

**W-5**

**PROCUREMENT OF CIVIL WORKS  
THROUGH  
REQUEST FOR QUOTATION  
(RFQ)/SHOPPING PROCEDURES**

*(Lump sum and percentage rate tender)  
(Two-Envelope with e-Procurement)  
(For Contracts valued less than the equivalent of US \$ 100,000 each)*

**April 2018**

**REQUEST FOR QUOTATIONS**  
**Procurement of Works under RFQ/Shopping Procedures**  
**E-Procurement Notice**  
*(Two-Envelope with e-Procurement Bidding Process)*

**Project:** *[insert the name of the Project]*

**Contract title:** *[insert the name of the contract]*

**RFQ No:** *[insert RFQ reference number from Procurement Plan]*

**Date:** *[insert date when RFQ is issued to the market]*

**Applicable Procurement Guidelines/Regulations Date:** *[insert date]*

1. Government of India has received/has applied for/intends to apply for financing from the World Bank towards the cost of the \_\_\_\_\_ Project and intends to apply part of the proceeds of this credit to eligible payments under the contract for which this request for quotations is issued. The ..... *[insert name of implementing agency]* invites quotations electronically from eligible bidders for construction of the following works.

Brief Description of the Works	Approximate value of Works (Rs.)	Period of Completion

2. This e-Procurement notice includes the following documents<sup>1</sup> to facilitate preparation and submission of quotations, criteria for qualification, evaluation, and for award of contract; and relevant forms to be filled by the bidders. Implementing Agency has not issued a separate RFQ document for this purchase. The e-Procurement notice including the various documents and forms to be filled etc. can be downloaded free of cost by logging on to the website..... *[implementing agency should insert the URL of the website]*. The bidders would be required to register in the website which is free of cost.

- i. Layout Drawings of the works;
- ii. Structural Details;
- iii. Detailed Bill of Quantities, with estimated rates and prices;
- iv. Technical Specifications;
- v. Instructions to Bidders;
- vi. Qualification Information;
- vii. Format for Submission of Quotation;
- viii. Criteria for Evaluation and Award of Contract;
- ix. Relevant Forms; and
- x. Draft Contract Agreement format which will be used for finalizing the agreement for this Contract.

<sup>1</sup> IA to modify the list of documents as required.

3. For submission of Quotation, the Bidder is required to have Digital Signature Certificate (DSC) from one of the Certifying Authorities authorized by Government of India for issuing DSC. Bidders can see the list of licensed CA's from the link ([www.cca.gov.in](http://www.cca.gov.in)). Bidders who have not obtained the user ID and password for participating in e-procurement in this Project, may obtain the same from the website: ..... *[implementing agency should insert the URL of the website.]*
  
5. Quotations, both Technical Part and Financial Part shall be submitted on..... *(insert URL of the e-Procurement portal/website)* on or before.....hours on..... *(date)*. Any quotation or modifications to quotation received outside e-procurement system will not be considered. The electronic bidding system would not allow late submission of quotations. The 'Technical Part' of the Quotations will be opened online on ..... *(date)* at..... hours<sup>2</sup>, this can also be viewed by the bidders online. The electronic summary of quotation opening of technical part will be generated and uploaded online.
  
6. If the implementing agency's office happens to be closed on the date of opening of the Quotations as specified, the 'Technical Part' of the Quotations will be opened on the next working day at the same time. The Financial Parts of the Quotations shall remain unopened in the e-procurement system, until the subsequent online opening, following the evaluation of the Technical Parts of the Quotations.
  
7. Other details can be seen in the RFQ document. The implementing agency shall not be held liable for any delays due to system failure beyond its control. A Bidder requiring any clarification of the RFQ document may notify the Implementing agency online or may visit the office of the implementing agency at the address given below.

*[Insert name of office]*

*[Insert name of officer and title]*

*[Insert postal address and/or street address, postal code, city and country]*

*[Insert telephone number, country and city codes]*

*[Insert facsimile number, country and city codes]*

*[Insert email address]*

*[Insert web site address]*

---

<sup>2</sup> Should be the same as for the deadline for receipt of quotations or promptly thereafter.

## Instructions to Bidders

### SECTION - A

#### 1. Scope of Works

The \_\_\_\_\_ (Employer) invites quotations for the construction of works as detailed in the table given below

Brief Description of the Works	Approximate value of Works (Rs.)	Period of Completion
--------------------------------	----------------------------------	----------------------

The successful bidder will be expected to complete the works by the intended completion date specified above.

#### 2. Qualification of the bidder

##### 2.1. Qualification Information to be provided by the Bidder: the bidder shall provide information on his qualification which shall include:-

- (a) Total monetary value of works executed by him for each year of the last 3 years;
- (b) List of works (similar to the works described in Para 1) completed satisfactorily as a prime contractor during the last 3 years, enclosing certificates from the respective Employers in support of experience claimed along with the Employers' contact numbers;
- (c) Report on his financial standing, along with last 3 years' financial statements/Profit and Loss Statements; and
- (d) Details of any litigation, during the last 3 years in which the bidder is involved, the parties concerned, and disputed amount or award in each case (Give details of both completed and pending cases).

##### 2.2. Qualification Criteria: to qualify for award of the contract the bidder:-

- (a) Should have satisfactorily completed as a prime contractor at least one similar work of value not less than Rs. .... in the last three years;  
*[IA should insert value equivalent to 80% of the estimated cost of the Work.]*

- (b) Should possess valid electrical license for executing building electrification works (in the event of the works being sub-contracted, the sub-contractor should have the necessary license);
- (c) Should possess required valid license for executing the water supply/sanitary works (in the event of the works being sub-contracted, the sub-contractor should have the necessary license);

*(Note- Delete/modify the sub clauses (b) and (c) to suit the individual work for which quotations are invited)*

**3. Eligibility – Conflict of Interest:** A Bidder (a) shall not participate in more than one Quotation; (b) shall not have conflict of interest as defined in the Bank’s Procurement Regulations/ Guidelines [*select one of the two options*]; and (c) should not have been (i) temporarily suspended or debarred by the World Bank Group in compliance with the Bank’s Anti-Corruption Guidelines and its Sanctions Framework.

**4. Clarifications & Amendments:** If the Employer receives any request for clarification of this RFQ document, it will upload its response together with any amendment to this document, on the e-procurement portal for information of all Bidders. Bidders should check on the e-procurement system, for any amendments to this RFQ document.

**5. Quotation Prices**

- a) The quotation shall be for construction of the whole works as described in the Bill of quantities, drawings and technical specifications. Corrections, if any, in the quotation shall be carried out by editing the information before electronic submission on e-Procurement Portal.
- b) All duties, taxes and other levies payable by the contractor under the contract shall be included in the total price.
- c) The rates quoted by the bidder shall be fixed for the duration of the contract and shall not be subject to adjustment on any account.
- d) The rates should be quoted in Indian Rupees only.

**6. Preparation of Quotations**

**6.1** The bidder is advised to visit the site of works at his own expense and obtain all information that may be necessary for preparing the quotation.

**6.2** Each bidder shall submit only one quotation. Bidders shall not contact other Bidders on matters relating to this quotation.

**6.3** The quotation shall comprise two Parts, namely the Technical Part and the Financial Part. Both Parts shall be submitted online simultaneously.

**6.4 The Technical Part of Quotation shall comprise the following:**

- (a) **Letter of Quotation – Technical Part** as per Format given in Section B;
- (b) **Authorization:** Power of Attorney of signatory of Quotation (Paragraph 1.1 of Qualification Information);
- (c) **Annual Turnover:** Confirmation showing Annual Turnover in civil engineering construction works of similar nature in the last three financial years. [ITB Clause 2.1 (a)];
- (d) **Qualifications:**
  - (i) Qualification information and supporting documents relating to similar nature of works executed and payments received. (ITB Clause 2.1 (b) and paragraph 1.3 of Qualification Information);
  - (ii) Details of proposed sub-contractors; (Paragraph 1.4 of Qualification Information); and
  - (iii) Other details listed in Paragraphs 1.6 and 1.7 of the Qualification Information Form;
- (e) **Complete address** and contact details of the Bidder having the following information:
  - Name of Firm
  - Address for communication
  - Telephone No(s): Office
  - Mobile No.
  - Facsimile (FAX) No.
  - Electronic Mail Identification (E-mail ID)
- (f) The Technical Part of Quotation shall not include any financial information related to the Quotation price. Where material financial information related to the Quotation price is contained in the Technical Part of Quotation, the Quotation shall be declared non-responsive.

**6.5 The Financial Part of Quotation shall comprise the following:**

- (a) **Letter of Quotation - Financial Part;**
- (b) **Priced Bill of Quantities:** (using the BOQ uploaded with the RFQ document) wherein the rates shall be entered online.

**6.6 Signing of Quotations:** The name and position held by each person signing the quotation and related documents must be typed or printed below the signature.

**6.7 Deadline for Submission of Quotations:** Quotations must be uploaded online no later than the deadline for submission of quotations viz. time ..... (hours) and date ..... (day, month, year), as per server time. A Bidder may modify its Quotation any number of times by using the appropriate option on the e-Procurement Portal, before the deadline for submission of Quotations.

**6.8 Validity of Quotation:** Quotation shall remain valid for a period not less than 45 days after the deadline date specified for submission.

**7. Quotation Submission:**

- (a) The Letter of Quotation – Technical Part, and Letter of Quotation – Financial Part shall be filled, signed and scanned copies shall be uploaded along with the Priced Bill of Quantities that shall be entered using the Forms available online, without any alterations. All blank spaces shall be filled in with the information requested. Scanned copies of all other documents shall also be uploaded on the e-procurement website.
- (b) All documents are required to be signed digitally by the Bidder. The System generates a Unique Quotation Identification Number, time stamped as per server time, as an acknowledgement for Quotation submission. Detailed guidelines for viewing and submission of Quotations online are given in the website.

**8. Online Opening and Evaluation of Technical Parts of Quotations:** The ‘Technical Part’ of the Quotations will be opened online on the specified date and time. This can also be viewed by the bidders online, and electronic summary of quotation opening of technical part will be generated and uploaded online. The Financial Parts of the Quotations shall remain unopened in the e-procurement system, until the subsequent online opening, following the evaluation of the Technical Parts of the Quotations.

- (a) The Employer shall examine the technical part of the quotation to determine whether the quotation (a) has been properly signed (Clause 6.6); (b) meets the eligibility criteria (Clause 3); (c) is substantially responsive to the requirements of the RFQ document; and (d) meets the qualification criteria specified in ITB Clause 2.
- (b) Only Quotations that are both substantially responsive to the RFQ document, and meet all Qualification Criteria shall qualify for opening of the Financial Parts of their Quotations at the second online opening.
- (c) Employer shall notify in writing those Bidders who have failed to meet the Qualification Criteria or whose Quotations were considered non-responsive to the requirements in the RFQ document, advising them that their Technical Part of Quotation failed to meet the requirements of the RFQ document; and that their Financial Part of the Quotation shall not be opened.
- (d) Simultaneously Employer shall notify in writing those Bidders whose Technical Parts of Quotations have been evaluated as substantially responsive and meeting the Qualification Criteria that their Quotation has been evaluated as substantially responsive to the RFQ document and that their Financial Part of Quotation will be opened online at .... Date and ..... time.

**9. Online Opening and Evaluation of Financial Parts of Quotations:** The ‘Financial Part’ of the Quotations will be opened online on the specified date and time. This can also be viewed by the bidders online, and electronic summary of quotation opening of financial part will be generated and uploaded online.

- (a) The Employer shall examine and confirm that Letter of Quotation – Financial Part and Priced Bill of Quantities are in accordance with the requirements specified in the RFQ document. If any of these documents or information is missing, the offer shall be rejected.
- (b) During the evaluation of Financial Parts of Quotation, the substantial responsiveness of the Quotations will be further determined with respect to those RFQ conditions that were not examined in evaluation of Technical Parts of Quotations.

**10. Award of contract**

The Employer will award the contract to the bidder whose quotation has been determined to be substantially responsive and who has offered the lowest evaluated quotation price and who meets the specified qualification criteria.

**10.1** Notwithstanding the above, the Employer reserves the right to accept or reject any quotations and to cancel the bidding process and reject all quotations at any time prior to the award of contract.

**10.2** The bidder whose quotation is accepted will be notified of the award of contract by the Employer prior to expiration of the quotation validity period.

**11. Performance Security**

Within 15 days of receiving letter of acceptance, the successful bidder shall deliver to the..... (Employer) the performance security (either a bank guarantee or a bank draft in favour of the Employer) for an amount equivalent of 3 % of the contract price. The Performance Security shall be valid till the expiry of the period of maintenance of the work, specified in Clause 12. Failure of the successful Bidder to furnish performance security and to sign the agreement within the period stipulated shall constitute sufficient grounds for annulment of award and debarring the bidder from participation in bidding for works by the Employer for a period of one year, in which case the Employer may make the award to the next lowest evaluated bidder or seek quotations afresh.

**12. Period of Maintenance:**

The “Period of Maintenance” for the work is six months from the date of taking over possession or one full monsoon season whichever occurs later. During the period of maintenance, the contractor will be responsible for rectifying any defects in construction free of cost to the Employer.

**13.** Supply of all construction materials including cement and steel as per the specifications (ISI certification marked goods wherever available) shall be the responsibility of the contractor. Employer will not issue any material/equipment.

.....





## **SECTION - B**

- 1. Format for Qualification Information.**
- 1. Format for Submission of Quotation.**
- 1. Format of Letter of Acceptance.**

## QUALIFICATION INFORMATION

### 1 For Individual Bidders

1.1 Principal place of business: \_\_\_\_\_

Power of attorney of signatory of Quotation.  
*[Attach copy]*

1.2 Total value of Civil Engineering construction work performed in the last three years (in Rs. Lakhs)

	20	
	20	
	20	

1.3 Work performed as prime contractor (in the same name) on works of a similar nature over the last three years.

---

<u>Project Name</u>	<u>Name of Employer</u>	<u>Description of work</u>	<u>Contract No.</u>	<u>Value of contract (Rs. Lakhs)</u>	<u>Date of issue of work order</u>	<u>Stipulated period of completion</u>	<u>Actual date of completion*</u>	<u>Remarks explaining reasons for delay and work completed</u>
---------------------	-------------------------	----------------------------	---------------------	--------------------------------------	------------------------------------	--	-----------------------------------	--

---

Existing commitments and on-going works:

---

Description of Work	Place & State	Contract No. & Date	Value of Contract (Rs. Lakhs)	Stipulated period of completion	Value of works* remaining to be completed (Rs. Lakhs)	Anticipated date of completion
(1)	(2)	(3)	(4)	(5)	(6)	(7)

---

\* *Enclose a certificate from the Engineer concerned for completion as well as value of pending works.*

**1.4** Proposed subcontracts and firms involved.

Sections of the works	Value of Sub-contract	Sub-contractor (name & address)	Experience in similar work
*	*	*	*
*	*	*	*
*	*	*	*
*	*	*	*

**1.5** Evidence of access to financial resources to meet the requirements of working capital: cash in hand, lines of credit, etc. List them below and attach copies of support documents.

**1.6** Name, address, and telephone, telex, and fax numbers of the Bidders' bankers who may provide references if contacted by the Employer.

**1.7** Information on litigation history in which the Bidder is involved.

Name of the work	Agreement number/date	Name & address of Employer	Contract Value in Rs	Cause of dispute	Amount Disputed	Remarks showing present status

# Letter of Quotation–Technical Part

*The Bidder must prepare the Letter of Quotation on stationery with its letterhead clearly showing the Bidder's complete name and address. The italicized text is for Bidder's guidance in preparing these forms and shall be deleted from the final products.*

Description of the Works\*: .....  
RFQ No.: ..... [insert identification]  
Our Reference: No..... Dated.....

To: (Employer's name and address)

Subject : Construction of.....  
.....

Reference : Letter No.....dated.....from.....

Sir,

1. We, the undersigned, hereby submit our Quotation in two parts, namely:

- (a) Technical Part; and
- (b) Financial Part

2. In submitting our Quotation, we make the following declarations:

- (a) **No reservations:** We have examined and have no reservations to the RFQ document;
- (b) **Conformity:** We offer to execute the subject work in conformity with the RFQ document and in accordance with the Period of Completion specified in Section A.;
- (c) **Quotation Validity Period:** Our Quotation shall be valid for the period of 45 days, from the deadline fixed for the Quotation submission;
- (d) **Eligibility:** We meet the eligibility requirements and have no conflict of interest, we are not participating in more than one quotation in this bidding process, and we have not been temporarily suspended or debarred by the World Bank.
- (e) **Fraud and Corruption:** We hereby certify that we have taken steps to ensure that no person acting for us or on our behalf will engage in any type of corrupt, fraudulent, collusive, coercive, or obstructive practices.
- (f) **ESHS/GBV Compliance:** We hereby undertake to comply with (i) the applicable Laws/ Rules/ Regulations for protection of environment, public health and safety; (ii) the regulatory authority conditions (if any) attached to any permits or approvals for the project; and (iii) the Management Strategies and Implementation Plan (MSIP) to manage the Environmental, Social (including sexual exploitation and abuse (SEA) and gender

based violence (GBV)), Health and Safety (ESHS) risks, and ESHS Code of Conduct, (if any prescribed by the Employer ), that will apply to us, our employees and all subcontractors.

Yours faithfully,

Authorized Signature : Date: \_\_\_\_\_

Name & Title of Signatory : \_\_\_\_\_

In the capacity of *[insert legal capacity of person signing the Letter of Quotation]*

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

Address : \_\_\_\_\_

Dated on \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ *[insert date of signing]*

\* ***To be filled in by the Employer before issue of the Letter of Invitation.***

\*\* ***To be filled in by the Bidder, together with his particulars and date of submission at the bottom of this Form.***

# Letter of Quotation–Financial Part

*The Bidder must prepare the Letter of Quotation on stationery with its letterhead clearly showing the Bidder's complete name and address. The italicized text is for Bidder's guidance in preparing these forms and shall be deleted from the final products.*

Description of the Works\*: .....

RFQ No.: ..... *[insert identification]*

Our Reference: No..... Dated.....

To:

(Employer's name and address)

Subject: Construction of.....

Sir,

1. We, the undersigned, hereby submit the second part of our Quotation, the Financial Part including the Quotation Price and Bill of Quantities. In submitting our Financial Part we make the following additional declarations:

(a) **Validity:** Our Quotation shall be valid for the period of 45 days from the deadline fixed for the Quotation submission;

(b) **Quotation Price:** The total price of our Quotation including any unconditional discounts, offered in accordance with the Conditions of Contract is at ..... percentage above / below the estimated rates, i.e., for a total Contract Price of –

Rs. \*\* \_\_\_\_\_ [in figures]

Rs. \_\_\_\_\_ [in words];

(c) **Commissions, gratuities and fees:** We have paid, or will pay the following commissions, gratuities, or fees with respect to the Bidding process or execution of the Contract: *[insert complete name of each Recipient, its full address, the reason for which each commission or gratuity was paid and the amount and currency of each such commission or gratuity. If none has been paid or is to be paid, indicate "none."]*

Yours faithfully,

Authorized Signature

Name & Title of Signatory \_\_\_\_\_

In the capacity of *[insert legal capacity of person signing the Letter of Quotation]*

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

Address \_\_\_\_\_

Dated on \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ *[insert date of signing]*

***To be filled in by the Employer before issue of the Letter of Invitation.***

**\*\* *To be filled in by the Bidder, together with his particulars and date of submission at the bottom of this Form.***



**LETTER OF ACCEPTANCE  
CUM NOTICE TO PROCEED WITH THE WORK**

**(LETTERHEAD OF THE EMPLOYER)**

Dated: \_\_\_\_\_

To: \_\_\_\_\_ [Name and address of the Contractor]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dear Sirs,

This is to notify you that your quotation dated \_\_\_\_\_ for execution of the \_\_\_\_\_ for the contract price of Rupees \_\_\_\_\_ [amount in words and figures], is hereby accepted by us.

You are hereby requested to furnish performance security for an amount of Rs. \_\_\_\_\_ (equivalent to 3% of the contract price) within 15 days of the receipt of the letter. The Performance Security in the form of Bank guarantee or a Bank draft in favour of..... (Employer) shall be valid till the expiry of the period of maintenance i.e. up to \_\_\_\_\_. Failure to furnish the Performance Security will entail cancellation of the award of contract.

You are also requested to sign the agreement form and proceed with the work not later than \_\_\_\_\_ under the instructions of the Engineer, \_\_\_\_\_ and ensure its completion within the contract period.

With the issuance of this acceptance letter and your furnishing the required Performance Security, the contract, for the above said work, stands concluded.

Yours faithfully,

**Authorized Signature  
Name and title of Signatory of Employer**

# Draft Contract Agreement form for Construction through National Shopping

## ARTICLES OF CONTRACT AGREEMENT

1. This deed of agreement is made in the form of agreement on \_\_\_\_\_ day \_\_\_\_\_ month \_\_\_\_\_ 20\_\_\_\_, between the \_\_\_\_\_ (Employer) or his authorized representative (hereinafter referred to as the first party) and \_\_\_\_\_ (Name of the Contractor), S/O \_\_\_\_\_ resident of \_\_\_\_\_ (hereinafter referred to as the second party), to execute the work of construction of \_\_\_\_\_ (hereinafter referred to as works) on the following terms and conditions.

### 2. Contract Price

The total Contract Price for the works (hereinafter referred to as the “total price”) is Rs. \_\_\_\_\_ as reflected in Annexure - 1.

### 3.1 Payments under its contract:

Payments to the second party for the construction work will be released by the first party in the following manner:-

--	--

On signing of agreement	:	10% of total cost, as interest free advance against receipt of an unconditional bank guarantee from the Contractor for an equivalent amount valid up to the Intended Completion Date, in the format attached.
On reaching plinth level (first stage)	:	25% of the total cost
On reaching lintel level (second stage)	:	25% of the total cost
On reaching roof level (third stage)	:	20% of the total cost
Plastering and completion of whole work (fourth stage)	:	20% of the total cost

*(Note-The above payment term is a sample from construction of a small school building; modify the payment terms suitably as required for the work under this contract)*

### 3.2 Payments at each stage will be made by the first party:

- (a) on the second party submitting an invoice for an equivalent amount;

- (b) on certification of the invoice (except for the first installment) by the engineer nominated by the first party with respect to quality/quantity of works executed in the format in Annexure - 2; and
- (c) upon proper and justified utilization of at least 50 % of the previous installment and 100 % of any prior installment.
- (d) Payments shall be adjusted for deductions for advance payments, recoveries if any in terms of the contract, and taxes at source, as applicable under the law.
- (e) The advance (if availed by the contractor) shall be repaid with percentage deductions from the interim payments, commencing with the next Interim Payment at the rate of 20 percent of the amounts of all Interim Payment Certificates until the advance has been repaid, provided that the advance shall be completely repaid prior to the expiry of the Intended Completion Date. The Bank Guarantee shall remain effective until the advance payment has been fully repaid.

#### **4. Notice by Contractor to Engineer**

The second party, on the works reaching each stage of construction, issue a notice to the first party or the Engineer nominated by the first party (who is responsible for supervising the contractor, administering the contract, certifying the payments due to the contractor, issuing and valuing variations to the contract, awarding extensions of time etc.), to visit the site for certification of stage completion. Within 15 days of the receipt of such notice, the first party or the engineer nominated by it, will ensure issue of stage completion certificate after due verification.

#### **5. Completion time**

The works should be completed in \_\_\_\_\_ (months/weeks/days) from the date of this Agreement. In exceptional circumstances, the time period stated in this clause may be extended in writing by mutual consent of both the parties.

- 6.** If any of the compensation events mentioned below would prevent the work being completed by the intended completion date, the first party will decide on the intended completion date being extended by a suitable period:
- a) The first party does not give access to the site or a part thereof by the agreed period.
  - b) The first party orders a delay or does not issue completed drawings, specifications or instructions for execution of the work on time.

- c) Ground conditions are substantially more adverse than could reasonably have been assumed before issue of letter of acceptance and from information provided to second party or from visual inspection of the site.
  - d) Payments due to the second party are delayed without reason.
  - e) Certification for stage completion of the work is delayed unreasonably.
7. Any willful delay on the part of the second party in completing the construction within the stipulated period will render him liable to pay liquidated damages. @ Rs. \* \_\_\_\_\_ per day which will be deducted from payments due to him. The first party may cancel the contract and take recourse to such other action as deemed appropriate once the total amount of liquidated damages exceeds 3 % of the contract amount.

*(Note: The amount of liquidated damages per day should be determined between 0.05 to 0.1% of the contract value of the works per day and indicated here).*

## **8. Duties and responsibilities of the first party**

- 8.1 The first party shall be responsible for providing regular and frequent supervision and guidance to the second party for carrying out the works as per specifications. This will include written guidelines and regular site visit of the authorized personnel of the first party, for checking quality of material and construction to ensure that it is as per the norms.
- 8.2 The first party shall supply 3 sets of drawings, specifications and guidelines to the second party for the proposed works.
- 8.3 Possession of the site will be handed over to the second party within 10 days of signing of the agreement.
- 8.4 The Engineer or such other person as may be authorized by the first party shall hold meeting once in a fortnight/month (*Choose one option*) where the second party or his representative at site will submit the latest information including progress report and difficulties if any, in the execution of the work. The whole team may jointly inspect the site on a particular day to take stock of activities.
- 8.5 The Engineer shall record his observations/instructions at the time of his site visit in a site register maintained by the second party. The second party will carry out the instructions and promptly rectify any deviations pointed out by the engineer. If the deviations are not rectified, within the time specified in the Engineer's notice, the first party as well as the engineer nominated by it, may instruct stoppage or suspension of the construction. It shall thereupon be open to the first party or the engineer to have the deviations rectified at the cost of the second party.

## **9. Duties and responsibilities of the second party**

### **9.1** The second party shall:

- a) take up the works and arrange for its completion within the time period stipulated in Clause 5;
- b) employ suitable skilled persons to carry out the works;
- c) regularly supervise and monitor the progress of work;
- d) abide by the technical suggestions/direction of supervisory personnel including engineers etc. regarding building construction;
- e) be responsible for bringing any discrepancy to the notice of the representative of the first party and seek necessary clarification;
- f) ensure that the work is carried out in accordance with specifications, drawings and within the total of the contract amount without any cost escalation;
- g) keep the first party informed about the progress of work;
- h) be responsible for all security and watch and ward arrangements at site till handing over of the building to the first party; and
- i) maintain necessary insurance against loss of materials/cash, etc. or workman disability compensation claims of the personnel deployed on the works as well as third party claims.
- j) Pay all duties, taxes and other levies payable by construction agencies as per law under the contract (First party will effect deduction (TDS) from running bills in respect of such taxes as may be imposed under the law).

## **10. Variations / Extra Items**

The works shall be carried out by the second party in accordance with the approved drawings and specifications. However, if, on account of site conditions or any other factors, variations are considered necessary, the following procedure shall be followed:-

- a) The second party shall provide the Engineer with a quotation for carrying out the Variation when requested to do so by the Engineer. The Engineer shall assess the quotation, which shall be given within seven days of the request before the Variation is ordered.
- b) If the quotation given by the second party is unreasonable, the Engineer may order the Variation and make a change to the Contract Price which shall be

based on Engineer's own forecast of the effects of the Variation on the Contractor's costs.

- c) The second party shall not be entitled to additional payment for costs which could have been avoided by giving early warning.

## **11. Securities**

The Performance Security (Bank Guarantee from a Nationalized or Scheduled Bank in India in the format attached) shall be provided to the Employer no later than the date specified in the Letter of Acceptance and shall be issued in an amount and form and by a bank or surety acceptable to the Employer. 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.

## **12. Termination**

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

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

- (a) the contractor stops work for 28 days and the stoppage has not been authorized by the Engineer;
- (b) the Contractor has become bankrupt or goes into liquidation other than for a reconstruction or amalgamation;
- (c) the Engineer 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 Engineer;
- (d) the Contractor does not maintain a security which is required;
- (e) 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 Clause 7 of this agreement

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

**12.4** 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.

## **13. Payment upon Termination**

**13.1** If the Contract is terminated because of a fundamental breach of Contract by the Contractor, the Engineer shall issue a certificate for the value of the work done less advance payments received up to the date of the issue of the certificate, less other

recoveries due in terms of the contract, less taxes due to be deducted at source as per applicable law.

- 13.2** If the Contract is terminated at the Employer's convenience, the Engineer shall issue a certificate for the value of the work done, 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, less other recoveries due in terms of the contract and less taxes due to be deducted at source as per applicable law.

**14. Dispute settlement**

If over the works, any dispute arises between the two parties, relating to any aspects of this Agreement, the parties shall first attempt to settle the dispute through mutual and amicable consultation.

In the event of agreement not being reached, the matter will be referred for arbitration by a Sole Arbitrator not below the level of retired Superintending Engineer, PWD to be appointed by the first party. The Arbitration will be conducted in accordance with the Arbitration and Conciliation Act, 1996. The decision of the Arbitrator shall be final and binding on both the parties. The Arbitrator shall give his award/decision within 60 days of start of proceedings.

The Priced Bill of Quantities (Annexure 1), Format of Certificate (Annexure 2) and Specification and Drawings (Annexure 3) are attached.

Signed and delivered by Sri. \_\_\_\_\_ for and on behalf of the Contractor  
In the presence of the Witness:

i)

ii)

**SIGNATURE**

Signed and delivered by Sri \_\_\_\_\_ Deputy Executive Engineer/Executive Engineer/Superintending Engineer \_\_\_\_\_ of \_\_\_\_\_ for an on behalf of the Government.

In the presence of the Witness:

i)

ii)

**SIGNATURE**





**Format of certificate**

Certified that the works up to ----- stage (as defined in Clause 3.1 of the Agreement) in respect of construction of ----- at ----- have been executed satisfactorily in accordance with the terms and conditions of the agreement and as per approved drawings and technical specifications.

Signature  
Name & Designation

(Official address)  
Place:  
Date:

Office seal

**Specification and Drawings**

*[IA should insert Specification and Drawings here.]*

**BANK GUARANTEE FOR ADVANCE PAYMENT**

To: \_\_\_\_\_ *[name of Employer]*  
\_\_\_\_\_ *[address of Employer]*  
\_\_\_\_\_ *[name of Contract]*

Gentlemen:

In accordance with the provisions of the Conditions of Contract, sub-clause 3.1 of the above-mentioned Contract, \_\_\_\_\_ *[name and address of Contractor]* (hereinafter called "the Contractor") shall deposit with \_\_\_\_\_ *[name of Employer]* a bank guarantee to guarantee his proper and faithful performance under the said Clause of the Contract in an amount of \_\_\_\_\_ *[amount of guarantee]*<sup>1</sup> \_\_\_\_\_ *[in words]*.

We, the \_\_\_\_\_ *[bank or financial institution]*, as instructed by the Contractor, agree unconditionally and irrevocably to guarantee as primary obligator and not as Surety merely, the payment to \_\_\_\_\_ *[name of Employer]* on his first demand without whatsoever right of objection on our part and without his first claim to the Contractor, in the amount not exceeding \_\_\_\_\_ *[amount of guarantee]*<sup>4</sup> \_\_\_\_\_ *[in words]*.

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

This guarantee shall remain valid and in full effect from the date of the advance payment under the Contract until \_\_\_\_\_ *[name of Employer]* receives full repayment of the same amount from the Contractor.

Yours truly,

Signature and seal: \_\_\_\_\_  
Name of Bank/Financial Institution: \_\_\_\_\_  
Address: \_\_\_\_\_  
Date: \_\_\_\_\_

<sup>4</sup> An amount shall be inserted by the bank or financial institution representing the amount of the Advance Payment, and denominated in Indian Rupees.

**PERFORMANCE BANK GUARANTEE**  
*(To be given from a nationalized or scheduled bank in India)*

To: \_\_\_\_\_ *[name of Employer]*  
\_\_\_\_\_ *[address of Employer]*

WHEREAS \_\_\_\_\_ *[name and address of Contractor]*  
(hereinafter called "the Contractor") has undertaken, in pursuance of Contract No. \_\_\_\_\_  
dated \_\_\_\_\_ to execute \_\_\_\_\_ *[name of Contract and*  
*brief description of Works]* (hereinafter called "the Contract");

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

AND WHEREAS we have agreed to give the Contractor such a Bank Guarantee;

NOW THEREFORE we hereby affirm that we are the Guarantor and responsible to you, on behalf of the Contractor, up to a total of \_\_\_\_\_ *[amount of guarantee]*<sup>1</sup> \_\_\_\_\_ *[in words]*, such sum being payable in the types and proportions of currencies in which the Contract Price is payable, and we undertake to pay you, upon your first written demand and without cavil or argument, any sum or sums within the limits of \_\_\_\_\_ *[amount of guarantee]*<sup>1</sup> as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

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

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

This guarantee shall be valid until 28 days from the date of expiry of the Defects Liability Period.

Signature and seal of the guarantor \_\_\_\_\_  
Name of Bank \_\_\_\_\_  
Address \_\_\_\_\_  
Date \_\_\_\_\_