee and shall be deleted from the final document.

*** The Guarantor shall insert an amount representing the amount of the advance payment in Nepalese Rupees of the advance payment as specified in the Contract.**

** Insert the date Thirty days after the expected completion date. The PURCHASER should note that in the event of an extension of the time for completion of the Contract, the PURCHASER would need to request an extension of this guarantee from the Guarantor. Such request must be in writing and must be made prior to the expiration date established in the guarantee. In preparing this guarantee, the PURCHASER might consider adding the following text to the form, at the end of the penultimate paragraph: "The Guarantor agrees to a one-time extension of this guarantee for a period not to exceed [six months], in response to the PURCHASER's written request for such extension, such request to be presented to the Guarantor before the expiry of the guarantee".

9. BILL OF QUANTITIES (BOQ)

Supply and Delivery of Cement at difference destination point of, Sindhupalchowk (ReAL/IFB/CMT/005)

The bid amount includes cost of materials, transportation up to destination point, loading/unloading, cost of equipment, tools, labor, travel, cost for supervision, insurance, allocation for uncertainties, overhead and taxes all complete.

A. Construction Materials

SN	Description	Unit	Quantity	Rate in Fig. (इकाई दर अंकमा)	Rate in Words (इकाई दर अक्षरमा)	Total Amount (जम्मा रकम)
1	Provide and Supply OPC Cement including loading unloading and transportation up to destination point as per delivery schedule all complete	Bag	3280			
Total						
VAT @ 13% of Total						
Grand Total						
In words:						

We, under signed thoroughly readout all terms and condition, bidding process, and details associated with this bidding and fully agreed to perform work in accordance if success in bidding.

Submitted By

Name of Authorised Representative:

Name of Firm:

Signature

Seal & Date