

MASTER PROCUREMENT DOCUMENTS

Master Document for Procurement of Small Works

This Master Document has been prepared through the joint efforts of the Multilateral Development Banks (MDBs) and International Financial Institutions (IFIs), namely: the Asian Development Bank (ADB), African Development Bank (AfDB); Black Sea Trade and Development Bank (BSTDB), Caribbean Development Bank (CDB), Commission of the European Communities (CEC), European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Inter-American Development Bank (IDB), International Bank for Reconstruction and Development (IBRD), Nordic Development Fund (NDF), North American Development Bank (NADB), and the United Nations Development Programme (UNDP). The Master document is intended to be used as a model by these organizations for issuing new and better harmonized Standard Procurement Documents for each individual institution. The document is intended to be followed, insofar as possible, while allowing for institutional and member country considerations. The text shown in *Italics* corresponds to institution specific clauses that each MDB and IFI will replace with provisions consistent with its respective policy. Each MDB and IFI will draft its own User's Guide.

June 2008



Foreword

This Master Document for Procurement of Small Works has been prepared by the Multilateral Development Banks and International Financing Institutions to be used as a model by these organizations for issuing new and better harmonized bidding documents for each individual institution.

The document reflects what are considered “best practices,” and is intended to be followed, insofar as possible, while allowing for institutional and member country considerations. The text shown in italics corresponds to institution specific clauses that each MDB/IFI will replace with provisions consistent with its respective policy.

STANDARD PROCUREMENT DOCUMENTS

**Standard Bidding Document
for
Procurement of Small
Works**

[Name of Bank]

June 2008

Foreword

This Standard Bidding Document for Procurement of Small Works and its User's Guide have been prepared by [name of Bank] and is based on the Master Document for Procurement of Small Works, prepared by the Multilateral Development Banks and International Financing Institutions.

This document reflects the structure and the provisions of the Master Procurement Document for the Procurement of Small Works, except where specific considerations within the [name of Bank] have required a change.

Preface

This Standard Bidding Document for Procurement of Small Works has been prepared for use in contracts financed by [insert name of Bank] involving “smaller” contracts – valued at generally less than *US\$10 million* by International Competitive Bidding (ICB), though it may also be adapted to National Competitive Bidding (NCB). This document is intended as a model in the award of admeasurement (unit prices or unit rates in a bill of quantities) and lump sum types of contracts, which are the most common in Works contracting.

Lump sum contracts are used in particular for buildings and other forms of construction where the Works are well defined and are unlikely to change in quantity or specification, and where encountering difficult or unforeseen site conditions (for example, hidden foundation problems) is unlikely. Lump sum contracts should be used for Works that can be defined in their full physical and qualitative characteristics before bids are called, or where the risks of substantial design variations are minimal, such as bus shelters or school ablution units. In lump sum contracts, the concept of priced “activity schedules” is used, to enable payments to be made on the basis of percentage completion of each activity.

If the user has questions regarding the use of this SBD, the appropriate Bank’s official should be consulted.

Summary Description

This Standard Bidding Document for Procurement of Small Works and its User's Guide is to be used when a prequalification process has not taken place before bidding and, therefore, postqualification applies. A brief description of these documents is given below.

SBD for Procurement of Small Works

PART 1 – BIDDING PROCEDURES

Section I. Instructions to Bidders (ITB)

This Section provides relevant information to help Bidders prepare their bids. Information is also provided on the submission, opening, and evaluation of bids and on the award of Contracts. **Section I contains provisions that are to be used without modification.**

Section II. Bid Data Sheet (BDS)

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

Section III. Evaluation and Qualification Criteria

This Section contains the criteria to determine the lowest evaluated bid and the qualifications of the Bidder to perform the contract.

Section IV. Bidding Forms

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

Section V. Eligible Countries

This Section contains information regarding eligible countries.

PART 2 – EMPLOYER'S REQUIREMENTS

Section VI. Employer's Requirements

This Section contains the Specification, the Drawings, and supplementary information that describe the Plant and Installation Services to be procured.

PART 3 – CONDITIONS OF CONTRACT AND CONTRACT FORMS

Section VII. General Conditions of Contract (GCC)

This Section contains the general clauses to be applied in all contracts. **The text of the clauses in this Section shall not be modified.**

Section VIII. Particular Conditions of Contract (PCC)

This Section consists of Contract Data and Specific Provisions which contains clauses specific to each contract. The contents of this Section modify or supplement the General Conditions and shall be prepared by the *Employer*.

Section IX. Contract Forms

This Section contains forms which, once completed, will form part of the Contract. The forms for **Performance Security** and **Advance Payment Security**, when required, shall only be completed by the successful Bidder after contract award.

PROCUREMENT DOCUMENTS

**Bidding Document for
Procurement of Small
Works**

Procurement of:

Issued on: _____

ICB No: _____

Employer: _____

Country: _____

Preface

This Bidding Document for Procurement of Small Works has been prepared by [Executing Agency] and is based on the *Standard* Bidding Document for Procurement of Small Works issued by [Name of Bank], dated [Date of Issue].

This document reflects the structure and the provisions of the Master Document for the Procurement of Small Works, prepared by Multilateral Development Banks and International Financing Institutions, except where specific considerations within the respective institutions have required a change.

Standard Bidding Document

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PART 1 – Bidding Procedures

Section I. Instructions to Bidders

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Section I. Instructions to Bidders

A. General

- 1. Scope of Bid**
 - 1.1 The [...*Employer or Purchaser*] indicated in Section II, Bid Data Sheet (BDS) issues this Bidding Document for the procurement of Goods and related services or Works or Plant and Installation Services, as specified in Section VI, Requirements. The name, identification, and number of lots are provided in the BDS.
 - 1.2 Unless otherwise stated, throughout this Bidding Document definitions and interpretations shall be as prescribed in Section VII, General Conditions.
- 2. Source of Funds**
 - 2.1 The Borrower or Recipient (hereinafter called “Borrower”) indicated in the BDS has applied for or received financing (hereinafter called “funds”) from the [insert name of financing institution] (hereinafter called “the Bank”) toward the cost of the project named in the BDS. The Borrower intends to apply a portion of the funds to eligible payments under the contract(s) for which this Bidding Document is issued.
 - 2.2 Payments by the Bank will be made only at the request of the Borrower and upon approval by the Bank in accordance with the terms and conditions of the financing agreement between the Borrower and the Bank (hereinafter called the Loan Agreement), and will be subject in all respects to the terms and conditions of that Loan Agreement. No party other than the Borrower shall derive any rights from the Loan Agreement or have any claim to the funds.
- 3. Fraud and Corruption**
 - 3.1 *The Bank requires that Borrowers (including beneficiaries of Bank loans), as well as Bidders, Suppliers, Contractors, and Consultants under Bank-financed contracts, observe the highest standard of ethics during the procurement and execution of such contracts. In pursuit of this policy, the Bank:*
 - (a) *defines, for the purposes of this provision, the terms set forth below as follows:*
 - (i) *“corrupt practice” means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of a public official in the procurement process or in contract*

execution;

(ii) *“fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract;*

(iii) *“collusive practice” means a scheme or arrangement between two or more bidders, with or without the knowledge of the Borrower, designed to establish bid prices at artificial, noncompetitive levels; and*

(iv) *“coercive practice” means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the procurement process or affect the execution of a contract;*

(b) *will reject a proposal for award if it determines that the Bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for the Contract;*

(c) *will cancel the portion of the loan allocated to a contract if it determines at any time that representatives of the Borrower or of a beneficiary of the loan engaged in corrupt, fraudulent, collusive or coercive practices during the procurement or the execution of that contract, without the Borrower having taken timely and appropriate action satisfactory to the Bank to remedy the situation;*

(d) *will sanction a firm or individual, including declaring them ineligible, either indefinitely or for a stated period of time, to be awarded a Bank-financed contract if it at any time determines that they have, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for, or in executing, a Bank-financed contract; and*

(e) *will have the right to require that a provision be included in Bidding Documents and in contracts financed by a Bank Loan, requiring bidders, suppliers, contractors and consultants to permit the Bank to inspect their accounts and records and other documents relating to the Bid submission and contract performance and to have them audited by auditors appointed by the Bank.*

3.2 *Furthermore, Bidders shall be aware of the provisions stated in Section VII, General Conditions of Contract.*

4. Eligible Bidders

4.1 *A Bidder may be a natural person, private entity, government-owned entity—subject to ITB 4.5—or any combination of such*

entities supported by a letter of intent to enter into an agreement or under an existing agreement in the form of a joint venture, consortium, or association (JVCA). In the case of a joint venture, consortium, or association:

- (a) unless otherwise specified in the BDS, all partners shall be jointly and severally liable, and*
- (b) the JVCA shall nominate a Representative who shall have the authority to conduct all businesses for and on behalf of any and all the partners of the JVCA during the bidding process and, in the event the JVCA is awarded the Contract, during contract execution.*

4.2 A Bidder, and all parties constituting the Bidder, shall have the nationality of an eligible country, in accordance with Section V, Eligible Countries. A Bidder shall be deemed to have the nationality of a country if the Bidder is a citizen or is constituted, incorporated, or registered and operates in conformity with the provisions of the laws of that country. This criterion shall also apply to the determination of the nationality of proposed subcontractors or suppliers for any part of the Contract including Related Services.

4.3 A Bidder shall not have a conflict of interest. All Bidders found to have in conflict of interest shall be disqualified. *A Bidder may be considered to have a conflict of interest with one or more parties in this bidding process, if:*

- (a) they have controlling partners in common; or*
- (b) they receive or have received any direct or indirect subsidy from any of them; or*
- (c) they have the same legal representative for purposes of this bid; or*
- (d) they have a relationship with each other, directly or through common third parties, that puts them in a position to have access to information about or influence on the bid of another Bidder, or influence the decisions of the [...Employer or Purchaser] regarding this bidding process; or*
- (e) a Bidder participates in more than one bid in this bidding process. Participation by a Bidder in more than one Bid will result in the disqualification of all Bids in which it is involved. However, this does not limit the inclusion of the same subcontractor, not otherwise participating as a*

Bidder, in more than one bid; or

- (f) *a Bidder participated as a consultant in the preparation of Section VI, Requirements that are the subject of the bid.*
- (g) *a Bidder or any of its affiliates has been hired, or is proposed to be hired, by the [...Employer or Purchaser] or the Borrower for the supervision of the contract.*

4.4 A Bidder that is under a declaration of ineligibility by the Bank in accordance with ITB Clause 3, at the date of the deadline for bid submission or thereafter, shall be disqualified.

4.5 *Government-owned entities in the Borrower's country shall be eligible only if they can establish that they (i) are legally and financially autonomous, (ii) operate under the principles of commercial law, and (iii) are not dependent agencies of the [...Employer or Purchaser] or the Borrower..*

4.6 Bidders shall provide such evidence of their continued eligibility satisfactory to the [...Employer or Purchaser], as the [...Employer or Purchaser] shall reasonably request.

4.7 Firms shall be excluded if:

- (a) *as a matter of law or official regulation, the Borrower's country prohibits commercial relations with that country, provided that the Bank is satisfied that such exclusion does not preclude effective competition for the supply of Goods or Related Services required; or*
- (b) *by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the Borrower's country prohibits any import of Goods from that country or any payments to persons or entities in that country.*

4.8 In case a prequalification process has been conducted prior to the bidding process, this bidding is open only to prequalified Bidders.

5. Eligible Goods and Related Services

5.1 All goods and services to be supplied under the Contract and financed by the Bank, shall have as their country of origin an eligible country of the Bank as listed in Section V, Eligible Countries.

5.2 For purposes of this Clause, the term Goods includes commodities, raw material, machinery, equipment, and industrial plants; and Related Services includes services such as insurance,

transportation, installation, commissioning, training, and initial maintenance.

- 5.3 The term “country of origin” means the country where the Goods have been mined, grown, cultivated, produced, manufactured, or processed; or through manufacture, processing, or assembly, another commercially recognized article results that differs substantially in its basic characteristics from its imported components.
- 5.4 The nationality of the firm that produces, assembles, distributes, or sells the Goods shall not determine their origin.

B. Contents of Bidding Document

6. Sections of Bidding Document

- 6.1 The Bidding Document consist of Parts 1, 2, and 3, which include all the Sections indicated below, and should be read in conjunction with any Addenda issued in accordance with ITB 8.

PART 1 Bidding Procedures

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

PART 2 Requirements

- Section VI. Supply Requirements

PART 3 Conditions of Contract and Contract Forms

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

- 6.2 The Invitation for Bids issued by the [...*Employer or Purchaser*] is not part of the Bidding Document.
- 6.3 The Bidder shall obtain the Bidding Document from the source stated by the [...*Employer or Purchaser*] in the Invitation for Bids; otherwise the [...*Employer or Purchaser*] is not responsible for the completeness of the Bidding Document.
- 6.4 The Bidder is expected to examine all instructions, forms, terms, and specifications in the Bidding Document. Failure to furnish all information or documentation required by the Bidding Document may result in the rejection of the bid.

7. Clarification of

- 7.1 A prospective Bidder requiring any clarification of the Bidding

**Bidding
Document, Site
Visit, Pre-Bid
Meeting**

Document shall contact the [...*Employer or Purchaser*] in writing at the [...*Employer or Purchaser*] address indicated in the BDS or raise his enquiries during the pre-bid meeting if provided for in accordance with ITB 7.4. The [...*Employer or Purchaser*] will respond to any request for clarification, provided that such request is received prior to the deadline for submission of bids, within the number of days specified in the BDS. The [...*Employer or Purchaser*] response shall be in writing with copies to all Bidders who have acquired the Bidding Document in accordance with ITB 6.3, including a description of the inquiry but without identifying its source. Should the [...*Employer or Purchaser*] deem it necessary to amend the Bidding Document as a result of a request for clarification, it shall do so following the procedure under ITB 8 and ITB 22.2.

- 7.2 Where applicable, the Bidder is advised to visit and examine the project site and obtain for itself on its own responsibility all information that may be necessary for preparing the bid and entering into a contract for the provision of the Requirements. The costs of visiting the site shall be at the Bidder's own expense.
- 7.3 Pursuant to ITB 7.2, where the Bidder and any of its personnel or agents have been granted permission by the [...*Employer or Purchaser*] to enter upon its premises and lands for the purpose of such visit, the Bidder, its personnel, and agents will release and indemnify the [...*Employer or Purchaser*] and its personnel and agents from and against all liability in respect thereof, and will be responsible for death or personal injury, loss of or damage to property, and any other loss, damage, costs, and expenses incurred as a result of the visit.
- 7.4 The Bidder's designated representative is invited to attend a pre-bid meeting, if provided for in the BDS. The purpose of the meeting will be to clarify issues and to answer questions on any matter that may be raised at that stage. If so provided for in the BDS, the [...*Employer or Purchaser*] will organize a site visit.
- 7.5 The Bidder is requested, as far as possible, to submit any questions in writing, to reach the [...*Employer or Purchaser*] not later than one week before the meeting.
- 7.6 Minutes of the pre-bid meeting, including the text of the questions raised without identifying the source, and the responses given, together with any responses prepared after the meeting, will be transmitted promptly to all Bidders who have acquired the Bidding Document in accordance with ITB 6.3. Any modification to the Bidding Document that may become

necessary as a result of the pre-bid meeting shall be made by the [...*Employer or Purchaser*] exclusively through the issue of an Addendum pursuant to ITB 8 and not through the minutes of the pre-bid meeting.

- 7.7 Non-attendance at the pre-bid meeting will not be a cause for disqualification of a Bidder.
- 8. Amendment of Bidding Document**
- 8.1 At any time prior to the deadline for submission of bids, the [...*Employer or Purchaser*] may amend the Bidding Document by issuing addenda.
- 8.2 Any addendum issued shall be part of the Bidding Document and shall be communicated in writing to all who have obtained the Bidding Document from the [...*Employer or Purchaser*] in accordance with ITB 6.3.
- 8.3 To give prospective Bidders reasonable time in which to take an addendum into account in preparing their bids, the [...*Employer or Purchaser*] may, at its discretion, extend the deadline for the submission of bids, pursuant to ITB 22.2

C. Preparation of Bids

- 9. Cost of Bidding** 9.1 The Bidder shall bear all costs associated with the preparation and submission of its Bid, and the [...*Employer or Purchaser*] shall not be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.
- 10. Language of Bid** 10.1 The Bid, as well as all correspondence and documents relating to the bid exchanged by the Bidder and the [...*Employer or Purchaser*], shall be written in the language specified in the BDS. Supporting documents and printed literature that are part of the Bid may be in another language provided they are accompanied by an accurate translation of the relevant passages in that language, in which case, for purposes of interpretation of the Bid, such translation shall govern.
- 11. Documents Comprising the Bid** 11.1 The Bid shall comprise the following:
- (a) Letter of Bid
 - (b) Completed Schedules as provided in Section IV, Bidding Forms;
 - (c) Bid Security *or Bid Securing Declaration*, in accordance with ITB 19;
 - (d) at the Bidder's option, alternative proposals, if

permissible, in accordance with ITB 13;

- (e) written confirmation authorizing the signatory of the Bid to commit the Bidder, in accordance with ITB 20.2;
- (f) documentary evidence establishing the eligibility of the Goods and Services offered by the Bidder, in accordance with ITB 17.1;
- (g) documentary evidence establishing the Bidder's qualifications in accordance with the requirements of Section III, Evaluation and Qualification Criteria, using the relevant forms furnished in Section IV, Bidding Forms;
- (h) documentary evidence as specified in the BDS, establishing the conformity of the [goods and services/Technical Proposal/Plant and Installation Services] offered by the Bidder with the Bidding Document, using the relevant forms furnished in Section IV, Bidding Forms;
- (i) in the case of a bid submitted by a JVCA, JVCA agreement, or letter of intent to enter into a JVCA including a draft agreement, indicating at least the parts of the Requirements to be executed by the respective partners;
- (j) any other document required in the BDS.

12. Letter of Bid and Price Schedules

12.1 The Bidder shall submit the Letter of Bid using the form furnished in Section IV, Bidding Forms. This form must be completed without any alterations to its format, and no substitutes shall be accepted. All blank spaces shall be filled in with the information requested.

13. Alternative Bids

13.1 Unless otherwise indicated in the BDS, alternative *proposals* shall not be considered. If alternative *proposals* are permitted, their method of evaluation shall be as stipulated in Section III, Evaluation and Qualification Criteria.

13.2 When alternative times for completion are explicitly invited, a statement to that effect will be included in the BDS, as will the method of evaluating different times for completion.

13.3 *Except as provided under ITB 13.4 below, Bidders wishing to offer technical alternatives to the requirements of the bidding document must first price the [...Employer or Purchaser]'s requirements as described in the bidding document and shall*

further provide all information necessary for a complete evaluation of the alternative by the [...Employer or Purchaser], including drawings, design calculations, technical specifications, breakdown of prices, and proposed construction methodology and other relevant details. Only the technical alternatives, if any, of the lowest evaluated Bidder conforming to the basic technical requirements shall be considered by the [...Employer or Purchaser].

13.4 *When specified in the BDS, Bidders are permitted to submit alternative technical solutions for specified parts of the requirements, and such parts shall be identified in the BDS, as will the method for their evaluation, and described in Section VI, \Requirements.*

14. Bid Prices and Discounts

14.1 The prices and discounts quoted by the Bidder in the Letter of Bid and in the Price Schedules shall conform to the requirements specified in ITB 14.2.

14.2 Unless otherwise provided in the BDS and the General Conditions of Contract (GCC), the prices quoted by the Bidder shall be fixed.

14.3 The price to be quoted in the Letter of Bid, in accordance with ITB 12.1, shall be the total price of the Bid, excluding any discounts offered.

14.4 The Bidder shall quote any unconditional discounts and the methodology for their application in the Letter of Bid, in accordance with ITB 14.1.

14.5 Unless otherwise provided in the BDS and the Contract, the rates and prices quoted by the Bidder are subject to adjustment during the performance of the Contract in accordance with the provisions of the Conditions of Contract. In such a case, the Bidder shall furnish the indices and weightings for the price adjustment formulae in the Schedule of Adjustment Data and the Employer may require the Bidder to justify its proposed indices and weightings.

14.6 If so indicated in ITB 1.1, bids are being invited for individual lots (contracts) or for any combination of lots (packages). Bidders wishing to offer any price reduction for the award of more than one Contract shall specify in their bid the price reductions applicable to each package, or alternatively, to individual Contracts within the package. Price reductions or discounts shall be submitted in accordance with ITB 14.4, provided the bids for all lots (contracts) are submitted and

opened at the same time.

14.7 All duties, taxes, and other levies payable by the Contractor under the Contract, or for any other cause, as of the date 28 days prior to the deadline for submission of bids, shall be included in the rates and prices and the total Bid Price submitted by the Bidder.

15. Currencies of Bid

15.1 The currency(ies) of the bid and the currency(ies) for payment shall be as specified in the BDS.

16. Documents Establishing the Qualifications of the Bidder

16.1 To establish its qualifications to perform the Contract the Bidder shall provide the information requested in Section III, Evaluation and Qualification Criteria.

16.2 If so required in the BDS, a Bidder shall submit the Manufacturer's Authorization, using the form included in Section IV, Bidding Forms where the Bidder does not manufacture or produce the Goods it offers to supply.

16.3 If so required in the BDS, a Bidder shall submit evidence that it will be represented by an Agent in the country, equipped and able to carry out the Supplier's maintenance, repair and spare parts-stocking obligations prescribed in the Conditions of Contract and Requirements, where a Bidder does not conduct business within the [...*Employer or Purchaser*]'s Country.

16.4 *Bidders, individually or in joint ventures, applying for eligibility for margin of preference shall supply all information required to satisfy the criteria for eligibility as described in ITB 32.*

17. Documents Establishing the Eligibility of Goods and Related Services

17.1 To establish the eligibility of the Goods and Services in accordance with ITB Clause 5, Bidders shall complete the forms, included in Section IV, Bidding Forms.

18. Period of Validity of Bids

18.1 Bids shall remain valid for the period specified in the BDS after the bid submission deadline date prescribed by the [...*Employer or Purchaser*]. A bid valid for a shorter period shall be rejected by the [...*Employer or Purchaser*] as non responsive.

18.2 In exceptional circumstances, prior to the expiration of the bid validity period, the [...*Employer or Purchaser*] may request Bidders to extend the period of validity of their bids. The request and the responses shall be made in writing. If a bid security is requested in accordance with ITB 19, the Bidder granting the

request shall also extend the bid security for twenty-eight (28) days beyond the deadline of the extended validity period. A Bidder may refuse the request without forfeiting its bid security. A Bidder granting the request shall not be required or permitted to modify its bid, except as provided in ITB 18.3.

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

19. Bid Security

19.1 The Bidder shall furnish as part of its bid, the original of *either a Bid-Securing Declaration or a bid security using the relevant form included in Section IV, Bidding Forms. In the case of a bid security, the bid security amount and currency shall be as specified in the BDS.*

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

19.3 If a bid security is specified pursuant to ITB 19.1, the bid security shall be a demand guarantee in any of the following forms at the Bidder's option:

- (a) an unconditional guarantee issued by a bank *or surety*;
- (b) an irrevocable letter of credit; *or*
- (c) a cashier's or certified check; *or*

from a reputable source from an eligible country. If the unconditional guarantee is issued by an insurance company or a bonding company located outside the [...Employer or Purchaser]'s Country, the issuer shall have a correspondent financial institution located in the [...Employer or Purchaser]'s Country to make it enforceable. In the case of a bank guarantee, the bid security shall be submitted either using the Bid Security Form included in Section IV, Bidding Forms or in another substantially similar format approved by the [...Employer or Purchaser] prior to bid submission. In either case, the form must include the complete name of the Bidder. The bid security shall be valid for twenty-eight days (28) beyond the original validity period of the bid, or beyond any period of extension if requested under ITB 18.2.

19.4 *If a bid security is specified pursuant to ITB 19.1, any bid not accompanied by a substantially responsive bid security or Bid-*

Securing Declaration shall be rejected by the [...*Employer or Purchaser*] as non responsive.

19.5 *If a bid security is specified pursuant to ITB 19.1, the bid security of unsuccessful Bidders shall be returned as promptly as possible upon the successful Bidder's furnishing of the performance security pursuant to ITB 37.*

19.6 The bid security of the successful Bidder shall be returned as promptly as possible once the successful Bidder has signed the Contract and furnished the required performance security.

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

- (a) if a Bidder withdraws its bid during the period of bid validity specified by the Bidder in the Letter of Bid or
- (b) if the successful Bidder fails to:
 - (i) sign the Contract in accordance with ITB 36; or
 - (ii) furnish a performance security in accordance with ITB 37.

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

19.9 *If a Bid-Securing Declaration is executed in accordance with ITB 19.7, the [...Employer or Purchaser] will declare the Bidder ineligible to be awarded a contract by the [...Employer or Purchaser] for the period of time stated in the Form of Bid-Securing Declaration.*

20. Format and Signing of Bid

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

20.2 The original and all copies of the bid shall be typed or written in indelible ink and shall be signed by a person duly authorized to sign on behalf of the Bidder. This authorization shall consist of a written confirmation as specified in the BDS and shall be attached to the bid. The name and position held by each person

signing the authorization must be typed or printed below the signature. *All pages of the bid where entries have been made shall be signed or initialed by the person signing the bid.*

20.3 A bid submitted by a *JVCA* shall comply with the following requirements:

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

20.4 Any amendments, interlineations, erasures, or overwriting shall be valid only if they are signed or initialed by the person signing the bid.

D. Submission and Opening of Bids

21. Submission, Sealing and Marking of Bids

21.1 Bidders may always submit their bids by mail or by hand. If so specified in the **BDS**, bidders shall have the option of submitting their bids electronically. Procedures for submission, sealing and marking are as follows:

- (a) Bidders submitting bids by mail or by hand shall enclose the original and copies of the Bid in separate sealed envelopes. If so permitted in accordance with ITB 13 alternative proposals, and copies thereof, shall also be placed in separate envelopes. The envelopes shall be duly marked as "ORIGINAL," "ALTERNATIVE," "ORIGINAL COPY," and "ALTERNATIVE COPY" These envelopes shall then be enclosed in one single package. The rest of the procedure shall be in accordance with ITB 21.2 and 21.3.
- (b) Bidders submitting bids electronically shall follow the electronic bid submission procedures specified in the **BDS**.

21.2 The inner and outer envelopes shall:

- (a) bear the name and address of the Bidder;
- (b) be addressed to the [...*Employer or Purchaser*] in accordance with ITB 22.1;
- (c) bear the specific identification of this bidding process pursuant to ITB 1.1; and
- (d) bear a warning not to open before the time and date for bid

opening

- 21.3 If envelopes and packages are not sealed and marked as required, the Employer will assume no responsibility for the misplacement or premature opening of the bid.
- 22. Deadline for Submission of Bids**
- 22.1 Bids must be received by the [...*Employer or Purchaser*] at the address and no later than the date and time indicated in the **BDS**.
- 22.2 The [...*Employer or Purchaser*] may, at its discretion, extend the deadline for the submission of bids by amending the Bidding Document in accordance with ITB 8, in which case all rights and obligations of the [...*Employer or Purchaser*] and Bidders previously subject to the deadline shall thereafter be subject to the deadline as extended.
- 23. Late Bids**
- 23.1 The [...*Employer or Purchaser*] shall not consider any bid that arrives after the deadline for submission of bids, in accordance with ITB 22. Any bid received by the [...*Employer or Purchaser*] after the deadline for submission of bids shall be declared late, rejected, and returned unopened to the Bidder.
- 24. Withdrawal, Substitution, and Modification of Bids**
- 24.1 A Bidder may withdraw, substitute, or modify its bid after it has been submitted by sending a written notice, duly signed by an authorized representative, and shall include a copy of the authorization in accordance with ITB 20.2, (except that withdrawal notices do not require copies). The corresponding substitution or modification of the bid must accompany the respective written notice. All notices must be:
- (a) prepared and submitted in accordance with ITB 20 and ITB 21 (except that withdrawals notices do not require copies), and in addition, the respective envelopes shall be clearly marked “Withdrawal,” “Substitution,” “Modification;” and
 - (b) received by the [...*Employer or Purchaser*] prior to the deadline prescribed for submission of bids, in accordance with ITB 22.
- 24.2 Bids requested to be withdrawn in accordance with ITB 24.1 shall be returned unopened to the Bidders.
- 24.3 No bid may be withdrawn, substituted, or modified in the interval between the deadline for submission of bids and the expiration of the period of bid validity specified by the Bidder on the Letter of Bid or any extension thereof.

25. Bid Opening

- 25.1 The [...*Employer or Purchaser*] shall conduct the bid opening in public, in the presence of Bidders' designated representatives and anyone who choose to attend, and at the address, date and time specified in the **BDS**. Any specific electronic bid opening procedures required if electronic bidding is permitted in accordance with ITB 21.1, shall be as specified in the **BDS**.
- 25.2 First, envelopes marked "Withdrawal" shall be opened and read out and the envelope with the corresponding bid shall not be opened, but returned to the Bidder. No bid withdrawal shall be permitted unless the corresponding withdrawal notice contains a valid authorization to request the withdrawal and is read out at bid opening. Next, envelopes marked "Substitution" shall be opened and read out and exchanged with the corresponding bid being substituted, and the substituted bid shall not be opened, but returned to the Bidder. No bid substitution shall be permitted unless the corresponding substitution notice contains a valid authorization to request the substitution and is read out at bid opening. Envelopes marked "Modification" shall be opened and read out with the corresponding bid. No bid modification shall be permitted unless the corresponding modification notice contains a valid authorization to request the modification and is read out at bid opening. Only bids that are opened and read out at bid opening shall be considered further.
- 25.3 The [...*Employer or Purchaser*] shall open all other envelopes one at a time and read out: the name of the Bidder, the Bid Price(s), any discounts and their application methodology, alternative bids, the presence or absence of a bid security or Bid-Securing Declaration; and any other details as the [. . .] may consider appropriate. Only discounts and alternative bids read out at bid opening shall be considered for evaluation. No bid shall be rejected at bid opening except for late bids, in accordance with ITB 23.1.
- 25.4 The [...*Employer or Purchaser*] shall prepare a record of the bid opening that shall include, as a minimum: the name of the Bidder and whether there is a withdrawal, substitution, or modification; the Bid Price, per lot if applicable, including any discounts and alternative proposals; and the presence or absence of a bid security or a Bid-Securing Declaration. The Bidders' representatives who are present shall be requested to sign the record. The omission of a Bidder's signature on the record shall not invalidate the contents and effect of the record. A copy of the record shall be distributed to all Bidders who submitted bids in time, and posted online when electronic bidding is permitted.

E. Examination of Bids

- 26. Confidentiality**
- 26.1 Information relating to the evaluation of bids shall not be disclosed to Bidders or any other persons not officially concerned with such process until information on Contract award is communicated to all Bidders.
- 26.2 Any attempt by a Bidder to influence improperly the [...*Employer or Purchaser*] in the evaluation of the bids or Contract award decisions may result in the rejection of its bid.
- 26.3 Notwithstanding ITB 26.1, from the time of bid opening to the time of Contract award, if any Bidder wishes to contact the [...*Employer or Purchaser*] on any matter related to the bidding process, it should do so in writing.
- 27. Clarification of Bids**
- 27.1 To assist in the examination, evaluation, and comparison of the bids, and qualification of the Bidders, the [...*Employer or Purchaser*] may, at its discretion, ask any Bidder for a clarification of its bid, allowing a reasonable time for response. Any clarification submitted by a Bidder that is not in response to a request by the [...*Employer or Purchaser*] shall not be considered. The [...*Employer or Purchaser*]'s request for clarification and the response shall be in writing. No change in the prices or substance of the bid shall be sought, offered, or permitted, except to confirm the correction of arithmetic errors discovered by the [...*Employer or Purchaser*] in the evaluation of the bids, in accordance with ITB 29.
- 27.2 If a Bidder does not provide clarifications of its bid by the date and time set in the [...*Employer or Purchaser*]'s request for clarification, its bid may be rejected.
- 28. Determination of Responsiveness**
- 28.1 The [...*Employer or Purchaser*]'s determination of a bid's responsiveness is to be based on the contents of the bid itself, as defined in ITB 11.
- 28.2 A substantially responsive bid is one that meets the requirements of the Bidding Document without material deviation, reservation, or omission.
- (a) "Deviation" is a departure from the requirements specified in the Bidding Document;
- (b) "Reservation" is the setting of limiting conditions or withholding from complete acceptance of the requirements specified in the Bidding Document; and
- (c) "Omission" is the failure to submit part or all of the

information or documentation required in the Bidding Document.

28.3 A material deviation, reservation, or omission is one that,

- (a) if accepted, would:
 - (i) affect in any substantial way the scope, quality, or performance of the Requirements as specified in Section VI; or
 - (ii) limit in any substantial way, inconsistent with the Bidding Document, the [...*Employer or Purchaser*]'s rights or the Bidder's obligations under the proposed Contract; or
- (b) if rectified, would unfairly affect the competitive position of other Bidders presenting substantially responsive bids.

28.4 The [...*Employer or Purchaser*] shall examine the technical aspects of the bid in particular, to confirm that all requirements of Section VI have been met without any material deviation, reservation, or omission.

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

28.6 Provided that a bid is substantially responsive, the [...*Employer or Purchaser*] may waive any quantifiable nonconformities in the bid that do not constitute a material deviation, reservation or omission.

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

28.8 *Provided that a bid is substantially responsive, the [...Employer or Purchaser] shall rectify quantifiable nonmaterial nonconformities related to the Bid Price. To this effect, the Bid Price shall be adjusted, for comparison purposes only, to reflect the price of the non-conforming item or component. The adjustment shall be made using the methodology indicated in*

Section III, Evaluation and Qualification Criteria.

F. Bid Evaluation and Comparison

- | | |
|--|---|
| 29. Correction of Arithmetical Errors | <p>29.1 Provided that the bid is substantially responsive, the [...<i>Employer or Purchaser</i>] shall correct arithmetical errors as indicated in Section III. Evaluation and Qualification Criteria.</p> <p>29.2 If a Bidder does not accept the correction of errors, its bid shall be declared non-responsive <i>and its Bid Security shall be forfeited or the Bid Securing Declaration executed.</i></p> |
| 30. Conversion to Single Currency | <p>30.1 For evaluation and comparison purposes, the currency (ies) of the bid shall be converted into a single currency as specified in Section III. Evaluation and Qualification Criteria. .</p> |
| 31. Bid Adjustments | <p>31.1 For the evaluation and comparison purposes the [...<i>Employer or Purchaser</i>] shall adjust the bid prices using the criteria and methodology specified in Section III. Evaluation and Qualification Criteria.</p> <p>31.2 <i>Unless otherwise specified in the BDS, no margin of domestic preference shall apply. If a margin of preference applies, the application methodology shall be as specified in Section III, Evaluation and Qualification Criteria.</i></p> <p>31.3 If in the opinion of the [...<i>Employer or Purchaser</i>] the bid which results in the lowest Evaluated Bid Price, is seriously unbalanced or front loaded <i>or substantially below the [...Employer or Purchaser]'s estimates</i>, the [...<i>Employer or Purchaser</i>] may require the Bidder to produce detailed price analyses for any or all items of the [<i>Bill of Quantities</i>], to demonstrate the internal consistency of those prices with the methods and schedule proposed. After evaluation of the price analyses, taking into consideration the schedule of estimated Contract payments, the [...<i>Employer or Purchaser</i>] may require that the amount of the performance security be increased at the expense of the Bidder to a level sufficient to protect the [...<i>Employer or Purchaser</i>] against financial loss in the event of default of the successful Bidder under the Contract.</p> |
| 32. Qualification of the Bidder | <p>32.1 The [...<i>Employer or Purchaser</i>] shall determine to its satisfaction whether the Bidder that is selected as having submitted the lowest evaluated and substantially responsive bid meets the qualifying criteria specified in Section III, Evaluation and Qualification Criteria.</p> <p>32.2 The determination shall be based upon an examination of the documentary evidence of the Bidder's qualifications submitted</p> |

by the Bidder, pursuant to ITB 16.

- 32.3 An affirmative determination shall be a prerequisite for award of the Contract to the Bidder. A negative determination shall result in disqualification of the bid, in which event the [...*Employer or Purchaser*] shall proceed to the next lowest evaluated bid to make a similar determination of that Bidder's qualifications to perform satisfactorily.
- 32.4 The capabilities of the manufacturers and subcontractors proposed in its Bid to be used by the lowest evaluated Bidder for identified major items of the Requirements will also be evaluated for acceptability in accordance with the criteria and methodologies defined in Section III, Evaluation and Qualification Criteria. Their participation should be confirmed with a letter of intent between the parties, as needed. Should a manufacturer or subcontractor be determined to be unacceptable, the Bid will not be rejected, but the Bidder will be required to substitute an acceptable manufacturer or subcontractor without any change to the bid price.
- 33. [...*Employer or Purchaser*]'s Right to Accept Any Bid, and to Reject Any or All Bids**
- 33.1 The [...*Employer or Purchaser*] reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids at any time prior to contract award, without thereby incurring any liability to Bidders. In case of annulment, all bids submitted and specifically, bid securities, shall be promptly returned to the Bidders.

G. Award of Contract

- 34. Award Criteria**
- 34.1 The [...*Employer or Purchaser*] shall award the Contract to the Bidder whose offer has been determined to be the lowest evaluated bid and is substantially responsive to the Bidding Document, provided further that the Bidder is determined to be qualified to perform the Contract satisfactorily.
- 35. Notification of Award**
- 35.1 Prior to the expiration of the period of bid validity, the [...*Employer or Purchaser*] shall notify the successful Bidder, in writing, that its bid has been accepted.
- 35.2 Until a formal contract is prepared and executed, the notification of award shall constitute a binding Contract.
- 35.3 At the same time, the [...*Employer or Purchaser*] shall also notify all other Bidders of the results of the bidding, and shall publish in *UNDB online and in the Bank's website* the results identifying the bid and lot numbers and the following information: (i) name of each Bidder who submitted a Bid; (ii)

bid prices as read out at bid opening; (iii) name and evaluated prices of each Bid that was evaluated; (iv) name of bidders whose bids were rejected and the reasons for their rejection; and (v) name of the winning Bidder, and the price it offered, as well as the duration and summary scope of the contract awarded. After publication of the award, unsuccessful bidders may request in writing to the [...*Employer or Purchaser*] for a debriefing seeking explanations on the grounds on which their bids were not selected. The [...*Employer or Purchaser*] shall promptly respond in writing to any unsuccessful Bidder who, after Publication of contract award, requests a debriefing.

36. Signing of Contract

- 36.1 Promptly upon notification, the [...*Employer or Purchaser*] shall send the successful Bidder the Contract Agreement.
- 36.2 Within twenty-eight (28) days of receipt of the Contract Agreement, the successful Bidder shall sign, date, and return it to the [...*Employer or Purchaser*].
- 36.3 Upon the successful Bidder's furnishing of the signed Contract Agreement and Performance Security pursuant to ITB 37, the [...*Employer or Purchaser*] will discharge its Bid Security, pursuant to ITB 19.
- 36.4 *Notwithstanding ITB 36.2 above, in case signing of the Contract Agreement is prevented by any export restrictions attributable to the [...*Employer or Purchaser*], to the country of the [...*Employer or Purchaser*], or to the use of the products/goods, systems or services to be supplied, where such export restrictions arise from trade regulations from a country supplying those products/goods, systems or services, the Bidder shall not be bound by its bid, always provided, however, that the Bidder can demonstrate to the satisfaction of the [...*Employer or Purchaser*] and of the Bank that signing of the Contract Agreement has not been prevented by any lack of diligence on the part of the Bidder in completing any formalities, including applying for permits, authorizations and licenses necessary for the export of the products/goods, systems or services under the terms of the Contract Agreement.*

37. Performance Security

- 37.1 Within twenty-eight (28) days of the receipt of notification of award from the [...*Employer or Purchaser*], the successful Bidder shall furnish the performance security in accordance with the conditions of contract, subject to ITB 31.3, using for that purpose the Performance Security Form included in Section IX, Annex to the Particular Conditions - Contract Forms, or another form acceptable to the [...*Employer or Purchaser*]. If the performance security furnished by the successful Bidder is in

the form of a bond, it shall be issued by a bonding or insurance company that has been determined by the successful Bidder to be acceptable to the [...*Employer or Purchaser*]. A foreign institution providing a bond shall have a correspondent financial institution located in the [...*Employer or Purchaser*]'s Country.

- 37.2 Failure of the successful Bidder to submit the above-mentioned Performance Security or sign the Contract shall constitute sufficient grounds for the annulment of the award and forfeiture of the bid security, or execution of the *Bid Security Declaration*. In that event the [...*Employer or Purchaser*] may award the Contract to the next lowest evaluated Bidder whose offer is substantially responsive and is determined by the [...*Employer or Purchaser*] to be qualified to perform the Contract satisfactorily.

Section II. Bid Data Sheet

A. General	
ITB 1.1	The [... <i>Employer or Purchaser</i>] is: _____
ITB 1.1	The name of the bidding process is: <i>[insert complete name]</i> The identification number of the bidding process is: <i>[insert identification number]</i> The number and identification of lots comprising this bidding process are: <i>[insert number and identification of each lot, if applicable]</i>
ITB 2.1	The Borrower is: <i>[insert complete name]</i> _____
ITB 2.1	The name of the Project is: <i>[insert name of the Project]</i>
ITB 4.1(a)	<i>The individuals or firms in a JVCA, [insert “shall” or “shall not”] be jointly and severally liable.</i>
B. Contents of Bidding Document	
ITB 7.1	For clarification purposes only, the <i>Employer</i> 's address is: Attention: <i>[insert full name of person, if applicable]</i> Street Address: <i>[insert street address and number]</i> Floor/Room number: <i>[insert floor and room number, if applicable]</i> City: <i>[insert name of city or town]</i> ZIP Code: <i>[insert postal (ZIP) code, if applicable]</i> Country: <i>[insert name of country]</i> Facsimile number: <i>[insert phone number, with country and city codes]</i> Electronic mail address: <i>[insert email address, if applicable]</i> Requests for clarification should be received by the <i>Employer</i> no later than <i>[insert no. of days]</i> , prior to the deadline for submission of Bids.
ITB 7.4	A Pre-Bid meeting <i>[insert “shall” or “shall not”]</i> take place. If a Pre-Bid meeting will take place, it will be at the following date, time and place:

	<p>Date: <i>[insert date, if applicable]</i></p> <p>Time: <i>[insert time, if applicable]</i></p> <p>Place: <i>[insert place, if applicable]</i></p> <p>A site visit conducted by the [...] <i>[insert “shall be” or “shall not be”]</i> organized.</p> <p>If a Site Visit is organized, it will be at the following date, time and place:</p> <p>Date: <i>[insert date, if applicable]</i></p> <p>Time: <i>[insert time, if applicable]</i></p> <p>Place: <i>[insert place, if applicable]</i></p>
C. Preparation of Bids	
ITB 10.1	The language of the bid is: <i>[insert language]</i>
ITB 11.1 (h)	<p>The Bidder must provide the following documentary evidence to establish the conformity of the [<i>goods and services/Works/Technical Proposal/Design Plant, Supply and Installation Services</i>]:</p> <p><i>[Insert Documentation requested]</i></p>
ITB 11.1 (j)	The Bidder shall submit with its bid the following additional documents:
ITB 13.1	Alternative proposals <i>[insert “shall be” or “shall not be”]</i> permitted.
ITB 13.2	Alternative times for completion <i>[insert “shall be” or “shall not be”]</i> permitted.
ITB 13.4	Alternative technical solutions for the following parts of the Requirements: <i>[insert parts or “none”]</i> are permitted.
ITB 15.1	<p>The currency(ies) of the bid and the payment currency(ies) shall be as described below:</p> <p style="text-align: center;"><i>[Choose just one of the following alternatives below]</i></p> <p style="text-align: center;">In case of ICB</p> <p>Alternative A (Bidders to quote entirely in <i>local</i> currency):</p> <p>(a) <i>The unit rates and the prices shall be quoted by the Bidder in the Bill of Quantities, entirely in [insert currency of the [...Employer or Purchaser]’s country], further referred to as “the local currency”. A Bidder expecting to incur expenditures in other currencies for inputs to the Requirements supplied from outside the [...Employer or</i></p>

Purchaser]’s country (referred to as “the foreign currency (ies) requirements”) shall indicate in the Section IV. Summary of Payment Currencies - Table C, the percentage(s) of the Bid Price (excluding Provisional Sums), needed by him for the payment of such foreign currency requirements, limited to no more than three foreign currencies of any country.

- (b) The rates of exchange to be used by the Bidder in arriving at the local currency equivalent and the percentage(s) mentioned in (a) above shall be specified by the Bidder in the Section IV. Summary of Payment Currencies - Table C, and shall apply for all payments under the Contract so that no exchange risk will be borne by the successful Bidder.
- (c) Bidders may be required by the [...Employer or Purchaser] to justify, to the [...Employer or Purchaser]’s satisfaction, their local and foreign currency requirements, and to substantiate that the amounts included in the unit rates and prices and shown in the Section IV. Schedule of Adjustment Data are reasonable, in which case a detailed breakdown of the foreign currency requirements shall be provided by Bidders.

OR

Alternative B (Bidders allowed to quote in local and foreign currencies):

- (a) The unit rates and prices shall be quoted by the Bidder in the Bill of Quantities separately in the following currencies:
- (i) for those inputs to the Requirements that the Bidder expects to supply from within the [...Employer or Purchaser]’s country, in ***[insert currency of the [...Employer or Purchaser]’s country,*** further referred to as “the local currency”; and
 - (ii) for those inputs to the Requirements that the Bidder expects to supply from outside the [...Employer or Purchaser]’s country (referred to as “the foreign currency requirements”), in up to any three currencies of any country.
- (b) Bidders may be required by the [...Employer or Purchaser] to justify, to the [...Employer or Purchaser]’s satisfaction, their local and foreign currency requirements, and to substantiate that the amounts included in the unit rates and prices and shown in the Section IV. Schedule of Adjustment Data are reasonable, in which case a detailed breakdown of the foreign currency requirements shall be provided by Bidders.

	In case of NCB The currency of the bid and payment shall be: <i>[insert the local currency]</i>
ITB 16.2	The Bidder <i>[insert “shall” or “shall not”]</i> submit with its bid, the Manufacturer’s Authorization for the following part: <i>[insert part or component]</i> .
ITB 16.3	The Bidder <i>[insert “shall” or “shall not”]</i> submit with its bid, evidence that it will be represented by an Agent in the country.
ITB 18.1	The bid validity period shall be: <i>[insert the number of days deemed appropriate.]</i> days.
ITB 19.1	<i>[Choose one of the following options as appropriate.]</i> - The Bidder shall furnish a bid security in the amount of <i>[insert amount and currency or any other convertible equivalent currency]</i> . <i>[or]</i> - The Bidder shall furnish a Bid Securing Declaration.
ITB 20.1	In addition to the original of the bid, the number of copies is: <i>[insert number of copies required]</i> .
ITB 20.1	The written confirmation of authorization to sign on behalf of the Bidder shall indicate: <i>[insert “</i> <i>(a) 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> <i>In the case of Bids submitted by an existing or intended JVCA an undertaking signed by all parties (i) stating that all parties shall be jointly and severally liable, if so required in accordance with ITB 4.1(a), 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 JVCA during the bidding process and, in the event the JV is awarded the Contract, during contract execution.”]</i>
D. Submission and Opening of Bids	
ITB 21.1	Bidders <i>[insert “shall” or “shall not”]</i> have the option of submitting their bids electronically.
ITB 21.1 (b)	The electronic bidding submission procedures shall be: <i>[insert a description of the electronic bidding submission procedures]</i> .

<p>ITB 22.1</p>	<p>For bid submission purposes only, the <i>Employer's</i> address is: <i>[insert all required and applicable information]</i></p> <p>Attention: <i>[insert full name of person, if applicable]</i></p> <p>Street Address: <i>[insert street address and number]</i></p> <p>Floor/Room number: <i>[insert floor and room number, if applicable]</i></p> <p>City: <i>[insert name of city or town]</i></p> <p>ZIP Code: <i>[insert postal (ZIP) code, if applicable]</i></p> <p>Country: <i>[insert name of country]</i></p> <p>The deadline for bid submission is:</p> <p>Date: <i>[insert date]</i></p> <p>Time: <i>[insert time]</i></p>
<p>E. Bid Evaluation and Comparison</p>	
<p>ITB 30.1</p>	<p><i>[In case of ICB]</i> The currency that shall be used for bid evaluation and comparison purposes to convert all bid prices expressed in various currencies into a single currency is:</p> <p><i>[Insert the name of the currency]</i></p> <p>The source of exchange rate shall be: <i>[insert the name of the source of the exchange rates].</i></p> <p>The date for the exchange rate shall be: <i>[specify date (day/month/year)]</i></p> <p><i>or</i></p> <p><i>[In case of NCB] Not applicable.</i></p>

Section III - Evaluation and Qualification Criteria

This Section contains all the criteria that the [...*Employer or Purchaser*] shall use to evaluate bids and qualify Bidders. *In accordance with ITB 28 and ITB 31..., no other factors, methods or criteria shall be used.* The Bidder shall provide all the information requested in the forms included in Section IV, Bidding Forms.

1.	Evaluation Criteria and Methodology
1.1	Alternative Proposal (If permitted in accordance with ITB 13.1)
	<i>Technical Alternative [Insert the applicable criteria and methodology]</i>
	<i>Alternative Time for Completion [Insert the applicable criteria and methodology]</i>
1.2	Correction of Arithmetical Errors (In accordance with ITB 29.1)
(a)	Where there are errors between the total of the amounts given under the column for the price breakdown and the amount given under the Total Price, the former shall prevail and the latter will be corrected accordingly
(b)	If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected, unless in the opinion of the [... <i>Employer or Purchaser</i>] there is an obvious misplacement of the decimal point in the unit price, in which case the total price as quoted shall govern and the unit price shall be corrected;
(c)	If there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected; and
(d)	If there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to (a) and (b) above.
1.3	Conversion to a Single Currency (In accordance with ITB 30)
	<p><i>[In case of ICB]</i> The currency that shall be used for bid evaluation and comparison purposes to convert all bid prices expressed in various currencies into a single currency is:</p> <p><i>[Insert the name of the currency]</i></p> <p>The source of exchange rate shall be: <i>[insert the name of the source of the exchange rates].</i></p> <p>The date for the exchange rate shall be: <i>[specify date (day/month/year)]</i></p> <p><i>or</i></p>

	<i>[In case of NCB] Not applicable.</i>
1.4	Discounts (In accordance with ITB 14)
	The [... <i>Employer or Purchaser</i>] will adjust the Bid Price, using the methodology prescribed by the Bidder in its Letter of Bid, to take account of the Discounts offered by the Bidder in its Letter of Bid in the Bid Opening.
1.5	Quantifiable Nonmaterial Nonconformities (In accordance with ITB 28.7)
	The adjustment shall be made using the following methodology: <i>[insert methodology]</i>
1.6	<i>Margin of Preference (If permitted in accordance with ITB 31.2)</i>
	<i>[Insert the applicable criteria and methodology]</i>
1.7	Any other Criteria or Methodology
	<i>[Insert the applicable criteria and methodology]</i>
2	<i>Qualification (Without Prequalification)</i>
2.1	<i>Eligibility (TABLE)</i>
2.2	<i>Historical Contract Non-Performance (TABLE)</i>
2.3	<i>Financial Situation (TABLE)</i>
2.4	<i>Experience (TABLE)</i>
2.5	<i>Personnel (TABLE)</i>
2.6	<i>Equipment (TABLE)</i>

2. Qualification

<i>Factor</i>	2.1 Eligibility					
<i>Sub-Factor</i>	<i>Requirement</i>	<i>Criteria</i>				<i>Documentation Required</i>
		<i>Single Entity</i>	<i>Bidder</i>			
			<i>Joint Venture, Consortium or Association</i>			
			<i>All partners combined</i>	<i>Each partner</i>	<i>At least one partner</i>	
<i>2.1.1 Nationality</i>	<i>Nationality in accordance with ITB 4.2.</i>	<i>Must meet requirement</i>	<i>Existing or intended JVCA must meet requirement</i>	<i>Must meet requirement</i>	<i>N / A</i>	<i>Form ELI –1.1 and 1.2, with attachments</i>
<i>2.1.2 Conflict of Interest</i>	<i>No- conflicts of interests as described in ITB 4.3.</i>	<i>Must meet requirement</i>	<i>Existing or intended JVCA must meet requirement</i>	<i>Must meet requirement</i>	<i>N / A</i>	<i>Application Submission Sheet</i>
<i>2.1.3 Bank Ineligibility</i>	<i>Not having been declared ineligible by the Bank as described in ITB 4.4.</i>	<i>Must meet requirement</i>	<i>Existing JVCA must meet requirement</i>	<i>Must meet requirement</i>	<i>N / A</i>	<i>Application Submission Sheet</i>
<i>2.1.4 Government Owned Entity</i>	<i>Compliance with conditions of ITB 4.5</i>	<i>Must meet requirement</i>	<i>Must meet requirement</i>	<i>Must meet requirement</i>	<i>N / A</i>	<i>Form ELI –1.1 and 1.2, with attachments</i>

Factor	2.1 Eligibility					
Sub-Factor	Criteria					Documentation Required
	Requirement	Bidder				
		Single Entity	Joint Venture, Consortium or Association			
All partners combined			Each partner	At least one partner		
2.1.5 Ineligibility based on a United Nations resolution or Borrower's country law	Not having been excluded as a result of the Borrower's country laws or official regulations, or by an act of compliance with UN Security Council resolution, in accordance with ITB 4.8	Must meet requirement	Existing JVCA must meet requirement	Must meet requirement	N / A	Application Submission Sheet
Factor	2.2 Historical Contract Non-Performance					
Sub-Factor	Criteria					Documentation Required
	Requirement	Bidder				
		Single Entity	Joint Venture, Consortium or Association			
All partners combined			Each partner	At least one partner		
2.2.1 History of non-performing contracts	Non-performance of a contract did not occur within the last _____ () years prior to the deadline for application submission, based on all information on fully settled disputes or	Must meet requirement by itself or as partner to past or existing JVCA	N / A	Must meet requirement by itself or as partner to past or existing JVCA	N / A	Form CON - 2

<i>Factor</i>	2.2 Historical Contract Non-Performance					
<i>Sub-Factor</i>	<i>Criteria</i>					<i>Documentation Required</i>
	<i>Requirement</i>	<i>Bidder</i>				
		<i>Single Entity</i>	<i>Joint Venture, Consortium or Association</i>			
			<i>All partners combined</i>	<i>Each partner</i>		<i>At least one partner</i>
2.2.2 Pending Litigation	litigation. A fully settled dispute or litigation is one that has been resolved in accordance with the Dispute Resolution Mechanism under the respective contract, and where all appeal instances available to the bidder have been exhausted. All pending litigation shall in total not represent more than _____ percent (____%) of the Bidder's net worth and shall be treated as resolved against the Bidder.	Must meet requirement by itself or as partner to past or existing JVCA	N/A	Must meet requirement by itself or as partner to past or existing JVCA	N/A	Form CON – 2

Factor	2.3 Financial Situation					
Sub-Factor	Criteria					Documentation Required
	Requirement	Bidder				
		Single Entity	Joint Venture, Consortium or Association			
All partners combined			Each partner	At least one partner		
2.3.1 Historical Financial Performance	Submission of audited balance sheets or if not required by the law of the bidder's country, other financial statements acceptable to the Employer, for the last ____ [] years to demonstrate the current soundness of the bidders financial position and its prospective long term profitability. (criterion 1) (criterion 2)	Must meet requirement	N / A	Must meet requirement	N / A	Form FIN – 3.1 with attachments
2.3.2. Average Annual Turnover	Minimum average annual turnover of _____, calculated as total certified payments received for contracts in progress or completed, within the	Must meet requirement	Must meet requirement	Must meet _____ percent (____%) of the requirement	Must meet _____ percent (____%) of the requirement	Form FIN –3.2

Factor	2.3 Financial Situation					
Sub-Factor	Criteria					Documentation Required
	Requirement	Bidder				
		Single Entity	Joint Venture, Consortium or Association			
All partners combined			Each partner	At least one partner		
	<i>last _____() years</i>					
2.3.3. Financial Resources	<p><i>The Bidder must demonstrate access to, or availability of, financial resources such as liquid assets, unencumbered real assets, lines of credit, and other financial means, other than any contractual advance payments to meet:</i></p> <p><i>(i) the following cash-flow requirement:</i></p> <p>.....</p> <p>.....</p> <p><i>and</i></p> <p><i>(ii) the overall cash flow requirements for this contract and its current commitments.</i></p>	<i>Must meet requirement</i>	<i>Must meet requirement</i>	<i>Must meet _____ percent (____%) of the requirement</i>	<i>Must meet _____ percent (____%) of the requirement</i>	<i>Form FIN –3.3</i>

Factor	2.4 Experience					
Sub-Factor	Criteria					Documentation Required
	Requirement	Bidder				
		Single Entity	Joint Venture, Consortium or Association			
All partners combined			Each partner	At least one partner		
2.4.1 General Experience	Experience under contracts in the role of contractor, subcontractor, or management contractor for at least the last _____ [____] years prior to the applications submission deadline, and with activity in at least nine (9) months in each year.	Must meet requirement	N/A	Must meet requirement	N/A	Form EXP-4.1
2.4.2 Specific Experience	(a) Participation as contractor, management contractor, or subcontractor, in at least _____ (____) contracts within the last _____ (____) years, each with a value of at least _____ (____), that have been successfully and substantially completed and that are similar to the proposed Works. The similarity shall be based on the physical size, complexity, methods/technology	Must meet requirement	Must meet requirements for all characteristics	N/A	Must meet requirement for one characteristic	Form EXP 2.4.2(a)

Factor	2.4 Experience					
Sub-Factor	Criteria					Documentation Required
	Requirement	Bidder				
		Single Entity	Joint Venture, Consortium or Association			
All partners combined			Each partner	At least one partner		
	<i>or other characteristics as described in Section VI, Employer's Requirements.</i>					
2.4.2 Specific Experience	<i>b) For the above or other contracts executed during the period stipulated in 2.4.2(a) above, a minimum experience in the following key activities:</i>	<i>Must meet requirements</i>	<i>Must meet requirements</i>	<i>N / A</i>	<i>Must meet requirements</i>	<i>Form EXP-2.4.2(b)</i>

2.5 Personnel

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

<i>No.</i>	<i>Position</i>	<i>Total Work Similar Experience (years)</i>	<i>In Similar Works Experience (years)</i>
1			
2			
3			
4			
5			

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

2.6 Equipment

The Bidder must demonstrate that it will have access to the key Contractor's equipment listed hereafter:

<i>No.</i>	<i>Equipment Type and Characteristics</i>	<i>Minimum Number required</i>
1		
2		
3		
4		
5		

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

Section IV - Bidding Forms

Table of Forms

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Letter of Bid

The Bidder must prepare the Letter of Bid on stationery with its letterhead clearly showing the Bidder's complete name and address.

Date: _____
 Bidding No.: _____
 Invitation for Bid No.: _____

To:

We, the undersigned, declare that:

- (a) We have examined and have no reservations to the Bidding Documents, including Addenda issued in accordance with Instructions to Bidders (ITB) Clause 8;
- (b) We offer to execute in conformity with the Bidding Documents the following Works:
 _____;
- (c) The total price of our Bid, excluding any discounts offered in item (d) below is:
 _____;
- (d) The discounts offered and the methodology for their application are: _____;
- (e) Our bid shall be valid for a period of _____ [insert validity period as specified in ITB 18.1.] days from the date fixed for the bid submission deadline in accordance with the Bidding Documents, and it shall remain binding upon us and may be accepted at any time before the expiration of that period;
- (f) If price adjustment provisions apply, the Table(s) of Adjustment Data shall be considered part of this Bid;¹
- (g) If our bid is accepted, we commit to obtain a performance security in accordance with the Bidding Document;
- (h) Our firm, including any subcontractors or suppliers for any part of the Contract, have nationalities from eligible countries;
- (i) We, including any subcontractors or suppliers for any part of the contract, do not have any conflict of interest in accordance with ITB 4.3;

¹ Include if price adjustment provisions apply in the Contract in accordance with PCC Sub-Clause 13.8 Adjustments for Changes in Cost.

- (j) We are not participating, as a Bidder or as a subcontractor, in more than one bid in this bidding process in accordance with ITB 4.3, other than alternative offers submitted in accordance with ITB 13;
- (k) Our firm, its affiliates or subsidiaries, including any Subcontractors or Suppliers for any part of the contract, has not been declared ineligible by the Bank, under the *Employer's* country laws or official regulations or by an act of compliance with a decision of the United Nations Security Council;
- (l) We are not a government owned entity / We are a government owned entity but meet the requirements of ITB 4.5;²
- (m) We have paid, or will pay the following commissions, gratuities, or fees with respect to the bidding process or execution of the Contract: ³

Name of Recipient	Address	Reason	Amount
_____	_____	_____	_____
_____	_____	_____	_____

- (n) We understand that this bid, together with your written acceptance thereof included in your notification of award, shall constitute a binding contract between us, until a formal contract is prepared and executed;
- (o) We understand that you are not bound to accept the lowest evaluated bid or any other bid that you may receive; and
- (p) If awarded the contract, the person named below shall act as Contractor's Representative: _____

Name: _____

In the capacity of: _____

Signed: _____

Duly authorized to sign the Bid for and on behalf of: _____

Date: _____

² Use one of the two options as appropriate.

³ If none has been paid or is to be paid, indicate "none".

Bill of Quantities/ Schedules of Prices

Schedule of Payment Currencies

Forinsert name of Section of the Works

Separate tables may be required if the various sections of the Works (or of the Bill of Quantities) will have substantially different foreign and local currency requirements. The Employer should insert the names of each Section of the Works.

	A	B	C	D
Name of Payment Currency	Amount of Currency	Rate of Exchange to Local Currency	Local Currency Equivalent $C = A \times B$	Percentage of Net Bid Price (NBP) $\frac{100 \times C}{NBP}$
Local currency _____		1.00		
Foreign Currency #1 _____				
Foreign Currency #2 _____				
Foreign Currency #3 _____				
Net Bid Price				100.00
Provisional Sums Expressed in Local Currency		1.00		
BID PRICE				

Schedule of Adjustment Data

Table A - Local Currency

Index Code	Index Description	Source of Index *	Base Value and Date	Bidder's Local Currency Amount	Bidder's Proposed Weighting
	Nonadjustable	—	—	—	A: _____ B: _____ C: _____ D: _____ E: _____
Total					1.00

Table B - Foreign Currency

Name of Currency: _____

If the Bidder wishes to quote in more than one foreign currency, this table should be repeated for each foreign currency.

Index Code	Index Description	Source of Index	Base Value and Date	Bidder's Currency in Type/Amount	Equivalent in FC1	Bidder's Proposed Weighting
	Nonadjustable	—	—	—		A: _____ B: _____ C: _____ D: _____ E: _____
Total						1.00

Letter of Bid Security

_____ [*Bank's Name, and Address of Issuing Branch or Office*]

Beneficiary: _____ [*Name and Address of Employer*]

Date: _____

BID GUARANTEE No.: _____

We have been informed that _____ [*name of the Bidder*] (hereinafter called "the Bidder") has submitted to you its bid dated _____ (hereinafter called "the Bid") for the execution of _____ [*name of contract*] under Invitation for Bids No. _____ ("the IFB").

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

At the request of the Bidder, we _____ [*name of Bank*] hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of _____ [*amount in figures*] (_____) [*amount in words*] upon receipt by us of your first demand in writing accompanied by a written statement stating that the Bidder is in breach of its obligation(s) under the bid conditions, because the Bidder:

- (a) has withdrawn its Bid during the period of bid validity specified by the Bidder in the *Letter of Bid*; or
- (b) having been notified of the acceptance of its Bid by the *Employer* during the period of bid validity, (i) fails or refuses to execute the Contract Form, if required, or (ii) fails or refuses to furnish the performance security, in accordance with the Bidding Document.

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

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

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

[*signature(s)*]

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

Forms for Equipment

The Bidder shall provide adequate information to demonstrate clearly that it has the capability to meet the requirements for the key equipment listed in Section 3 (Evaluation and Qualification Criteria). A separate Form shall be prepared for each item of equipment listed, or for alternative equipment proposed by the Bidder. The Bidder shall provide all the information requested below, to the extent possible. Fields with asterisk (*) shall be used for evaluation.

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

The following information shall be provided only for equipment not owned by the Bidder.

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

Forms for Personnel

Form PER – 1: Proposed Personnel

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

1.	Title of position
	Name
2.	Title of position
	Name
3.	Title of position
	Name
4.	Title of position
	Name
5.	Title of position
	Name
6.	Title of position
	Name
etc.	Title of position
	Name

Bidder's Qualification

To establish its qualifications to perform the contract in accordance with Section III (Evaluation and Qualification Criteria) the Bidder shall provide the information requested in the corresponding Information Sheets included hereunder

Form ELI 1.1
Bidder Information Sheet

Date: _____
 Bidding No.: _____
 Invitation for Bid No.: _____
 Page _____ of _____ pages

1. Bidder's Legal Name
2. In case of <i>JVCA</i> , legal name of each party:
3. Bidder's actual or intended Country of Registration:
4. Bidder's Year of Registration:
5. Bidder's Legal Address in Country of Registration:
6. Bidder's Authorized Representative Information Name: Address: Telephone/Fax numbers: Email Address:
7. Attached are copies of original documents of: <ul style="list-style-type: none"> <input type="checkbox"/> Articles of Incorporation or Registration of firm named in 1, above, in accordance with ITB Sub-Clauses 4.1 and 4.2. <input type="checkbox"/> In case of <i>JVCA</i>, letter of intent to form <i>JVCA</i> including a draft agreement, or <i>JVCA</i> agreement, in accordance with ITB Sub-Clauses 4.1 <input type="checkbox"/> In case of government owned entity from the <i>Employer's</i> country, documents establishing legal and financial autonomy and compliance with the principles of commercial law, in accordance with ITB Sub-Clause 4.5.

Form ELI 1.2
Party to JVCA Information Sheet

Date: _____
 Bidding No.: _____
 Invitation for Bid No.: _____
 Page _____ of _____ pages

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

Form CON – 2

Historical Contract Non-Performance

Bidder’s Legal Name: _____ Date: _____
 JVCA Partner Legal Name: _____
 Bidding No.: _____
 Page _____ of _____ pages

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

Financial Situation

Historical Financial Performance

Bidder's Legal Name: _____ Date: _____
 JVCA Partner Legal Name: _____ Bidding No.: _____
 Page _____ of _____ pages

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

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

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

*Form FIN – 3.2***Average Annual Turnover**

Bidder's Legal Name: _____ Date: _____
 JVCA Partner Legal Name: _____ Bidding No.: _____
 Page _____ of _____ pages

Annual turnover data (construction only)		
Year	Amount and Currency	US\$ equivalent
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
*Average Annual Construction Turnover	_____	_____

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

Form FIN3.3
Financial Resources

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

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

Form CCC

Current Contract Commitments / Works in Progress

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

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

Experience

General Experience

Bidder's Legal Name: _____ Date: _____
 JVCA Partner Legal Name: _____ Bidding No.: _____
 Page _____ of _____ pages

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

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

Form EXP – 2.4.2(a)
Specific Experience

Bidder's Legal Name: _____ Date: _____
 JVCA Partner Legal Name: _____ Bidding No.: _____
 Page _____ of _____ pages

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

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

Bidder’s Legal Name: _____ Page _____ of _____ pages
 JVCA Partner Legal Name: _____

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

Form EXP – 2.4.2(b)

Specific Experience in Key Activities

Bidder’s Legal Name: _____ Date: _____
 JVCA Partner Legal Name: _____ Bidding No.: _____
 Subcontractor’s Legal Name: _____ Page _____ of _____ pages

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

Form EXP – 2.4.2 (b)(cont.)

Specific Experience in Key Activities (cont.)

Bidder’s Legal Name: _____ Page _____ of _____ pages

JVCA Partner Legal Name: _____

Subcontractor’s Legal Name: _____

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

Section V - Eligible Countries

Insert header

(Institution Specific)

PART 2 –Requirements

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Specifications

Drawings

Supplementary Information

PART 3 –Contract

Section VII. General Conditions of Contract

These General Conditions of Contract (GCC), read in conjunction with the Particular Conditions of Contract (PCC) and other documents listed therein, should be a complete document expressing fairly the rights and obligations of both parties.

These General Conditions of Contract have been developed on the basis of considerable international experience in the drafting and management of contracts, bearing in mind a trend in the construction industry towards simpler, more straightforward language.

The GCC can be used for both smaller admeasurement contracts and lump sum contracts.

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Section VII. General Conditions of Contract

[Name of Employer] _____

[Name of Contract] _____

These General Conditions (GC), read in conjunction with the Particular Conditions (PC) and other documents listed therein, constitute a complete document expressing the rights and obligations of the parties.

These GC can be used for both smaller admeasurement contracts and lump sum contracts.

1. General Provisions

1.1 Definitions In the Conditions of Contract (“these Conditions”), which include Particular Conditions, Parts A and B, and these General Conditions, the following words and expressions shall have the meanings stated. Words indicating persons or parties include corporations and other legal entities, except where the context requires otherwise.

- 1.1.1 The Contract
- 1.1.1.1 “Contract” means the Contract Agreement, the Letter of Acceptance, the Letter of [...Tender or Bid], these Conditions, the Specification, the Schedules, and the further documents (if any) which are listed in the Contract Agreement or in the Letter of Acceptance.
- 1.1.1.2 “Contract Agreement” means the contract agreement referred to in Sub-Clause 1.6 [Contract Agreement].
- 1.1.1.3 “Letter of Acceptance” means the letter of formal acceptance, signed by the [...Employer, Purchaser], of the Letter of [...Tender or Bid], including any annexed memoranda comprising agreements between and signed by both Parties. If there is no such letter of acceptance, the expression “Letter of Acceptance” means the Contract Agreement and the date of issuing or receiving the Letter of Acceptance means the date of signing the Contract Agreement.
- 1.1.1.4 “Letter of [...Tender or Bid]” means the document entitled letter of [...tender or bid], which was completed by the Contractor and includes the signed offer to the [...Employer, Purchaser] for the [...Goods, Works, Plant].
- 1.1.1.5 “Specification” means the document entitled specification, as included in the Contract, and any additions and modifications to the specification in accordance with the Contract. Such

document specifies the [...Goods, Works, Plant].

1.1.1.6 “Drawings” means the drawings of the [...Goods, Works, Plant], as included in the Contract, and any additional and modified drawings issued by (or on behalf of) the [...Employer, Purchaser] in accordance with the Contract.

1.1.1.7 “Schedules” means the document(s) entitled schedules, completed by the [...Contractor, Supplier] and submitted with the Letter of [...Tender or Bid], as included in the Contract. Such document may include the Bill of Quantities, data, lists, and schedules of rates and/or prices.

1.1.1.8 The Activity Schedule is a schedule of the activities comprising the construction, installation, testing, and commissioning of the Works in a lump sum contract. It includes a lump sum price for each activity, which is used for valuations and for assessing the effects of Variations and Compensation Events.

1.1.1.9 Bill of Quantities means the priced and completed Bill of Quantities forming part of the Bid.

1.1.1.10 “[...Tender or Bid]” means the Letter of [...Tender or Bid] and all other documents which the [...Contractor, Supplier] submitted with the Letter of [...Tender or Bid], as included in the Contract.

1.1.1.11 PCC means Particular Conditions of Contract

1.1.2 Parties and Persons

1.1.2.1 “Party” means the [...Employer, Purchaser] or the [...Contractor, Supplier], as the context requires.

1.1.2.2 “[...Employer, Purchaser]” means the person named as [...employer, purchaser] in the [...Contract Data or Particular Conditions] and the legal successors in title to this person.

1.1.2.3 “[...Contractor or Supplier]” means the person(s) named as [...contractor or supplier] in the Letter of [...Tender or Bid] accepted by the [...Employer, Purchaser] and the legal successors in title to this person(s).

1.1.2.4 “Project Manager” is the person named in the PC (or any other competent person appointed by the Employer and notified to the Contractor, to act in replacement of the Project Manager) who is responsible for supervising the execution of the Works and administering the Contract.

1.1.2.5 “Subcontractor” means any person named in the Contract as a

- subcontractor, or any person appointed as a subcontractor, for a part of the [...Goods or the Related Services; Works; Facilities, including preparation of any design or supply of any Plant]; and the legal successors in title to each of these persons.
- 1.1.2.6 “Bank” means the financing institution (if any) named in the [...Contract Data or PC].
- 1.1.2.7 “Borrower” means the person (if any) named as the borrower in the [...Contract Data or PC].
- 1.1.2.8 The Adjudicator is the person appointed jointly by the *Employer* and the Contractor to resolve disputes in the first instance, as provided for in GCC 23.
- 1.1.3 Dates, Tests, Periods and Completion
- 1.1.3.1 “Base Date” means the date 28 days prior to the latest date for submission of the Tender.
- 1.1.3.2 “Commencement Date” means the date notified under [...Sub-Clause 8.1 [Commencement of Works]].
- 1.1.3.3 “Completion Date” is the date of completion of the Works as certified by the Project Manager, in accordance with GC Sub-Clause 52.1
- 1.1.3.4 [...“Acceptance Test” or Test on Completion”] means the tests (if any) which are specified in the Contract and which are carried out in accordance with the Specification for the purpose of issuing the [...“Certificate of Completion of the Works” or “Operational Acceptance” or “Acceptance Certificate”].
- 1.1.3.5 [...“Taking-Over Certificate” or “Certificate of Completion of the Works” or “Operational Acceptance” or “Acceptance Certificate”] means a certificate issued under Clause [...4.1.1 or 10 [Employer’s Taking Over] or 4.8.5 (Commissioning and Operational Acceptance)].
- 1.1.3.6 “day” means a calendar day and “year” means 365 days.
- 1.1.3.7 Dayworks are varied work inputs subject to payment on a time basis for the Contractor’s employees and Equipment, in addition to payments for associated Materials and Plant.
- 1.1.4 Money and Payments
- 1.1.4.1 “Accepted Contract Amount” means the amount accepted in the Letter of Acceptance for the execution and completion of the Works and the remedying of any defects.

- 1.1.4.2 “Contract Price” means the price defined in [...*Sub-Clause 10 or 3.1 or 14.1*] [The Contract Price], and includes adjustments in accordance with the Contract.
- 1.1.4.3 The Initial Contract Price is the Contract Price listed in the [*Employer, Purchaser*]’s Letter of Acceptance.
- 1.1.4.4 Compensation Events are those defined in GCC Clause 41 hereunder.
- 1.1.5 [*Works and Goods*]
- 1.1.5.1 “Contractor’s Equipment” means all [...*facilities,*] apparatus, machinery, vehicles and other things required for the execution and completion of the Works and the remedying of any defects. However, Contractor’s Equipment excludes Temporary Works, Employer’s Equipment (if any), Plant, Materials and any other things intended to form or forming part of the Permanent [...*Plant or Works*].
- 1.1.5.2 “Goods” means Contractor’s Equipment, Materials, Plant and Temporary Works, or any of them as appropriate.
- 1.1.5.3 “Materials” means things of all kinds (other than Plant) intended to form or forming part of the [... *Permanent Works or Facilities*], including the supply-only materials (if any) to be supplied by the Contractor under the Contract.
- 1.1.5.4 “Permanent Works” means the permanent works to be executed by the Contractor under the Contract.
- 1.1.5.5 “Plant” means the apparatus, machinery and other equipment intended to form or forming part of the Permanent Works, including vehicles purchased for the Employer and relating to the construction or operation of the Works.
- 1.1.5.6 “Section” means a part of the Works specified in the Contract Data as a Section (if any).
- 1.1.5.7 “Temporary Works” means all temporary works of every kind (other than Contractor’s Equipment) required on Site for the execution and completion of the Permanent Works and the remedying of any defects.
- 1.1.5.8 “Works” mean the Permanent Works and the Temporary Works, or either of them as appropriate.
- 1.1.6 Other Definitions
- 1.1.6.1 “Contractor’s Documents” means the calculations, computer programs and other software, drawings, manuals, models and other documents of a technical nature (if any) supplied by the Contractor under the Contract.

- 1.1.6.2 “Country” means the country in which the Site (or most of it) is located.
- 1.1.6.3 “Force Majeure” is defined in Clause [... 25, 19 or 6.7] [Force Majeure].
- 1.1.6.4 “Laws” means all national (or state) legislation, statutes, ordinances and other laws, and regulations and by-laws of any legally constituted public authority.
- 1.1.6.5 “Performance Security” means the security (or securities, if any) under Sub-Clause [...13 or 4.2 or 3.3.3] [Performance Security].
- 1.1.6.6 “Site” means the places where the [... *Permanent Works or Facilities*] are to be [... *executed or installed*] including storage and working areas and to which Plant and Materials are to be delivered, and any other places as may be specified in the [... *Contract or PC*] as forming part of the Site.
- 1.1.6.8 [... “Unforeseeable” or “Unforeseen”] means not reasonably foreseeable by an experienced [...Contractor or Purchaser] by the Base Date.
- 1.1.6.9 “Variation” means any change to the Works, which is instructed or approved as a variation under Clause [...13 [*Variations and Adjustments*] or 3.3 [*Variations*]].

1.2 Interpretation

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

1.2.2 The marginal words and other headings shall not be taken into

consideration in the interpretation of these Conditions.

1.2.3 If sectional completion is **specified in the PCC**, references in the GCC to the Works, the Completion Date, and the Intended Completion Date apply to any Section of the Works (other than references to the Completion Date and Intended Completion Date for the whole of the Works).

1.2.4 The documents forming the Contract shall be interpreted in the following order of priority:

- (a) Agreement,
- (b) Letter of Acceptance,
- (c) Contractor’s Bid,
- (d) Particular Conditions of Contract,
- (e) General Conditions of Contract,
- (f) Specifications,
- (g) Drawings,
- (h) Bill of Quantities,⁴ and
- (i) any other document listed in the PCC as forming part of the Contract.

1.3 Communications

1.3.1 Wherever these Conditions provide for the giving or issuing of approvals, certificates, consents, determinations, notices, requests and discharges, these communications shall be:

- (a) in writing and delivered by hand (against receipt), sent by mail or courier, or transmitted using any of the agreed systems of electronic transmission as stated in the Contract Data; and
- (b) delivered, sent or transmitted to the address for the recipient’s communications as stated in the Contract Data. However:
 - (i) if the recipient gives notice of another address, communications shall thereafter be delivered accordingly; and
 - (ii) if the recipient has not stated otherwise when requesting an approval or consent, it may be sent to the address from which the request was issued

1.3.2 Approvals, certificates, consents and determinations shall not be unreasonably withheld or delayed. When a certificate is issued to

⁴ *In lump sum contracts, delete “Bill of Quantities” and replace with “Activity Schedule.”*

a Party, the certifier shall send a copy to the other Party.

1.3.3 When a notice is issued to a Party, by the other Party or the [... *Engineer or Project Manager*], a copy shall be sent to the [... *Engineer or Project Manager*] or the other Party, as the case may be.

1.4 Law and Language

1.4.1 The Contract shall be governed by the law of the country or other jurisdiction stated in the [... Contract Data or PC].

The ruling language of the Contract shall be that stated in the [... Contract Data or PC].

The language for communications shall be that stated in the [... Contract Data or PC]. If no language is stated there, the language for communications shall be the ruling language of the Contract.

1.4.2 Supporting documents and printed literature that are part of the Contract may be in another language provided they are accompanied by an accurate translation of the relevant passages in the language specified, in which case, for purposes of interpretation of the Contract, this translation shall govern.

The [...Supplier or Contractor] shall bear all costs of translation to the governing language and all risks of the accuracy of such translation, for documents provided by the [... Supplier or Contractor].

1.5 Priority of Documents

1.5.1 The documents forming the Contract are to be taken as mutually explanatory of one another. For the purposes of interpretation, the priority of the documents shall be in accordance with the following sequence:

- (a) the Contract Agreement (if any),
- (b) the Letter of Acceptance,
- (c) the [...Tender or Bid],
- (d) the Particular Conditions – Part A,
- (e) the Particular Conditions – Part B
- (f) these General Conditions,
- (g) the Specification,
- (h) the Drawings, and
- (i) the Schedules and any other documents forming part of the Contract.

If an ambiguity or discrepancy is found in the documents, the [...Engineer or Purchaser or Project Manager] shall issue any

necessary clarification or instruction.

1.6 Contract Agreement

1.6.1 The Parties shall enter into a Contract Agreement within 28 days after the Contractor receives the Letter of Acceptance, unless the Particular Conditions establish otherwise. The Contract Agreement shall be based upon the form annexed to the Particular Conditions. The costs of stamp duties and similar charges (if any) imposed by law in connection with entry into the Contract Agreement shall be borne by the Employer.

1.7 Assignment

1.7.1 Neither Party shall assign the whole or any part of the Contract or any benefit or interest in or under the Contract. However, either Party:

- (a) may assign the whole or any part with the prior agreement of the other Party, at the sole discretion of such other Party, and
- (b) may, as security in favour of a bank or financial institution, assign its right to any moneys due, or to become due, under the Contract.

1.8 Copyright

1.8.1 The copyright in all drawings, documents, and other materials containing data and information furnished to the Purchaser by the Supplier herein shall remain vested in the Supplier, or, if they are furnished to the Purchaser directly or through the Supplier by any third Party, including suppliers of materials, the copyright in such materials shall remain vested in such third Party.

1.9 Confidential Detail

1.9.1 The [...*Contractor or Supplier*]'s and the [...*Employer or Purchaser*]'s Personnel shall disclose all such confidential and other information as may be reasonably required in order to verify the [...*Contractor or Supplier*]'s compliance with the Contract and allow its proper implementation.

Each of them shall treat the details of the Contract as private and confidential, except to the extent necessary to carry out their respective obligations under the Contract or to comply with applicable Laws. Each of them shall not publish or disclose any particulars of the [...*Goods, Works or Plant*] prepared by the other Party without the previous agreement of the other Party. However, the [...*Contractor or Supplier*] shall be permitted to disclose any publicly available information, or information otherwise required to establish his qualifications to compete for other projects.

1.9.2 Notwithstanding the above, the [...*Contractor or Supplier*] may furnish to its Subcontractor(s) such documents, data and other information it receives from the [...*Employer or Purchaser*] to

the extent required for the Subcontractor(s) to perform its work under the Contract, in which event the Contractor shall obtain from such Subcontractor(s) an undertaking of confidentiality similar to that imposed on the Contractor under this Clause.

1.10 Compliance with Laws

1.10.1 The [...*Contractor or Supplier*] shall, in performing the Contract, comply with applicable Laws.

1.10.2 Unless otherwise stated in the Particular Conditions:

- (a) the [...*Employer or Purchaser*] shall acquire and pay for all permits, approvals and/or licenses from all local, state or national government authorities or public service undertakings in the [...*Purchaser's Country*; country where the Site is located] which (i) such authorities or undertakings require the [...*Employer or Purchaser*] to obtain in the [...*Employer or Purchaser*]'s name, and (ii) are necessary for the execution of the Contract, including those required for the performance by both the Contractor and the [...*Employer or Purchaser*] of their respective obligations under the Contract;
- (b) the [...*Contractor or Supplier*] shall acquire and pay for all permits, approvals and/or licenses from all local, state or national government authorities or public service undertakings in the [...*Purchaser's Country* or country where the Site is located] which such authorities or undertakings require the [...*Contractor or Supplier*] to obtain in its name and which are necessary for the performance of the Contract, including, without limitation, visas for the [...*Contractor or Supplier*]'s and Subcontractor's personnel and entry permits for all imported [...*Contractor or Supplier*]'s Equipment. The [...*Contractor or Supplier*] shall acquire all other permits, approvals and/or licenses that are not the responsibility of the [...*Employer or Purchaser*] under GC Sub-Clause 1.10.2(a) hereof and that are necessary for the performance of the Contract. The [...*Contractor or Supplier*] shall indemnify and hold harmless the [...*Employer or Purchaser*] from and against any and all liabilities, damages, claims, fines, penalties and expenses of whatever nature arising or resulting from the violation of such laws by the [...*Employer or Purchaser*] or its personnel, including the Subcontractors and their personnel, but without prejudice to GC [...*Sub-Clause 1.10.1 hereof*].

1.11 Joint and

1.11.1 If the [...*Contractor or Supplier*] is a joint venture, consortium,

- Several Liability** or association (JVCA) of two or more persons, all such persons shall be jointly and severally bound to the [...*Employer or Purchaser*] for the fulfillment of the provisions of the Contract, *unless otherwise specified in the PC*, and shall designate one of such *persons* to act as a leader with authority to bind the JVCA. The composition or the constitution of the JVCA shall not be altered without the prior consent of the [...*Employer or Purchaser*].
- 1.12 Inspections and Audit by the Bank**
- 1.12.1 The [...*Contractor or Supplier*] shall permit the Bank and/or persons appointed by the Bank to inspect the Site and/or the [...*Contractor or Supplier*]'s accounts and records relating to the performance of the Contract and to have such accounts and records audited by auditors appointed by the Bank if required by the Bank.
- 1.12.2 The [...*Contractor or Supplier*] shall maintain all documents and records related to the Contract for a period of three (3) years after [...*delivery of the Goods; completion of the Works; completion of the Plant*]. The [...*Contractor or Supplier*] shall provide any documents necessary for the investigation of allegations of fraud, collusion, coercion, or corruption and require its employees or agents with knowledge of the Contract to respond to questions from the Bank.
- 1.13 Contract Documents**
- 1.13.1 Subject to the order of precedence set forth in the Contract Agreement, all documents forming the Contract (and all parts thereof) are intended to be correlative, complementary, and mutually explanatory. The Contract Agreement shall be read as a whole.
- 1.14 Project Manager’s Decisions**
- 1.14.1 Except where otherwise specifically stated, the Project Manager shall decide contractual matters between the *Employer* and the Contractor in the role representing the *Employer*.
- 1.15 Delegation**
- 1.15.1 The Project Manager may delegate any of his duties and responsibilities to other people, except to the Adjudicator, after notifying the Contractor, and may cancel any delegation after notifying the Contractor.
- 1.16 Subcontracting**
- 1.16.1 The Contractor may subcontract with the approval of the Project Manager, but may not assign the Contract without the approval of the *Employer* in writing. Subcontracting shall not alter the Contractor’s obligations.
- 1.17 Personnel and Equipment**
- 1.17.1 The Contractor shall employ the key personnel and use the equipment identified in its Bid, to carry out the Works or other personnel and equipment approved by the Project Manager. The

Project Manager shall approve any proposed replacement of key personnel and equipment only if their relevant qualifications or characteristics are substantially equal to or better than those proposed in the Bid.

1.17.2 If the Project Manager asks the Contractor to remove a person who is a member of the Contractor's staff or work force, stating the reasons, the Contractor shall ensure that the person leaves the Site within seven days and has no further connection with the work in the Contract.

**1.18 Other
Contractors**

1.18.1 The Contractor shall cooperate and share the Site with other contractors, public authorities, utilities, and the Employer between the dates given in the Schedule of Other Contractors, as referred to in the PCC. The Contractor shall also provide facilities and services for them as described in the Schedule. The Employer may modify the Schedule of Other Contractors, and shall notify the Contractor of any such modification.

**1.19 Employer's
and
Contractor's
Risks**

1.19.1 The *Employer* carries the risks which this Contract states are *Employer's* risks, and the Contractor carries the risks which this Contract states are Contractor's risks.

**1.20 Employer's
Risks**

1.20.1 From the Start Date until the Defects Liability Certificate has been issued, the following are *Employer's* risks:

- (a) The risk of personal injury, death, or loss of or damage to property (excluding the Works, Plant, Materials, and Equipment), which are due to
 - (i) use or occupation of the Site by the Works or for the purpose of the Works, which is the unavoidable result of the Works or
 - (ii) negligence, breach of statutory duty, or interference with any legal right by the *Employer* or by any person employed by or contracted to him except the Contractor.
- (b) The risk of damage to the Works, Plant, Materials, and Equipment to the extent that it is due to a fault of the *Employer* or in the *Employer's* design, or due to war or radioactive contamination directly affecting the country where the Works are to be executed.

1.20.2 From the Completion Date until the Defects Liability Certificate has been issued, the risk of loss of or damage to the Works, Plant,

and Materials is an *Employer’s* risk except loss or damage due to

- (a) a Defect which existed on the Completion Date,
- (b) an event occurring before the Completion Date, which was not itself an *Employer’s* risk, or
- (c) the activities of the Contractor on the Site after the Completion Date.

1.21 Contractor’s Risks

1.21.1 From the Starting Date until the Defects Liability Certificate has been issued, the risks of personal injury, death, and loss of or damage to property (including, without limitation, the Works, Plant, Materials, and Equipment) which are not *Employer’s* risks are Contractor’s risks.

1.22 Insurance

1.22.1 The Contractor shall provide, in the joint names of the *Employer* and the Contractor, insurance cover from the Start Date to the end of the Defects Liability Period, in the amounts and deductibles **stated in the PCC** for the following events which are due to the Contractor’s risks:

- (a) loss of or damage to the Works, Plant, and Materials;
- (b) loss of or damage to Equipment;
- (c) loss of or damage to property (except the Works, Plant, Materials, and Equipment) in connection with the Contract; and
- (d) personal injury or death.

1.22.2 Policies and certificates for insurance shall be delivered by the Contractor to the Project Manager for the Project Manager’s approval before the Start Date. All such insurance shall provide for compensation to be payable in the types and proportions of currencies required to rectify the loss or damage incurred.

1.22.3 If the Contractor does not provide any of the policies and certificates required, the *Employer* may effect the insurance which the Contractor should have provided and recover the premiums the *Employer* has paid from payments otherwise due to the Contractor or, if no payment is due, the payment of the premiums shall be a debt due.

1.22.4 Alterations to the terms of an insurance shall not be made without the approval of the Project Manager.

1.22.5 Both parties shall comply with any conditions of the insurance

policies.

- 1.23 Site Investigation Reports** 1.23.1 The Contractor, in preparing the Bid, shall rely on any Site Investigation Reports **referred to in the PCC**, supplemented by any information available to the Bidder.
- 1.24 Contractor to Construct the Works** 1.24.1 The Contractor shall construct and install the Works in accordance with the Specifications and Drawings.
- 1.25 The Works to Be Completed by the Intended Completion Date** 1.25.1 The Contractor may commence execution of the Works on the Start Date and shall carry out the Works in accordance with the Program submitted by the Contractor, as updated with the approval of the Project Manager, and complete them by the Intended Completion Date.
- 1.26 Approval by the Project Manager** 1.26.1 The Contractor shall submit Specifications and Drawings showing the proposed Temporary Works to the Project Manager, who is to approve them if they comply with the Specifications and Drawings.
- 1.26.2 The Contractor shall be responsible for design of Temporary Works.
- 1.26.3 The Project Manager's approval shall not alter the Contractor's responsibility for design of the Temporary Works.
- 1.26.4 The Contractor shall obtain approval of third parties to the design of the Temporary Works, where required.
- 1.26.5 All Drawings prepared by the Contractor for the execution of the temporary or permanent Works, are subject to prior approval by the Project Manager before this use.
- 1.27 Safety** 1.27.1 The Contractor shall be responsible for the safety of all activities on the Site.
- 1.28 Discoveries** 1.28.1 Anything of historical or other interest or of significant value unexpectedly discovered on the Site shall be the property of the *Employer*. The Contractor shall notify the Project Manager of such discoveries and carry out the Project Manager's instructions for dealing with them.
- 1.29 Possession of the Site** 1.29.1 The *Employer* shall give possession of all parts of the Site to the Contractor. If possession of a part is not given by the date **stated in the PCC**, the *Employer* shall be deemed to have delayed the start of the relevant activities, and this shall be a Compensation Event.

- 1.30 Access to the Site** 1.30.1 The Contractor shall allow the Project Manager and any person authorized by the Project Manager access to the Site and to any place where work in connection with the Contract is being carried out or is intended to be carried out.
- 1.31 Instructions, Inspections and Audits** 1.31.1 The Contractor shall carry out all instructions of the Project Manager which comply with the applicable laws where the Site is located.
- 1.31.2 The Contractor shall permit the Bank to inspect the Contractor’s accounts, records and other documents relating to the submission of bids and contract performance and to have them audited by auditors appointed by the Bank. The Contractor shall maintain all documents and records related to the Contract for a period of *three (3) years* after completion of the Works. The Contractor shall *provide* any documents necessary for the investigation of allegations of fraud, *collusion, coercion*, or corruption and require its employees or agents with knowledge of the Contract to respond to questions from the Bank.
- 1.32 Appointment of the Adjudicator** 1.32.1 The Adjudicator shall be appointed jointly by the *Employer* and the Contractor, at the time of the *Employer’s* issuance of the Letter of Acceptance. 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 PCC**, to appoint the Adjudicator within 14 days of receipt of such request.
- 1.32.2 Should the Adjudicator resign or die, or should the *Employer* and the Contractor agree that the Adjudicator is not functioning in accordance with the provisions of the Contract, a new Adjudicator shall be jointly appointed by the *Employer* and the Contractor. In case of disagreement between the *Employer* and the Contractor, within 30 days, the Adjudicator shall be designated by the Appointing Authority **designated in the PCC** at the request of either party, within 14 days of receipt of such request.
- 1.33 Procedure for Disputes** 1.33.1 If the Contractor believes that a decision taken by the Project Manager was either outside the authority given to the Project Manager by the Contract or that the decision was wrongly taken, the decision shall be referred to the Adjudicator within 14 days of the notification of the Project Manager’s decision.
- 1.33.2 The Adjudicator shall give a decision in writing within 28 days of receipt of a notification of a dispute.
- 1.33.3 The Adjudicator shall be paid by the hour at the **rate specified**

in the PCC, together with reimbursable expenses of the types **specified in the PCC**, and the cost shall be divided equally between the *Employer* and the Contractor, whatever decision is reached by the Adjudicator. Either party may refer a decision of the Adjudicator to an Arbitrator within 28 days of the Adjudicator's written decision. If neither party refers the dispute to arbitration within the above 28 days, the Adjudicator's decision shall be final and binding.

- 1.33.4 The arbitration shall be conducted in accordance with the arbitration procedures published by the institution named and in the place specified **in the PCC**.

2. Time Control

2.1 Program

- 2.1.1 Within the time **stated in the PCC**, after the date of the Letter of Acceptance, the Contractor shall submit to the Project Manager for approval a Program showing the general methods, arrangements, order, and timing for all the activities in the Works. In the case of a lump sum contract, the activities in the Program shall be consistent with those in the Activity Schedule.
- 2.1.2 An update of the Program shall be a program showing the actual progress achieved on each activity and the effect of the progress achieved on the timing of the remaining work, including any changes to the sequence of the activities.

The Contractor shall submit to the Project Manager for approval an updated Program at intervals no longer than the period **stated in the PCC**. If the Contractor does not submit an updated Program within this period, the Project Manager may withhold the amount **stated in the PCC** from the next payment certificate and continue to withhold this amount until the next payment after the date on which the overdue Program has been submitted. In the case of a lump sum contract, the Contractor shall provide an updated Activity Schedule within 14 days of being instructed to by the Project Manager.

The Project Manager's approval of the Program shall not alter the Contractor's obligations. The Contractor may revise the Program and submit it to the Project Manager again at any time. A revised Program shall show the effect of Variations and Compensation Events.

2.2 Extension of the Intended Completion

- 2.2.1 The Project Manager shall extend the Intended Completion Date if a Compensation Event occurs or a Variation is issued which makes it impossible for Completion to be achieved by the Intended Completion Date without the Contractor taking steps to

- Date** accelerate the remaining work, which would cause the Contractor to incur additional cost.
- 2.2.2 The Project Manager shall decide whether and by how much to extend the Intended Completion Date within 21 days of the Contractor asking the Project Manager for a decision upon the effect of a Compensation Event or Variation and submitting full supporting information. If the Contractor has failed to give early warning of a delay or has failed to cooperate in dealing with a delay, the delay by this failure shall not be considered in assessing the new Intended Completion Date.
- 2.3 Acceleration**
- 2.3.1 When the *Employer* wants the Contractor to finish before the Intended Completion Date, the Project Manager shall obtain priced proposals for achieving the necessary acceleration from the Contractor. If the *Employer* accepts these proposals, the Intended Completion Date shall be adjusted accordingly and confirmed by both the *Employer* and the Contractor.
- 2.3.2 If the Contractor’s priced proposals for an acceleration are accepted by the *Employer*, they are incorporated in the Contract Price and treated as a Variation.
- 2.4 Delays Ordered by the Project Manager**
- 2.4.1 The Project Manager may instruct the Contractor to delay the start or progress of any activity within the Works.
- 2.5 Management Meetings**
- 2.5.1 Either the Project Manager or the Contractor may require the other to attend a management meeting. The business of a management meeting shall be to review the plans for remaining work and to deal with matters raised in accordance with the early warning procedure.
- 2.5.2 The Project Manager shall record the business of management meetings and provide copies of the record to those attending the meeting and to the *Employer*. The responsibility of the parties for actions to be taken shall be decided by the Project Manager either at the management meeting or after the management meeting and stated in writing to all who attended the meeting.
- 2.6 Early Warning**
- 2.6.1 The Contractor shall warn the Project Manager at the earliest opportunity of specific likely future events or circumstances that may adversely affect the quality of the work, increase the Contract Price, or delay the execution of the Works. The Project Manager may require the Contractor to provide an estimate of the expected effect of the future event or circumstance on the Contract Price and Completion Date. The estimate shall be

provided by the Contractor as soon as reasonably possible.

- 2.6.2 The Contractor shall cooperate with the Project Manager in making and considering proposals for how the effect of such an event or circumstance can be avoided or reduced by anyone involved in the work and in carrying out any resulting instruction of the Project Manager.

3. Quality Control

- 3.1 Identifying Defects** 3.1.1 The Project Manager shall check the Contractor's work and notify the Contractor of any Defects that are found. Such checking shall not affect the Contractor's responsibilities. The Project Manager may instruct the Contractor to search for a Defect and to uncover and test any work that the Project Manager considers may have a Defect.
- 3.2 Tests** 3.2.1 If the Project Manager instructs the Contractor to carry out a test not specified in the Specification to check whether any work has a Defect and the test shows that it does, the Contractor shall pay for the test and any samples. If there is no Defect, the test shall be a Compensation Event.
- 3.3 Correction of Defects** 3.3.1 The Project Manager shall give notice to the Contractor of any Defects before the end of the Defects Liability Period, which begins at Completion, and is **defined in the PCC**. The Defects Liability Period shall be extended for as long as Defects remain to be corrected.
- Every time notice of a Defect is given, the Contractor shall correct the notified Defect within the length of time specified by the Project Manager's notice.
- 3.4 Uncorrected Defects** 3.4.1 If the Contractor has not corrected a Defect within the time specified in the Project Manager's notice, the Project Manager shall assess the cost of having the Defect corrected, and the Contractor shall pay this amount.

4. Cost Control

- 4.1 Contract Price** 4.1.1 In the case of an admeasurement contract, the Bill of Quantities shall contain priced items for the Works to be performed by the Contractor. The Bill of Quantities is used to calculate the Contract Price. The Contractor will be paid for the quantity of the work accomplished at the rate in the Bill of Quantities for each item.
- 4.1.2 In the case of a lump sum contract, the Activity Schedule shall

contain the priced activities for the Works to be performed by the Contractor. The Activity Schedule is used to monitor and control the performance of activities on which basis the Contractor will be paid. *If payment for Materials on Site shall be made separately, the Contractor shall show delivery of Materials to the Site separately on the Activity Schedule.*

4.2 Changes in the Contract Price

4.2.1 In the case of an admeasurement contract:

If the final quantity of the work done differs from the quantity in the Bill of Quantities for the particular item by more than 25 percent, provided the change exceeds 1 percent of the Initial Contract Price, the Project Manager shall adjust the rate to allow for the change.

The Project Manager shall not adjust rates from changes in quantities if thereby the Initial Contract Price is exceeded by more than 15 percent, except with the prior approval of the *Employer.*

If requested by the Project Manager, the Contractor shall provide the Project Manager with a detailed cost breakdown of any rate in the Bill of Quantities.

4.2.2 In the case of a lump sum contract, the Activity Schedule shall be amended by the Contractor to accommodate changes of Program or method of working made at the Contractor’s own discretion. Prices in the Activity Schedule shall not be altered when the Contractor makes such changes to the Activity Schedule.

4.3 Variations

4.3.1 All Variations shall be included in updated Programs, and, in the case of a lump sum contract, also in the Activity Schedule, produced by the Contractor.

4.3.2 The Contractor shall provide the Project Manager with a quotation for carrying out the Variation when requested to do so by the Project Manager. The Project Manager shall assess the quotation, which shall be given within seven (7) days of the request or within any longer period stated by the Project Manager and before the Variation is ordered.

4.3.3 If the Contractor’s quotation is unreasonable, the Project Manager may order the Variation and make a change to the Contract Price, which shall be based on the Project Manager’s own forecast of the effects of the Variation on the Contractor’s costs.

4.3.4 If the Project Manager decides that the urgency of varying the work would prevent a quotation being given and considered

without delaying the work, no quotation shall be given and the Variation shall be treated as a Compensation Event.

4.3.5 The Contractor shall not be entitled to additional payment for costs that could have been avoided by giving early warning.

4.3.6 In the case of an admeasurement contract, if the work in the Variation corresponds to an item description in the Bill of Quantities and if, in the opinion of the Project Manager, the quantity of work above the limit stated in Sub-Clause 4.10 or the timing of its execution do not cause the cost per unit of quantity to change, the rate in the Bill of Quantities shall be used to calculate the value of the Variation. If the cost per unit of quantity changes, or if the nature or timing of the work in the Variation does not correspond with items in the Bill of Quantities, the quotation by the Contractor shall be in the form of new rates for the relevant items of work.

4.4 Cash Flow Forecasts

4.4.1 When the Program, or, in the case of a lump sum contract, the Activity Schedule, is updated, the Contractor shall provide the Project Manager with an updated cash flow forecast. The cash flow forecast shall include different currencies, as defined in the Contract, converted as necessary using the Contract exchange rates.

4.5 Payment Certificates

4.5.1 The Contractor shall submit to the Project Manager monthly statements of the estimated value of the work executed less the cumulative amount certified previously.

4.5.2 The Project Manager shall check the Contractor's monthly statement and certify the amount to be paid to the Contractor.

4.5.3 The value of work executed shall be determined by the Project Manager.

4.5.4 The value of work executed shall comprise:

In the case of an admeasurement contract, the value of the quantities of work in the Bill of Quantities that have been completed; or

In the case of a lump sum contract, the value of work executed shall comprise the value of completed activities in the Activity Schedule.

4.5.5 The value of work executed shall include the valuation of Variations and Compensation Events.

4.5.6 The Project Manager may exclude any item certified in a

previous certificate or reduce the proportion of any item previously certified in any certificate in the light of later information.

4.6 Payments

4.6.1 Payments shall be adjusted for deductions for advance payments and retention. The *Employer* shall pay the Contractor the amounts certified by the Project Manager within 28 days of the date of each certificate. If the *Employer* makes a late payment, the Contractor shall be paid interest on the late payment in the next payment. Interest shall be calculated from the date by which the payment should have been made up to the date when the late payment is made at the prevailing rate of interest for commercial borrowing for each of the currencies in which payments are made.

4.6.2 If an amount certified is increased in a later certificate or as a result of an award by the Adjudicator or an Arbitrator, the Contractor shall be paid interest upon the delayed payment as set out in this clause. Interest shall be calculated from the date upon which the increased amount would have been certified in the absence of dispute.

4.6.3 Unless otherwise stated, all payments and deductions shall be paid or charged in the proportions of currencies comprising the Contract Price.

4.6.4 Items of the Works for which no rate or price has been entered in shall not be paid for by the *Employer* and shall be deemed covered by other rates and prices in the Contract.

4.7 Compensation Events

4.7.1 The following shall be Compensation Events:

The *Employer* does not give access to a part of the Site by the Site Possession Date pursuant to GCC Sub-Clause 1.29.1.

The *Employer* modifies the Schedule of Other Contractors in a way that affects the work of the Contractor under the Contract.

The Project Manager orders a delay or does not issue Drawings, Specifications, or instructions required for execution of the Works on time.

The Project Manager instructs the Contractor to uncover or to carry out additional tests upon work, which is then found to have no Defects.

The Project Manager unreasonably does not approve a subcontract to be let.

Ground conditions are substantially more adverse than could reasonably have been assumed before issuance of the Letter of Acceptance from the information issued to bidders (including the Site Investigation Reports), from information available publicly and from a visual inspection of the Site.

The Project Manager gives an instruction for dealing with an unforeseen condition, caused by the *Employer*, or additional work required for safety or other reasons.

Other contractors, public authorities, utilities, or the *Employer* does not work within the dates and other constraints stated in the Contract, and they cause delay or extra cost to the Contractor.

The advance payment is delayed.

The effects on the Contractor of any of the *Employer's* Risks.

The Project Manager unreasonably delays issuing a Certificate of Completion.

4.7.2 If a Compensation Event would cause additional cost or would prevent the work being completed before the Intended Completion Date, the Contract Price shall be increased and/or the Intended Completion Date shall be extended. The Project Manager shall decide whether and by how much the Contract Price shall be increased and whether and by how much the Intended Completion Date shall be extended.

4.7.3 As soon as information demonstrating the effect of each Compensation Event upon the Contractor's forecast cost has been provided by the Contractor, it shall be assessed by the Project Manager, and the Contract Price shall be adjusted accordingly. If the Contractor's forecast is deemed unreasonable, the Project Manager shall adjust the Contract Price based on the Project Manager's own forecast. The Project Manager shall assume that the Contractor shall react competently and promptly to the event.

4.7.4 The Contractor shall not be entitled to compensation to the extent that the *Employer's* interests are adversely affected by the Contractor's not having given early warning or not having cooperated with the Project Manager.

4.8 Tax

4.8.1 The Project Manager shall adjust the Contract Price if taxes, duties, and other levies are changed between the date 28 days before the submission of bids for the Contract and the date of the last Completion certificate. The adjustment shall be the change in the amount of tax payable by the Contractor, provided such changes are not already reflected in the Contract Price or are a

result of GCC Clause 4.10

- 4.9 Currencies** 4.9.1 Where payments are made in currencies other than the currency of the *Employer’s* country **specified in the PCC**, the exchange rates used for calculating the amounts to be paid shall be the exchange rates stated in the Contractor’s Bid.
- 4.10 Price Adjustment** 4.10.1 Prices shall be adjusted for fluctuations in the cost of inputs only if **provided for in the PCC**. If so provided, the amounts certified in each payment certificate, before deducting for Advance Payment, shall be adjusted by applying the respective price adjustment factor to the payment amounts due in each currency. A separate formula of the type indicated below applies to each Contract currency:
- $$P_c = A_c + B_c \text{ Imc/Ioc}$$
- where:
- P_c is the adjustment factor for the portion of the Contract Price payable in a specific currency “c.”
- A_c and B_c are coefficients⁵ **specified in the PCC**, representing the nonadjustable and adjustable portions, respectively, of the Contract Price payable in that specific currency “c;” and
- Imc is the index prevailing at the end of the month being invoiced and Ioc is the index prevailing 28 days before Bid opening for inputs payable; both in the specific currency “c.”
- 4.10.2 If the value of the index is changed after it has been used in a calculation, the calculation shall be corrected and an adjustment made in the next payment certificate. The index value shall be deemed to take account of all changes in cost due to fluctuations in costs.
- 4.11 Retention** 4.11.1 The *Employer* shall retain from each payment due to the Contractor the proportion **stated in the PCC** until Completion of the whole of the Works.
- 4.11.2 Upon the issue of a Certificate of Completion of the Works by the Project Manager, in accordance with GCC 4.17.1, half the total amount retained shall be repaid to the Contractor and half when the Defects Liability Period has passed and the Project

⁵ *The sum of the two coefficients A_c and B_c should be 1 (one) in the formula for each currency. Normally, both coefficients shall be the same in the formulae for all currencies, since coefficient A, for the nonadjustable portion of the payments, is a very approximate figure (usually 0.15) to take account of fixed cost elements or other nonadjustable components. The sum of the adjustments for each currency are added to the Contract Price. [To be transferred to the User Guide]*

Manager has certified that all Defects notified by the Project Manager to the Contractor before the end of this period have been corrected. The Contractor may substitute retention money with an “on demand” Bank guarantee.

4.12 Liquidated Damages

4.12.1 The Contractor shall pay liquidated damages to the *Employer* at the rate per day **stated in the PCC** for each day that the Completion Date is later than the Intended Completion Date. The total amount of liquidated damages shall not exceed the amount **defined in the PCC**. The *Employer* may deduct liquidated damages from payments due to the Contractor. Payment of liquidated damages shall not affect the Contractor’s liabilities.

4.12.2 If the Intended Completion Date is extended after liquidated damages have been paid, the Project Manager shall correct any overpayment of liquidated damages by the Contractor by adjusting the next payment certificate. The Contractor shall be paid interest on the overpayment, calculated from the date of payment to the date of repayment, at the rates specified in GCC Sub-Clause 4.6.1.

4.13 Bonus

4.13.1 The Contractor shall be paid a Bonus calculated at the rate per calendar day **stated in the PCC** for each day (less any days for which the Contractor is paid for acceleration) that the Completion is earlier than the Intended Completion Date. The Project Manager shall certify that the Works are complete, although they may not be due to be complete.

4.14 Advance Payment

4.14.1 The *Employer* shall make advance payment to the Contractor of the amounts **stated in the PCC** by the date **stated in the PCC**, 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.

4.14.2 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 Project Manager.

4.14.3 The advance payment shall be repaid by deducting proportionate amounts from payments otherwise due to the Contractor, following the schedule of completed percentages of

the Works on a payment basis. No account shall be taken of the advance payment or its repayment in assessing valuations of work done, Variations, price adjustments, Compensation Events, Bonuses, or Liquidated Damages.

4.15 Securities

4.15.1 The Performance Security shall be provided to the *Employer* no later than the date specified in the Letter of Acceptance and shall be issued in an amount **specified in the PCC**, by a bank or surety acceptable to the *Employer*, and denominated in the types and proportions of the currencies in which the Contract Price is payable. The Performance Security shall be valid until a date 28 days from the date of issue of the Certificate of Completion in the case of a Bank Guarantee, and until one year from the date of issue of the Completion Certificate in the case of a Performance Bond.

4.16 Dayworks

4.16.1 If applicable, the Dayworks rates in the Contractor’s Bid shall be used for small additional amounts of work only when the Project Manager has given written instructions in advance for additional work to be paid for in that way.

4.16.2 All work to be paid for as Dayworks shall be recorded by the Contractor on forms approved by the Project Manager. Each completed form shall be verified and signed by the Project Manager within two days of the work being done.

4.16.3 The Contractor shall be paid for Dayworks subject to obtaining signed Dayworks forms.

4.17 Cost of Repairs

4.17.1 Loss or damage to the Works or Materials to be incorporated in the Works between the Start Date and the end of the Defects Correction periods shall be remedied by the Contractor at the Contractor’s cost if the loss or damage arises from the Contractor’s acts or omissions.

5. Finishing the Contract

5.1 Completion

5.1.1 The Contractor shall request the Project Manager to issue a Certificate of Completion of the Works, and the Project Manager shall do so upon deciding that the whole of the Works is completed.

5.2 Taking Over

5.2.1 The *Employer* shall take over the Site and the Works within seven days of the Project Manager’s issuing a certificate of Completion.

5.3 Final Account

5.3.1 The Contractor shall supply the Project Manager with a detailed account of the total amount that the Contractor considers payable

under the Contract before the end of the Defects Liability Period. The Project Manager shall issue a Defects Liability Certificate and certify any final payment that is due to the Contractor within 56 days of receiving the Contractor's account if it is correct and complete. If it is not, the Project Manager shall issue within 56 days a schedule that states the scope of the corrections or additions that are necessary. If the Final Account is still unsatisfactory after it has been resubmitted, the Project Manager shall decide on the amount payable to the Contractor and issue a payment certificate.

5.4 Operating and Maintenance Manuals

5.4.1 If "as built" Drawings and/or operating and maintenance manuals are required, the Contractor shall supply them by the dates **stated in the PCC**.

5.4.2 If the Contractor does not supply the Drawings and/or manuals by the dates **stated in the PCC** pursuant to GCC Sub-Clause 5.4.1, or they do not receive the Project Manager's approval, the Project Manager shall withhold the amount **stated in the PCC** from payments due to the Contractor.

5.5 Termination

5.5.1 The *Employer* or the Contractor may terminate the Contract if the other party causes a fundamental breach of the Contract.

5.5.2 Fundamental breaches of Contract shall include, but shall not be limited to, the following:

- (a) the Contractor stops work for 28 days when no stoppage of work is shown on the current Program and the stoppage has not been authorized by the Project Manager;
- (b) the Project Manager instructs the Contractor to delay the progress of the Works, and the instruction is not withdrawn within 28 days;
- (c) the *Employer* or the Contractor is made bankrupt or goes into liquidation other than for a reconstruction or amalgamation;
- (d) a payment certified by the Project Manager is not paid by the *Employer* to the Contractor within 84 days of the date of the Project Manager's certificate;
- (e) the Project Manager gives Notice that failure to correct a particular Defect is a fundamental breach of Contract and the Contractor fails to correct it within a reasonable period of time determined by the Project Manager;

- (f) the Contractor does not maintain a Security, which is required;
- (g) the Contractor has delayed the completion of the Works by the number of days for which the maximum amount of liquidated damages can be paid, as **defined in the PCC**; or
- (h) if the Contractor, in the judgment of the *Employer*, has engaged in corrupt or fraudulent practices in competing for or in executing the Contract, pursuant to GCC Clause 5.6.1.

5.5.3 When either party to the Contract gives notice of a breach of Contract to the Project Manager for a cause other than those listed under GCC Sub-Clause 5.5.2 above, the Project Manager shall decide whether the breach is fundamental or not.

5.5.4 Notwithstanding the above, the *Employer* may terminate the Contract for convenience.

5.5.5 If the Contract is terminated, the Contractor shall stop work immediately, make the Site safe and secure, and leave the Site as soon as reasonably possible.

5.6 Fraud and Corruption

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

- (a) defines, for the purposes of this provision, the terms set forth below as follows:
 - (i) *“corrupt practice” means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of a public official in the procurement process or in contract execution;*
 - (ii) *“fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract;*
 - (iii) *“collusive practice” means a scheme or arrangement between two or more bidders, with or without the knowledge of the Borrower, designed to establish bid prices at artificial, noncompetitive levels; and*
 - (iv) *“coercive practice” means harming or threatening to*

harm, directly or indirectly, persons or their property to influence their participation in the procurement process or affect the execution of a contract;

- (c) *will cancel the portion of the loan allocated to a contract if it determines at any time that representatives of the Borrower or of a beneficiary of the loan engaged in corrupt, fraudulent, collusive or coercive practices during the procurement or the execution of that contract, without the Borrower having taken timely and appropriate action satisfactory to the Bank to remedy the situation; and*
- (d) *will sanction a firm or individual, including declaring them ineligible, either indefinitely or for a stated period of time, to be awarded a Bank-financed contract if it at any time determines that they have, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for, or in executing, a Bank-financed contract.*

5.7 Payment upon Termination

5.7.1 If the Contract is terminated because of a fundamental breach of Contract by the Contractor, the Project Manager shall issue a certificate for the value of the work done and Materials ordered less advance payments received up to the date of the issue of the certificate and less the percentage to apply to the value of the work not completed, as indicated in the PCC. Additional Liquidated Damages shall not apply. If the total amount due to the *Employer* exceeds any payment due to the Contractor, the difference shall be a debt payable to the *Employer*.

5.7.2 If the Contract is terminated for the *Employer's* convenience or because of a fundamental breach of Contract by the *Employer*, the Project Manager shall issue a certificate for the value of the work done, Materials ordered, the reasonable cost of removal of Equipment, repatriation of the Contractor's personnel employed solely on the Works, and the Contractor's costs of protecting and securing the Works, and less advance payments received up to the date of the certificate.

5.8 Property

5.8.1 All Materials on the Site, Plant, Equipment, Temporary Works, and Works shall be deemed to be the property of the *Employer* if the Contract is terminated because of the Contractor's default.

5.9 Release from Performance

5.9.1 If the Contract is frustrated by the outbreak of war or by any other event entirely outside the control of either the *Employer* or the Contractor, the Project Manager shall certify that the Contract has been frustrated. The Contractor shall make the Site safe and stop work as quickly as possible after receiving this certificate

and shall be paid for all work carried out before receiving it and for any work carried out afterwards to which a commitment was made.

5.10 Suspension of Bank Loan or Credit

5.10.1 In the event that the Bank suspends the Loan or Credit to the *Employer*, from which part of the payments to the Contractor are being made:

The *Employer* is obligated to notify the Contractor of such suspension within 7 days of having received the Bank’s suspension notice.

If the Contractor has not received sums due it within the 28 days for payment provided for in Sub-Clause 4.6.1, the Contractor may immediately issue a 14-day termination notice.

5.11 Eligibility

5.11.1 *The Contractor shall have the nationality of a Bank member country. The Contractor shall be deemed to have the nationality of a country if the Contractor is a citizen or is constituted, or incorporated, and operates in conformity with the provisions of the laws of that country. This criterion shall also apply to the determination of the nationality of proposed subcontractors or suppliers for any part of the Contract including related services.*

The materials, equipment and services to be supplied under the Contract shall have their origin in eligible source countries and all expenditures under the Contract will be limited to such materials, equipment, and services. At the Employer’s request, the Contractor may be required to provide evidence of the origin of materials, equipment and services.

For purposes of GCC 5.11.1, “origin” means the place where the materials and equipment are mined, grown, produced or manufactured, and from which the services are provided. Materials and equipment are produced when, through manufacturing, processing, or substantial or major assembling of components, a commercially recognized product results that differs substantially in its basic characteristics or in purpose or utility from its components.

Section VIII. *Particular Conditions of Contract*

Except where otherwise indicated, all PCC should be filled in by the Employer prior to issuance of the Bidding Documents. Schedules and reports to be provided by the Employer should be annexed.

1. General Provisions	
GCC 1.1.2.2	The Employer is <i>[insert name, address, and name of authorized representative]</i> .
GCC 1.1 .2.4	The Project Manager is: <i>[insert name, address, and telephone, cable, facsimile numbers and e-mail]</i>
GCC 1.1.2.6	The Bank is: <i>[insert name of the financing institution financing the Contract]</i>
GCC 1.1.2.7	The Borrower is: <i>[insert name of the borrower]</i>
GCC 1.1 .3.2	The Commencement Date shall be <i>[insert date]</i> .
GCC 1.1.3.3	The Completion Date for the whole of the Works shall be <i>[insert date]</i> <i>[If different dates are specified for completion of the Works by section (“sectional completion” or milestones), these dates should be listed here]</i>
GCC 1.1.5.8	The Works consist of <i>[insert brief summary, including relationship to other contracts under the Project]</i> .
GCC 1.1.6.6	The Site is located at <i>[insert address of Site]</i> and is defined in drawings No. <i>[insert numbers]</i>
GCC 1.1.11	The individuals or firms in a joint venture, consortium or association <i>[...shall or shall not be held]</i> jointly and severally liable.
GCC 1.2.3	Sectional Completions are: <i>[insert nature and dates, if appropriate]</i>
GCC 1.2.4 (i)	The following documents also form part of the Contract: <i>[list documents]</i>
GCC 1.4.1	The governing law is that of: <i>[insert name of the country,]</i> . The ruling language is: <i>[insert the ruling language]</i> . The language for communications is: <i>[Name of language for communications only if different from the ruling language]</i> .

GCC 1.18.1	Schedule of other contractors: <i>[insert Schedule of Other Contractors, if appropriate]</i>
GCC 1.22.1	<p>The minimum insurance amounts and deductibles shall be:</p> <p>(a) for loss or damage to the Works, Plant and Materials: <i>[insert amounts]</i>.</p> <p>(b) for loss or damage to Equipment: <i>[insert amounts]</i>.</p> <p>(c) for loss or damage to property (except the Works, Plant, Materials, and Equipment) in connection with Contract <i>[insert amounts]</i>.</p> <p>(d) for personal injury or death:</p> <p>(i) of the Contractor’s employees: <i>[amount]</i>.</p> <p>(ii) of other people: <i>[amount]</i>.</p>
GCC 1.23.1	Site Investigation Reports are: <i>[list Site Investigation Reports]</i>
GCC 1.29.0	The Site Possession Date(s) shall be: <i>[insert location(s) and date(s)]</i>
GCC 1.32.1 & 1.32.2	Appointing Authority for the Adjudicator: <i>[insert name of Authority]</i> .
GCC 1.33.3	Hourly rate and types of reimbursable expenses to be paid to the Adjudicator: <i>[insert hourly fees and reimbursable expenses]</i> .
GCC 1.33.4	<p><i>[For smaller contracts, the institution is usually from the Employer’s country. For larger contracts, and contracts that are likely to be awarded to international contractors, it is recommended that the arbitration procedure of an international institution]</i></p> <p>Institution whose arbitration procedures shall be used:</p> <p><i>[For larger contracts with international contractors, it is recommended to select one institution among those listed below; insert the corresponding wording]</i></p> <p>“United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules:</p> <p>Any dispute, controversy, or claim arising out of or relating to this Contract, or breach, termination, or invalidity thereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force.”</p> <p>or</p> <p>“Rules of Conciliation and Arbitration of the International Chamber of Commerce (ICC):</p>

	<p>All disputes arising in connection with the present Contract shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with said Rules.”</p> <p>or</p> <p>“Rules of Arbitration Institute of the Stockholm Chamber of Commerce:</p> <p>Any dispute, controversy, or claim arising out of or in connection with this Contract, or the breach, termination, or invalidity thereof, shall be settled by arbitration in accordance with the Rules of the Arbitration Institute of the Stockholm Chamber of Commerce.”</p> <p>or</p> <p>“Rules of the London court of International Arbitration:</p> <p>Any dispute arising out of or in connection with this Contract, including any question regarding its existence, validity, or termination shall be referred to and finally resolved by arbitration under the Rules of the London Court of International Arbitration, which rules are deemed to be incorporated by reference to this clause.”</p> <p>The place of arbitration shall be: <i>[Insert city and country]</i></p>
2. Time Control	
GCC 2.1.1	The Contractor shall submit for approval a Program for the Works within <i>[number]</i> days from the date of the Letter of Acceptance.
GCC 2.1.3	<p>The period between Program updates is <i>[insert number]</i> days.</p> <p>The amount to be withheld for late submission of an updated Program is <i>[insert amount]</i>.</p>
3. Quality Control	
GCC 3.3.1	<p>The Defects Liability Period is: <i>[insert number]</i> days.</p> <p><i>[The Defects Liability Period is usually limited to 12 months, but could be less in very simple cases]</i></p>
4. Cost Control	
GCC 4.9.1	The currency of the <i>Employer’s</i> country is: <i>[insert name of currency of the Employer’s country]</i> .
GCC 4.10.1	The Contract <i>[insert “is” or “is not”]</i> subject to price adjustment in accordance with GCC Clause 4.10.1, and the following information

	<p>regarding coefficients [<i>specify “does” or “does not”</i>] apply.</p> <p><i>[Price adjustment is mandatory for contracts which provide for time of completion exceeding 18 months]</i></p> <p>The coefficients for adjustment of prices are:</p> <p>(a) For currency [<i>insert name of currency</i>]:</p> <p>(i) [<i>insert percentage</i>] percent non adjustable element (coefficient A).</p> <p>(ii) [<i>insert percentage</i>] percent adjustable element (coefficient B).</p> <p>(b) For currency [<i>insert name of currency</i>]:</p> <p>(i) [<i>insert percentage</i>] percent non adjustable element (coefficient A).</p> <p>(ii) [<i>insert percentage</i>] percent adjustable element (coefficient B).</p> <p>The Index I for local currency shall be [<i>insert index</i>].</p> <p>The Index I for the specified international currency shall be [<i>insert index</i>].</p> <p><i>[These proxy indices shall be proposed by the Contractor, subject to acceptance by the Employer]</i></p> <p>The Index I for currencies other than the local currency and the specified international currency shall be [<i>insert index</i>].</p> <p><i>[These proxy indices shall be proposed by the Contractor, subject to acceptance by the Employer.]</i></p>
GCC 4.11.1	<p>The proportion of payments retained is: [<i>insert percentage</i>]</p> <p><i>[The retention amount is usually close to 5 percent and in no case exceeds 10 percent.]</i></p>
GCC 4.12.1	<p>The liquidated damages for the whole of the Works are [<i>insert percentage of the final Contract Price</i>] per day. The maximum amount of liquidated damages for the whole of the Works is [<i>insert percentage</i>] of the final Contract Price.</p> <p><i>[Usually liquidated damages are set between 0.05 percent and 0.10 percent per day, and the total amount is not to exceed between 5 percent and 10 percent of the Contract Price. If Sectional Completion and Damages per Section have been agreed, the latter should be specified here]</i></p>
GCC 4.13.1	<p>The Bonus for the whole of the Works is [<i>insert percentage of final Contract Price</i>] per day. The maximum amount of Bonus for the whole of</p>

	<p>the Works is <i>[insert percentage]</i> of the final Contract Price.</p> <p><i>[If early completion would provide benefits to the Employer, this clause should remain; otherwise delete. The Bonus is usually numerically equal to the liquidated damages.]</i></p>
GCC 4.14.1	The Advance Payments shall be: <i>[insert amount(s)]</i> and shall be paid to the Contractor no later than <i>[insert date(s)]</i> .
GCC 4.15.1	<p>The Performance Security amount is <i>[insert amount(s) denominated in the types and proportions of the currencies in which the Contract Price is payable, or in a freely convertible currency acceptable to the Employer]</i></p> <p>(a) Bank Guarantee: <i>[insert percentage and amount(s)]</i>.</p> <p>(b) Performance Bond: <i>[insert percentage and amount(s)]</i>.</p> <p><i>[A Bank Guarantee shall be unconditional (on demand) (see Section X. Security Forms). An amount of 5 to 10 percent of the Contract Price is commonly specified for Performance Bank Guarantees. A Performance Bond is an undertaking by a bonding or insurance company (surety) to complete the construction in the event of default by the Contractor, or to pay the amount of the Bond to the Employer. An amount of 30 percent of the Contract Price is commonly used internationally for this type of security (see Section X. Security Forms).]</i></p>
5. Finishing the Contract	
GCC 5.1	<p>The date by which operating and maintenance manuals are required is <i>[insert date]</i>.</p> <p>The date by which “as built” drawings are required is <i>[insert date]</i>.</p>
GCC 5.4.2	The amount to be withheld for failing to produce “as built” drawings and/or operating and maintenance manuals by the date required in GCC 5.7.1 is <i>[insert amount in local currency]</i> .
GCC 5.5.2 (g)	The maximum number of days is: <i>[insert number; consistent with clause 4.12.1 on liquidated damages]</i> .
GCC 5.7.1	The percentage to apply to the value of the work not completed, representing the Employer’s additional cost for completing the Works, is <i>[insert percentage]</i> .

Section IX - Contract Forms

This Section contains Contract Forms which, once completed, will constitute part of the Contract. The forms for Contract Agreement, Performance Security and Advance Payment Security, when required, shall only be completed by the successful Bidder, after contract award

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1. Letter of Acceptance

[on letterhead paper of the Employer]

..... *[date]*

To: *[name and address of the Contractor]*

Subject: *[Notification of Award Contract No.]*

This is to notify you that your Bid dated *[Insert date]* for execution of the
. . . *[insert name of the contract and identification number]* for the amount of . .
. *[insert amount (s) in figures and words and name(s) of currency(ies)]*, as corrected
and modified in accordance with the Instructions to Bidders is hereby accepted by us.

You are requested to furnish the Performance Security *in the amount of [insert amount (s) in
figures and words and name(s) of currency(ies)]* within 28 days in accordance with the
Conditions of Contract, using for that purpose the Performance Security Form included in
Section IX (Contract Forms) of the Bidding Document.

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

Attachment: Contract Agreement

2. Contract Agreement

THIS CONTRACT AGREEMENT is made on the [insert: **number**] day of [insert: **month**], [insert: **year**].

BETWEEN

(1) [insert complete name of the [... *Employer or Purchaser*]], a [insert description of type of legal entity, for example, an agency of the Ministry of of the Government of {insert name of Country of the [... *Employer or Purchaser*}}, or corporation incorporated under the laws of { insert name of Country of the [... *Employer or Purchaser* }] and having its principal place of business at [insert address of the [... *Employer or Purchaser*]] (hereinafter called “the Purchaser”),

and

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

WHEREAS the [... *Employer or Purchaser*] invited bids for [... *Works or Goods and Related Services*], described as [*insert brief description of the [... Works or Goods and Related Services*] and has accepted a Bid by the Contractor for the [... *execution and completion of these Works and the remedying of any defects therein ... or supply of these Goods and Related Services*], and the [... *Employer or Purchaser*] agrees to pay the Contractor 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.

The [...*Employer or Purchaser*] and the Contractor agree as follows:

1. *In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Contract documents referred to.*

2. *The following documents shall be deemed to form and be read and construed as part of this Agreement. This Agreement shall prevail over all other Contract documents.*

- (a) the Letter of Acceptance
- (b) the Bid
- (c) the Addenda Nos [*insert addenda numbers if any*].
- (d) the Particular Conditions
- (e) the General Conditions
- (f) the Specification
- (g) the Drawings; and
- (h) the completed Schedules,

3. In consideration of the payments to be made by the [...*Employer or Purchaser*] to the Contractor as indicated in this Agreement, the Contractor hereby covenants with the [...*Employer or Purchaser*] to [...*execute the Works or supply of the Goods and Related Services*] and to remedy defects therein in conformity in all respects with the provisions of the Contract.

4. *The [... Employer or Purchaser] hereby covenants to pay the Contractor in consideration of the [...execution and completion of the Works or supply of the Goods and Related Services] and the remedying of defects therein, 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.*

Agreement to be executed in accordance with the laws of [name of the borrowing country] on the day, month and year indicated above.

Signed by: Signed by:

For and on behalf of the [... *Employer or Purchaser*] for and on behalf the Contractor

In the presence of: in the presence of:

Witness, Name, Signature, Address, Date
Witness, Name, Signature, Address, Date

3. *Option I: Performance Security*

[The bank, as requested by the successful Bidder, shall fill in this form in accordance with the instructions indicated]

Date: [insert date (as day, month, and year)]
Bidding Process Reference: [insert no. and title of bidding process]

Bank's Branch or Office: [insert complete name of Guarantor]

Beneficiary: [insert complete name of [... *Employer or Purchaser*]]

PERFORMANCE GUARANTEE No.: [insert Performance Guarantee number]

We have been informed that [insert complete name of the Contractor (hereinafter called "the Contractor")] has entered into Contract No. [insert number] dated [insert day and month], [insert year] with you, for the [... *supply of [description of Goods and related Services] or execution and completion of [description of the Works]*] and the remedying of any defects therein (hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, a Performance Guarantee is required.

At the request of the Contractor, we hereby irrevocably undertake to pay you any sum(s) not exceeding [insert amount(s)⁶ in figures and words] such sum being payable in the types and proportions of currencies in which the Contract Price is payable, upon receipt by us of your first demand in writing declaring the Contractor to be in default under the Contract, without cavil or argument, or your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

This Guarantee shall expire no later than the [insert number] day of [insert month] [insert year],⁷ and any demand for payment under it must be received by us at this office on or before that date. *This guarantee is subject to the Uniform Rules for Demand Guarantees, ICC Publication No. 458, except that subparagraph (ii) of Sub-article 20(a) is hereby excluded.*

[signatures of authorized representatives of the bank]

The Bank shall insert the amount(s) specified in the SCC and denominated, as specified in the SCC, either in the currency(ies) of the Contract or a freely convertible currency acceptable to the [...Employer or Purchaser].

- ² *Insert the date twenty-eight days after the expected completion date. The Employer should note that in the event of an extension of the time for completion of the Contract, the Employer would need to request an extension of this guarantee from the Guarantor. Such request must be in writing and must be made prior to the expiration date established in the guarantee. In preparing this guarantee, the Employer might consider adding the following text to the form, at the end of the penultimate paragraph: “The Guarantor agrees to a one-time extension of this guarantee for a period not to exceed [six months][one year], in response to the Employer’s written request for such extension, such request to be presented to the Guarantor before the expiry of the guarantee.”]*

3. Option II: Performance Bond

By this Bond _____ as Principal (hereinafter called "the Contractor") and _____] as Surety (hereinafter called "the Surety"), are held and firmly bound unto _____] as Obligee (hereinafter called "the Employer") in the amount of _____, for the payment of which sum well and truly to be made in the types and proportions of currencies in which the Contract Price is payable, the Contractor and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS the Contractor has entered into a written Agreement with the Employer dated the _____ day of _____, 20 ____, for _____ in accordance with the documents, plans, specifications, and amendments thereto, which to the extent herein provided for, are by reference made part hereof and are hereinafter referred to as the Contract.

NOW, THEREFORE, the Condition of this Obligation is such that, if the Contractor shall promptly and faithfully perform the said Contract (including any amendments thereto), then this obligation shall be null and void; otherwise, it shall remain in full force and effect. Whenever the Contractor shall be, and declared by the Employer to be, in default under the Contract, the Employer having performed the Employer's obligations thereunder, the Surety may promptly remedy the default, or shall promptly:

(1) complete the Contract in accordance with its terms and conditions; or

(2) obtain a Bid or bids from qualified Bidders for submission to the Employer for completing the Contract in accordance with its terms and conditions, and upon determination by the Employer and the Surety of the lowest responsive Bidder, arrange for a Contract between such Bidder and Employer and make available as work progresses (even though there should be a default or a succession of defaults under the Contract or Contracts of completion arranged under this paragraph) sufficient funds to pay the cost of completion less the Balance of the Contract Price; but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof. The term "Balance of the Contract Price," as used in this paragraph, shall mean the total amount payable by Employer to Contractor under the Contract, less the amount properly paid by Employer to Contractor; or

(3) pay the Employer the amount required by Employer to complete the Contract in accordance with its terms and conditions up to a total not exceeding the amount of this Bond.

The Surety shall not be liable for a greater sum than the specified penalty of this Bond.

Any suit under this Bond must be instituted before the expiration of one year from the date of the issuing of the Taking-Over Certificate.

No right of action shall accrue on this Bond to or for the use of any person or corporation other than the Employer named herein or the heirs, executors, administrators, successors, and assigns of the Employer.

In testimony whereof, the Contractor has hereunto set his hand and affixed his seal, and the Surety has caused these presents to be sealed with his corporate seal duly attested by the signature of his legal representative, this _____ day of _____ 20 ____.

4. Advance Payment Security

[The bank, as requested by the successful Bidder, shall fill in this form in accordance with the instructions indicated.]

Date: [insert date (as day, month, and year) of Bid Submission]
Bidding Process Reference: [insert number and title of bidding process]

[bank’s letterhead]

Beneficiary: [insert legal name and address of [... *Employer or Purchaser*]]

ADVANCE PAYMENT GUARANTEE No.: [insert Advance Payment Guarantee no.]

We have been informed that *[name of the Contractor]*. (hereinafter called “the Contractor”) has entered into Contract No. *[reference number of the Contract]*. dated with you, for the [execution of *[name of contract and brief description of Works]* or supply of Goods and Related Services *[name of contract and brief description of Goods and Related Services]*] (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]*¹. (. *[amount in words]*.) is to be made against an advance payment guarantee.

At the request of the Contractor, we *[name of the Bank]*. hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of *[name of the currency and amount in figures]**. (. *[amount in words]*.) upon receipt by us of your first demand in writing accompanied by a written statement stating that the Contractor is in breach of its obligation under the Contract because the Contractor used the advance payment for purposes other than [... *performing his obligations under the Contract or 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 Contractor on its account number *[Contractor’s account number]*. at *[name and address of the Bank]*.

This guarantee is subject to the Uniform Rules for Demand Guarantees, ICC Publication No. 458 , except that subparagraph (ii) of Sub-article 20(a) is hereby excluded.

. *[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.

¹ *The Guarantor shall insert an amount representing the amount of the advance payment denominated either in the currency(ies) of the advance payment as specified in the Contract, or in a freely convertible currency acceptable to the [...Employer or Purchaser]*